

SHARP



SEDFORD HISTORICAL AND
ARCHAEOLOGICAL RESEARCH PROJECT

Financial Procedures

FINANCIAL PROCEDURES

SHARP will be used as a day-to-day acronym for the full title

1. General Rules

Financial records will be kept so that the Trustees can:

- meet their legal obligations, e.g. Charities Act, Companies Act
- monitor and plan the finances of the organisation
- meet the contractual obligations and requirements of funders – all funding bids should be submitted with the full approval of the committee and a full budget and copy of the application to be shared with all trustees and kept by the Treasurer

The Trustees should ensure that the organisation keeps proper books of account, which will include:

- Quick Books Online (QBO) computerised accounts, analysing all the transactions from and to the organisation's bank account(s), and showing transactions on restricted funds; this will be linked to the bank account and made accessible to the external accountant.
- an asset register
- a petty cash book

The financial year will end **on 28th September**

Accounts will be drawn up after each financial year within 6 months of the end of the year. These will be presented, after audit or independent examination to the Annual General Meeting having been previously approved at a meeting of the Trustees.

Before the start of each financial year the Trustees will discuss and approve a properly costed budget for the following year.

A report comparing actual income and expenditure with the budget will be presented to the Trustees at their meetings held every 4-6 weeks.

The AGM will appoint an appropriately qualified auditor/independent examiner to audit/independently examine the accounts if required by law, by the constitution / memorandum and articles or a funder.

Members of the SHARP finance committee, which will include those on the bank mandate, will also carry out random spot inspections of the accounts, to check for spurious and unusual payments.

2. Money Control

Cash is one of SHARP's assets, appropriate procedures should be followed to ensure that it is safeguarded and only used for genuine expenditure.

a. Bank Accounts

The organisation will bank with Barclays Bank where the accounts will be in the name of sharp. The following accounts will be maintained:

(1) Barclays Bank, Kings Lynn - Sedgeford Historical and Archaeological Research Project

No other accounts will be held at any other bank or financial institution

a. Cash / Cheque Receipts

Care should be taken to ensure that once funds are received into the control of the organisation, their continued security is maintained.

Money received should be deposited at the bank at least weekly, or if current holding exceeds £500. A duplicated receipt should be given for all cash income. No money should be held back to “feed” petty cash.

All cash and cheques received by post should be listed as soon as they arrive.

The paying in book should be completed accurately, and the detail of the individual items deposited as part of the totals should be filled in on the counterfoil or banking sheet.

Cash or cheques should be placed in a safe or locked cash book if they cannot be banked on the day of receipt.

If a large amount of cash income is received, e.g. from a fund-raising event two people should count it and sign a sheet confirming the amount.

All documentation (e.g. the terms and conditions of a grant) relating to income should be kept and filed.

b. Payment by cheque

Money will only be spent to meet the conditions and requirements of the funders within the objectives of the constitution.

Cheque books should be stored in a secure place, and the Treasurer will be responsible for holding the cheque books (both unused and partly used cheque books).

Cheques should be used sequentially, and wherever possible one cheque book used at a time.

Before a cheque is written it should be ensured that sufficient funds are available to cover the amount of the cheque.

Cheques should not be signed unless all relevant details on the cheque have been completed. Before signature, it should be ensured that the cheque details are in accordance with the invoices that have been provided with the prepared cheque.

All cheques should be signed by two authorised signatories. Blank cheques should NEVER be signed. A cheque must not be signed by the person to whom it is payable.

c. Electronic payments

Payments made directly from the bank account include direct debits, standing orders, switch payments, cashpoint withdrawals, SHARP debit card and BACS payments.

The bank mandate allows two individuals to electronically authorise payments and set up standing orders / direct debits. The individuals must be two of those named on the bank

mandate. Such payments should be discussed between members of the finance team, or committee, preferably prior to being carried out and as with all payments they should be crosschecked with receipts/invoices by other members on the mandate regularly.

It is generally discouraged for electronic payments to be made by individual team or committee members debit/credit card. However, if this is done the refund payment will be processed promptly.

3. Bank Reconciliation

As a primary means of financial control, a bank reconciliation should be produced on receipt of each bank statement. The bank statement should be initialled and dated when reconciled.

4. Petty Cash Control

The petty cash float should be kept in a secure place, and access limited to designated team members.

a. Payments by Cash

All cash payments should be from a cash float administered through QBO which is replenished from the bank account and not by the retention of incoming money. The cash float will never exceed £500

The Treasurer will be responsible for holding the petty cash tin key and for paying petty cash against a properly authorised petty cash voucher with receipt attached; during the season the day to day accounting will be delegated to trustee Terry Baxter. If a round sum is taken from petty cash to cover expenditure an IOU showing the purpose, amount, date and recipient should be signed and placed in the petty cash box. This should be replaced with a petty cash voucher once the expenditure has taken place.

All payment and topping up of petty cash will be recorded in the petty cash book.

The cash float will be counted and agreed to the cashbook on a weekly basis during the season by the Treasurer and on the last day of the financial year by the Treasurer.

No personal advances will be made.

b. Expense Claims

Expenses incurred by all members of staff, consultants, volunteers and members of the Trustees must be genuinely incurred in the performance of SHARPs duties. Expenses should not be rounded up. Expense forms should be completed and should be submitted with all relevant receipts / invoices.

All expense forms should be submitted to the Treasurer or other trustee for review and approval. The forms should be signed as evidence of this review.

The completed and approved forms shall be paid and placed in the accounts file.

c. Wages and Salaries

Personnel records will be kept for each member of staff and these should be kept separately from the pay records.

Staff appointments/departures will be authorised by the Trustees, stating the start / finish dates and salary level. Similarly all changes in paid hours and payments, such as overtime, will be authorised by the Trustees.

The Treasurer is responsible for ensuring that all relevant information is passed to CBR payroll services – (<https://www.cbrsolutions.org.uk/services/>) to enable the correct calculation of salaries.

All members of staff will be employed under a proper contract of employment and compliance with PAYE/NIC regulations ensured.

5. Review of Accounts

Statutory annual accounts will be reviewed and approved by the Trustees prior to the Annual General Meeting.

The Trustees will fully review management accounts on a 3 monthly basis. This will include a full record of all bank statements and QBO accounts for all income and expenditure.

6. Capital Expenditure

A list or register of fixed assets, buildings and equipment should be held and updated regularly including all assets donated for use by the organisation. Information held on each asset will include cost, age of asset, name and address of supplier, serial numbers, details of guarantees and its estimated length of useful life noted in order to ascertain depreciation rates.

Assets should be checked regularly and adequate insurance cover taken out.

7. Authorisation Limits

The Treasurer is authorised to place orders or commit to contracts and sign cheque requisition slips up to £500. Any order for items or services exceeding this amount should be authorised and minuted by the Trustees.

8. Other Rules

Once a year the Trustees will consider the level of reserves that it is prudent for the organisation to hold; consideration will be given to any liabilities, lease agreements and any other significant factors that should be taken into account if the organisation were to close.

The Treasurer will be responsible for taking out appropriate insurance. The Trustees will review all insurance cover at its end of season meeting every year.

These procedures will be reviewed prior to the season during an autumn meeting every year.