
Resource Centre

Financial Rules

Purpose of Financial Rules

The purpose of these rules is to ensure proper control of the Centre's finances.

Wherever practicable, tasks are separated so that each transaction is completed by more than one person in order to provide a built-in checking process.

1. Bank accounts

- a) The Resource Centre has a current cheque account and a deposit account;
- b) All income and expenditure must be transacted through the current account: money paid into or drawn from the deposit account must pass through the current account as a transfer;
- c) All members of staff are signatories to the accounts in order to facilitate the team method of work organisation and meet the needs of a trading organisation;
- d) Every payment for goods and services and standing orders for staff wages must be in accordance with the budget agreed by the Management Committee;
- e) Cheque books must be kept locked in the secure cupboard.
- f) A bank reconciliation of both accounts must be carried out monthly.

2. Invoicing and credit

- a) The Front Desk is responsible for recording each group's use of equipment and services;
- b) The Front Desk must issue each user with a numbered VAT invoice or debit their monthly account (as appropriate);
- c) There is a general credit limit of £50-00 but groups are encouraged to settle invoices immediately unless they have a monthly account which has been authorised by the staff team;
- d) Groups with a monthly account may be given a credit limit of up to £200-00 according to their needs and credit-worthiness;
- e) The Front Desk sends out invoices for monthly accounts;
- f) At the end of the month, the Front desk chases up unpaid invoices.

3. Income

- a) Payments received by post are recorded in the post day book and passed to the Front Desk;
- b) All incoming cash and cheques and records of BACS payment are handled by the Front Desk and recorded on the income day sheet;
- c) At the end of each day, the Front desk reconciles the cash and cheques in the cash tin with the invoices and the income day sheet and the tin is locked in the secure cupboard.
- d) At the beginning of each week, the Finance section checks the income against the records and pays all incoming cash and cheques into the bank;
- e) Full details of all income invoices are recorded weekly in the income section of the computerised cash analysis book.

4. Stock control and ordering

- a) Stock checks are carried out monthly by the Front desk and stock items ordered to bring stock up to the agreed levels;
- b) Orders for non-stock items must be agreed by the staff team which must take into account the overall financial position and the cash-flow situation;
- c) No order above £500-00 for capital equipment or repairs to premises and equipment shall be made without the approval of the chair of the Management Committee unless the specific item of expenditure has been shown in the budget;
- d) No order above £1,500-00 shall be placed without the approval of a meeting of the Management Committee, unless the specific item of expenditure has been shown in the budget;
- e) Goods received must be checked by the Front Desk and order forms and delivery notes/repair dockets passed to the Finance section;
- f) The Front Desk is responsible for dealing with suppliers in connection with the non-arrival of orders or the supply of damaged or unsatisfactory goods;
- g) The Finance section must check invoices against delivery notes and repair dockets before making payments.

5. Payments by cheque

- a) No cheque must be signed without documentation to support the payment;
- b) Two signatories are required on each cheque;
- c) No blank cheque must be ever signed by any signatory;
- d) No staff member must sign a cheque payable to themselves;

- e) Cheque stubs must be completed at the time of payment;
- f) Details of the cheque number, date, and analysis heading (expenditure category) must be recorded on the firm's invoice/statement, and initialled by the Finance worker;
- g) Full details of all cheque payments are recorded weekly in the expenditure section of the computerised cash analysis book.

6. Payments by internet banking

- a) The above rules for payments by cheque apply to payments by internet;
- b) An Internet Payment Requisition must be completed and signed by two signatories; and attached to the firm's invoice/statement;
- c) Internet Payment Requisitions for NIC and Tax payments should be filed in the Inland Revenue payments file.

7. Standing Orders

- a) The above rules for payments by cheque apply to payments by standing orders;
- b) When setting up or amending a standing order by post, the bank's standing order form must be signed by two signatories and a copy kept on file;
- c) When setting up or amending a standing order by internet banking, an Internet Payment Requisition must be completed and signed by two signatories.

8. Petty cash

- a) An imprest of £120-00 is maintained for small payments such as bus fares, local purchases of tea & coffee and items for equipment repairs, and Management Committee expenses;
- b) Cash must be drawn from the bank to make up the imprest;
- c) Expenses above £40-00 will be paid by cheque, with the exception of casual wages if the casual worker requests payment by cash;
- d) Payments are recorded on a signed petty cash slip and will only be made if a receipt or other docket is provided;
- e) The petty cash slip must be initialled by the claimant and by the Finance worker;
- f) The petty cash tin is to be kept locked in the secure cupboard at all times;
- g) Petty cash records are entered weekly on computer.

9. Staff wages

- a) When collecting wages paid in cash, staff should check the payment and must sign the wages record sheet.

10. Cash-flow

- a) The Finance section must draw up a weekly Running Balance sheet and check the financial position against the cash-flow forecast for the quarter;
- b) The cash-flow forecast for the quarter must be amended in the light of any subsequent additional income received or expenditure agreed.

11. Reports

- a) The Finance section must produce a report at the end of quarter detailing income and expenditure to date, the projected out-turn for the year with a budget comparison and a cash-flow forecast.

This report should be prepared by a Finance worker other than the one responsible for the day-to-day transactions during the month in question;

- b) The staff team must scrutinise the quarterly report. The team must check the accuracy of the report, including occasional checks of the transaction records against primary documents, and assess the feasibility of the projections;
- c) The quarterly report will be presented to the Management Committee.