



A really useful place for community groups

Prior House, 6 Tilbury Place, Brighton, BN2 0GY | 01273 606160
info@resourcecentre.org.uk | www.resourcecentre.org.uk
[fb.com/resourcecentrebh](https://www.facebook.com/resourcecentrebh) | [@ResourceCtrBH](https://twitter.com/ResourceCtrBH)

Financial Rules

The Financial Rules will be reviewed every two years by the Management Committee and Staff Team. The Rules were reviewed in March 2023

The Financial Rules may be amended at any time in order to meet new circumstances, subject to approval by the Management Committee. The Rules were amended in June 2023.

Signed:

Date:

Director of B&H SWET Ltd (the employer)

1. Purpose of Financial Rules

- 1.1. The purpose of these rules is to ensure proper control of the Centre's finances.
- 1.2. 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.

2. Bank accounts

- 2.1. The Resource Centre has a current and a deposit account;
- 2.2. All income and expenditure will be transacted through the current account: money paid into or drawn from the deposit account must pass through the current account as a transfer;
- 2.3. 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;
- 2.4. Every payment for goods, services and staff wages will be in accordance with the budget agreed by the Management Committee;
- 2.5. A bank reconciliation of both accounts will be carried out monthly.

3. Savings account

- 3.1. A savings account is held to maximise the amount of interest received on Resource Centre reserves.
- 3.2. 90 days' notice is required to withdraw funds from the account.
- 3.3. The finance workers will monitor the expected cash-flow to ensure there are always enough funds in the current and deposit account to meet financial liabilities.
- 3.4. Four members of staff along with the Chair of the Management Committee (if required by the institution where the account is held) are signatories to the account, and all transactions require two signatories.
- 3.5. The account will be reconciled monthly, with the current and deposit accounts.

4. Invoicing and credit

- 4.1. The front desk is responsible for recording each group's use of equipment and services;
- 4.2. The front desk will issue each user with a numbered VAT invoice or debit their monthly account;
- 4.3. There is a general credit limit of £50.00 but groups are encouraged to settle invoices immediately;
- 4.4. For certain groups the staff team may authorise a credit limit of up to £500.00 according to the groups' needs and credit-worthiness;
- 4.5. All invoices are considered to be overdue if they haven't been paid within 2 weeks;
- 4.6. Regular users may open a monthly account if this is authorised by the staff team;
- 4.7. Groups will only be given credit if they provide a bonafide name, address, email address, and phone number;

- 4.8. The front desk will send out invoices for monthly accounts;
- 4.9. Once a month the front desk workers will chase up unpaid invoices.

5. Income

- 5.1. Payments received by post will be processed by the front desk;
- 5.2. All incoming cash and cheques are handled by the front desk and will be recorded on the income day sheet;
- 5.3. All BACS payments for payment of invoices will be processed by the front desk or a finance worker - at least once a week the bank account will be checked and any BACS payments received will be recorded on the relevant invoices and passed to finances;
- 5.4. All card payments for invoices or equipment hire deposits will be processed by the front desk;
 - 5.4.1. Deposits received by card payment will be paid back onto the same card when the equipment has been returned
- 5.5. At the end of each week the front desk will reconcile the cash tin, cheques received and card payments received against the database income records and enter them on the weekly income sheet. The cash tins, phone and card payment terminal will be kept in the front desk draws during the week but kept locked in the secure drawer over the weekend.
- 5.6. Once a week, the finance section will check the previous week's income against the records and ensure that all incoming cheques are paid into the bank either by visiting the bank or via the banking app. Incoming cash may be paid into the bank or, where appropriate, transferred to petty cash, in which case a clear record of the transfer will be made.
- 5.7. Full details of all income invoices will be recorded weekly in the income section of the accounts.
- 5.8. When payments are received in error (eg when an invoice is paid twice) the finance workers will contact the group to arrange to refund the money. If the group does not respond, the payment will be recorded as Miscellaneous income as follows:
 - 5.8.1. For amounts up to £10 at least two attempts will be made to contact the group, then the finance workers will wait 1 month before recording the payment as miscellaneous income
 - 5.8.2. For amounts up to £50 at least two attempts will be made to contact the group, then the finance workers will wait 3 months before recording the payment as miscellaneous income
 - 5.8.3. For amounts over £50 at least four attempts will be made to contact the group, then the finance workers will wait 1 year before recording the payment as miscellaneous income.

Any money that has not been repaid to a group will be recorded in the group notes on the database.

6. Stock control and ordering

- 6.1. Stock checks will be carried out monthly by the front desk and stock items ordered to bring stock up to the agreed levels;
- 6.2. Orders for non-stock items will be agreed by the staff team which must take into account the overall financial position and the cash-flow situation;

- 6.3. Goods received will be checked by the front desk and order forms and delivery notes/repair dockets passed to the finance section;
- 6.4. 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;
- 6.5. The finance section will check invoices against delivery notes and repair dockets before making payments.

7. All payments

- 7.1. All payments must be authorised as follows:
 - 7.1.1. One signature is required for payments below £50.00, UNLESS they are for a NEW item of equipment that has not been specified in the budget or agreed by the workers group;
 - 7.1.2. Two signatures are required for payments of £50.00 or more, UNLESS they are for a NEW item of equipment that has not been specified in the budget or agreed by the workers group, in which case they must be agreed by the workers group;
 - 7.1.3. Two signatures are required for all purchases above £100.00 and must be agreed by the workers group, if the expenditure was not specified in the budget.
 - 7.1.4. All purchases above £1,000.00 must be approved by the chair of the management committee unless the specific item of expenditure has been shown in the budget;
 - 7.1.5. All purchases above £2,000.00 must be approved by a meeting of the management committee, unless the specific item of expenditure has been shown in the budget;
- 7.2. No payment will be signed without supporting documentation;
- 7.3. No staff member will sign a payment payable to themselves;
- 7.4. All requests from suppliers to change their bank details will be verified by finances staff contacting the supplier through existing channels.
- 7.5. Payments by cheque
 - 7.5.1. No blank cheque will ever be signed by any signatory;
 - 7.5.2. Cheque stubs will be completed at the time of payment;
 - 7.5.3. Details of the cheque number, date, and analysis heading (expenditure category) will be recorded on the firm's invoice/statement, and initialled by the finance worker;
 - 7.5.4. Full details of all cheque payments will be recorded weekly in the expenditure section of the accounts.
- 7.6. Payments by Debit Card
 - 7.6.1. Each front desk worker will be issued with a Debit Card in their name;
 - 7.6.2. For each payment, a requisition form will be completed, signed by one or two signatories as appropriate and attached to the firm's invoice/statement/payment confirmation.
- 7.7. Payments by internet banking
 - 7.7.1. For each payment, a requisition form will be completed, signed by one or two signatories as appropriate and attached to the firm's invoice/statement/payment confirmation.

7.8. Direct Debits and Standing Orders

7.8.1. When setting up or amending a direct debit or standing order, direct debit / standing order form will be signed by two signatories and a copy kept on file;

7.9. Petty cash

7.9.1. An imprest of £200.00 is maintained for small payments such as bus fares, local purchases of tea & coffee and items for equipment repairs, casual wages, and management committee expenses;

7.9.2. Cash will be drawn from the bank to make up the imprest;

7.9.3. Expenses above £60.00 will be paid by cheque or BACS, with the exception of payment for print service work or if the contractor requests payment by cash;

7.9.4. Payments will be recorded on a signed petty cash slip and only be made if a receipt or other docket is provided - the petty cash slip will be initialled by the claimant and payments of £50.00 or more will be authorised by the finance worker;

7.9.5. The petty cash tin is to be kept locked in the secure drawer at all times;

7.9.6. Petty cash records are entered weekly onto the accounts.

8. Fraud and cybercrime

The Resource Centre is aware of the risk of fraud and cybercrime and our practice complies with the principles set out in the Charity Commission document 'Protect your charity from fraud and cybercrime' published in October 2019.

We are guided by the principles that

- ✓ Fraud will always happen – simply being a charity is no defence.
- ✓ Fraud threats change constantly.
- ✓ Prevention is (far) better than cure.
- ✓ Anti-fraud responses should be proportionate to the charity's size, activities and fraud risks.
- ✓ Fighting fraud is a job for everyone.

In particular staff are aware of the need

- ✓ To confirm accurate account details when appointing a new supplier.
- ✓ To be aware of suspicious looking links.
- ✓ To ensure all computers use the latest anti-virus software.
- ✓ To create strong passwords.

9. Staff wages and pensions

9.1. Staff can choose to be paid weekly or monthly. Weekly paid workers are paid every Tuesday and monthly paid staff are paid on the 15th of the month or the previous Friday if the 15th falls on a weekend.

9.2. All staff are enrolled into a NEST pension scheme and can choose to opt out if they wish to.

9.3. Wages are paid by BACS and payments are prepared a week in advance.

- 9.4. Pension contributions are collected by NEST via Direct Debit.
- 9.5. Payments to HMRC for Tax and NIC are made monthly by BACS.

10. Reports

- 10.1. The finance section will maintain a weekly running balance and produce a report at the end of quarter detailing income and expenditure to date and the projected out-turn for the year with a budget comparison.
- 10.2. The staff team will scrutinise the quarterly report and assess the feasibility of the projections;
- 10.3. The quarterly report will be presented to the management committee.