**SUTTON PARENTS FORUM**

**Financial Control Policy**

The financial control policy consists of:

* Management of financial records
* Banking arrangements
* Receipts
* Cheque payments
* Petty cash payments
* Expenses and payments
* Payment documentation

**Management of financial records**

1) The financial control policy is designed to ensure that all expenditure is on the forum’s business; that it is properly authorised; and that this can be demonstrated.

2) Financial records (a book of accounts) must be kept so that the forum:

* has proper financial control of the organisation
* meets its legal and other statutory obligations (if relevant), such as Charities Act, Inland Revenue, Customs & Excise and common law
* meets the contractual obligations and requirements of funders

3) The book of accounts must include:

* a cashbook analysing all the transactions appearing on the bank accounts
* a petty cash book if cash payments are being made

4) Accounts must be drawn up at the end of each financial year within three months of the end of the year, and made available to members of the Parents Forum.

5) Financial records will be available to the London Borough of Sutton, on request

**Banking arrangements**

1) The forum will bank with Lloyds Bank at its High Street, Sutton branch and accounts will be held in the name of Sutton Parents Forum.

2) A bank mandate (the list of people who can sign cheques on the forum’s behalf) will be approved and minuted by the committee/steering group, as will any changes to it.

3) The forum will require the bank to provide statements every month and these will be reconciled with the cash book monthly. The Treasurer will check that this reconciliation has been done at least four times a year, signing the cash book accordingly.

4) The forum will not use any other bank or financial institution without the previous agreement of the committee/steering group. The forum will NOT use overdraft facilities or loans.

5) The forum should if possible aim to maintain a reserve in its account of £250.

**Receipts**

1) All monies received by the forum will be recorded promptly in the cashbook and banked without delay.The forum will maintain files of documentation to back this up.

**Cheque payments**

1) The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept in a secure place.

2) Each cheque will be signed by at least two people.

3) A cheque must **NOT** be signed by the person to whom it is payable.

4) Blank cheques will **NEVER** be signed.

5) The relevant payee's name will always be inserted on the cheque before signature, and the cheque stub will always be properly completed.

6) No cheques should be signed without original documentation (see below).

**Petty cash payments**

1) If the forum wishes to maintain a petty cash float, the Treasurer or representative of the forum should be entrusted with this with the prior agreement of the committee/ steering group. When the float is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum.

**Expenses and payments**

1) The forum will, if asked, reimburse expenditure paid for personally by volunteers, providing it has been agreed and minuted to do so, and that:

• fares are evidenced by tickets

• other expenditure is evidenced by original receipts containing the items claimed against ONLY

• car mileage is based on HMRC practice

• no cheque signatory signs for the payment of expenses to themselves

**Payment documentation**

1) Every payment out of the forum’s bank account must be evidenced by an original invoice and never against a supplier's statement or final demand. That original invoice will be retained by the forum and filed. The cheque signatory should ensure that it is referenced with:

• cheque number

• date cheque drawn

• amount of cheque

2) The only exceptions to cheques not being supported by an original invoice are items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a photocopy of the cheque will be kept.

**Other rules**

1) The forum does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the forum in excess of £50 must be authorised and minuted by the committee/steering group.

2) In exceptional circumstances, such undertakings can be made with the

Chairperson's and Treasurer’s approval who will then provide full details to the next meeting of the committee/steering group.

3) The forum will adhere to good practice in relation to its finances at all times. This should include when relevant a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, the forum will maintain a property record of items of significant value, with an appropriate record of their use.

4) Any member of the committee/steering group who has a personal interest in, or connection to, an organisation or individual who is already being paid by the forum (or intends to quote for work being commissioned by the forum) must declare this interest and have it minuted by the committee/ steering group.

DATE DISCUSSED / AGREED WITHIN FORUM – MEMBERS PRESENT

Signed:

Position:

Date:

Signed:

Position:

Date:

Signed:

Position:

Date:

This policy will be reviewed by (*insert date)*