

Alsager Gardens Association

Financial Policy and Procedures

Introduction

Having a clear and coherent process for handling money protects the association, helps to prevent cases of fraud and means the association is transparent. It is important that those involved with the association as Officers or volunteers who may handle finances for the association have read and understood the financial policy and procedures for the association.

1. Organisational information:

Our financial year runs from 1ST January to 31st December

Our Bankers are: Nat West

The telephone number to contact is 03457 114477 (Business Accounts)

Bank Account details are

Sort 60 01 12

Account 01020420

Signatories to the account are:

David Pitt -Treasurer

Adrian Ford -Chairperson

Pauline Hubbard -Vice Chair

David Spall -Trading Secretary

Signatories will only be drawn from the Executive Committee; no two signatories may be related, and any new signatory must be approved by a meeting of the Executive Committee and recorded in the minutes for banking purposes as follows

It was resolved that

- *The signing of rules in the current mandate, for the accounts, detailed in section 2, be replaced with section 4, and/or*
- *The authorised signatories in the current mandate, for the accounts detailed in section 2, be changed in accordance with sections 5 and 6 and the current mandate will continue as amended.*

Our Accountants are: McIntosh Chartered Accountants

29 Regent Rd

Hanley

ST1 3BT

Tel 01782 207772 **email** ian@mcintosh-accountants.co.uk

2. Executive Committee

The Executive Committee is responsible for:

- Safeguarding the assets of the association
- The annual plan
- Approval of the budget
- Reserves policy
- Managing conflicts of interest
- Controls on income and expenditure

- Legacies
- Ensuring financial records are kept and approving the Annual Accounts in accordance with the constitution and relevant legislation.

3. Income processing

3.1 Cash and Cheques

Details of the cash and cheques received i.e. what it is for, who it is from, how much, is entered in to Challenge Duplicate (Blue) Book

Cash and Cheques are received from:

- Trading via the Trading Hut during scheduled trading hours, operated by a range of volunteers to an agreed rota.
- AGA memberships
- The annual Kings / KG Loach seed and potatoes orders
- Plant sales, raffle money and refreshment sales at events such as allotment open days and the annual show
- Donations, Grants and Show Sponsorship
- Plot rental

Cash and Cheques may be received directly by the Treasurer (by hand/by post) in relation to the annual plot and subs invoice. This will be entered directly onto the Analysis Summary Ledger for cross referencing and balancing of the accounts.

Cash will be counted independently by at least 2 people who will sign to confirm the amount received before being banked.

Plot and membership payments are matched against the allotment and membership schedules from which the invoices have been derived. This schedule is used for tracking payments and chasing outstanding debts.

Both cash and cheques are generally banked on a weekly basis or sooner if a considerable amount is received.

Receipts are not sent out unless specifically requested.

3.2 BACS

Notification that a BACS payment is due to be made into our bank account is usually made by way of email. This could be plot rental or a grant. Bacs payments are recorded as income within our account, grants are recorded as such and separately detailed and monitored to comply with the grant requirements.

Occasionally an amount may appear on a bank statement where no remittance advice has been received. If there is no method of tracing this income, the bank will be contacted for more information.

3.3 Invoicing

An invoice is raised for each plot /accessibility raised bed holder each year, no other invoices are generated.

Invoices are tracked by an access database and the allotment and membership schedules from which the invoices have been derived.

Standard information required on an invoice remains consistent as follows:

- Individuals Name

- Address
- Invoice Date
- Description of the Services Provided
- Cost of Services Provided
- Period Covered
- Invoice Total
- Payment Required Date
- Details of Payment Options
- Bank account detail, sort code and account number for direct bank payments

All invoices and credit notes are printed onto organisational letter headed paper
When a payment for an invoice is received by post, the details of the date paid and the payment method – i.e. BACS /cash/cheque, is written on the attached paperwork. The payment is then entered the Analysis Summary Ledger

3.4 Chasing Payments

1.Plot Rental

If plot payments are not received within the required time frame, the association will charge an additional £5.00 to the outstanding amount. If a member requests a longer pay period, this will be discussed with and agreed by, the Treasurer.

Each month the Treasurer will provide a report to the Executive Committee to ensure all invoices are up to date and that payments are being made.

Following the expiry of the due date, the Treasurer will provide a list of outstanding plot payments to the site managers for each allotment site and the site manager will chase up the outstanding plot rentals together with the associated AGA subscription.

In the event of Non-Payment of plot rent, as stated in Payment of Rent clause 1 of the Allotment Rules, the AGA shall issue a Non-Payment of Rent Notice giving 1 month for the Tenant to comply. If the Tenant does not comply by the end of this notice period, the AGA will serve an immediate Termination Notice and action the bad debt process. (see clause 14.1 a.).

Failure to provide the required notice for plot termination will leave the tenant liable to an administrative payment equal to 1/2 of the annual rental of the plot(s) held. (see clause 14.6 of the Allotment Rules)

2.Unpaid Membership Subscriptions

AGA Members who are not plot holders will not be chased for unpaid membership subscriptions. Individuals will be deemed as non-members until payment is made. Any member more than one year in arrears will not be entitled to any benefits until the outstanding arrears and the current year's subscription have been paid.

3.5 Bad Debt Process

The Executive Committee will agree to activate the Bad Debt Process.

When payment is not received in respect of goods, services, plot rentals or rental liabilities, the Secretary will write to the individual and try to resolve way forward by discussion. If an agreement cannot be reached, then the Executive Committee will assess the best action to

take e.g. legal action or bad debt write off. If legal action is considered, then the association will follow the process as detailed at <https://www.gov.uk/make-money-claim>

4. Expenditure

All those involved with the organisation need to be aware that expenditure is committed when an “order” is placed on behalf of the organisation, not when payment is requested. Therefore, it is essential that all expenditure is made within agreed budgets and delegated authorities.

4.1 Authorising the ordering of goods or services

In general, the Executive Committee will approve all proposals for expenditure at its regular monthly meetings with exceptions as detailed below. All financial decisions will be documented within the minutes of the Executive Meeting.

Should an emergency arise between Executive Meetings, which requires a commitment of expenditure, then the verbal or written approval of this expenditure must be made by a minimum of three officers of the Executive. Verbal approvals must be supported by retrospective email to the full Executive Committee. Such decisions must also be reported at the next available Executive Meeting and documented accordingly.

a). Significant Programmes of Work

From time to time the association may secure grant funding for a project or programme of work. Such funding needs to be spent in accordance with the terms and conditions of the grant. The programme of expenditure will be monitored by an agreed “Board” or the Executive Committee acting in this capacity. The Board/ Executive Committee should be made up of a minimum of 3 officers of the association and will approve all expenditure within the project as per this policy.

b). Building and Site Maintenance

1. Alsager Town Council (ATC) Maintenance Budget

The ATC provide an annual site maintenance budget as part of the deferred management agreement with the AGA.

Call off from this budget needs to comply with the ATC Financial Regulations and Procurement Policy as detailed below.

- Purchases below £1000 to be approved by the Town Clerk
- Purchases between £1000 - £5000 need to go to the Civic Services Committee for approval which meets 2 times per annum
- To demonstrate best value, three estimates/quotes are required for items between £100 and £5000. Estimates can be provided from web sites

Note: Best Value may not always be lowest price due to other identifiable factors such as local supplier, quality, additional benefits etc.

2. Emergency repairs

Emergency repairs are of small value but essential to maintain the infrastructure of the allotment site, for example a burst pipe to a toilet. Such repairs need prompt attention. The site manager should use discretion as to how to action the repair. In general, if the amount of the repair is below £50 then the site manager should proceed. If, however rectification of the emergency is likely to be of a more substantial cost then the site manager should contact an officer of the Executive to seek the appropriate approval to proceed, as detailed in 4.1 above.

c). Trading Hut Stock, the Annual Kings Seed Order and K G Loach Annual Potato Order

The Trading secretary can approve expenditure up to £2000 to provide the initial season's stock for the Trading Hut and to complete the members annual seed/potato orders and thereafter up to a maximum of £250 per order. The Trading Secretary will report on such purchases to the appropriate meeting of the Executive Committee.

d). Sundries

The purchase of stationery, paper, stamps etc up to the value of £50, in support the general running of the association may be made without prior approval. Reimbursement will only be made with the appropriate receipt.

5. Payments

Once the expenditure has been authorised, the Treasurer will enter the details into the accounts as "pending" prior to actual payment being made.

Payments will be supported by an appropriate invoice or receipt.

Payments may be made in cash or by cheque.

Cheques will be signed by two authorised signatories.

5.1 Cheques: The following controls should always be followed:

- Ensure the chequebook is kept in a place of safety
- Ensure that cheques are signed in accordance with the levels of authorisation detailed above
- Ensure all cheques are signed by two signatories, ensuring separation of duties where at all possible
- Ensure that there are enough signatories on the mandate to cover for leave
- The signatories are responsible for examining the cheque for accuracy and completeness
- Signatories must never sign blank cheques
- Signatories must never sign cheques payable to themselves
- The number of the cheque which relates to the expenditure is written on the invoice, together with the date of the cheque.

5.2 Direct Debits: Where used.

All Direct Debit mandates must be completed by the Treasurer and signed by two authorised signatories. Copies will be held on file by the Treasurer

5.3 Travel Expenses

The travel expenses for the Trading Secretary and Treasurer undertaking their official regular duties do not need prior approval. All other requests for travel expenses must be approved by the Executive Committee in advance of undertaking the journey/activity.

Refund of expenses will be based on the production of actual receipts or completion of an expense form.

6. Bank Account Reconciliations

Reconciliation between the bank statements and the transactions on the accounting system is carried out upon receipt of the monthly bank statements by The Treasurer. This involves matching all the entries on the bank statement against the entries on the association's accounting system. Any imbalances will result in a detailed search being done against each

entry not matched against the statement. Once found, the error must be corrected before continuing. Once done, the bank accounts can be reconciled.

Any un-reconciled items will be investigated to see why they did not clear the bank account, for example if a cheque has not been cashed or an entry entered twice in error.

Any uncleared items or irregularities will be reported to the Executive Committee.

5. Insurance

Appropriate insurance policies will be maintained to cover

- Employer's Liability £5,000,000 indemnity (includes non-paid volunteers)
- Public & Products Liability £10,000,000 Indemnity
- Contents and Stocks Fire, Theft and "Perils" and Accidental Damage £15,000
- Unspecified Machinery "All Risks" Cover £5,000
- Trophies "All Risks" Cover £3,000
- Money Up to £2,000
- Personal Accident £10,000
- Buildings Fire, Theft & "perils "and Accidental Damage £50,000 (excludes building works under construction)
- Trustee Liability £50,000

END

POLICY DATED: May 2019

REVIEW DATE: *2 years after date of policy*