



Galbally Pearses GFC

# **FINANCIAL PROCEDURES**

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### **Purchasing/Expenditure Procedures**

The purchase of goods/services by any member of the Committee on behalf on the Committee must adhere to the following procedures.

- For purchases below £50 eg stationery, postage, refreshments, room hire, etc approval must be sought and given by Treasurer and/or Chairperson before goods/services are purchased.
- Where goods/services cost between £50 - £500 approval must be sought and given by three members of the committee, two should be cheque signatories . Names should be recorded in the minutes of Committee meeting.
- Where payments are made by BACS then there will be a clear record and procedure around segregation of duties e.g. an officer shall input payment followed by a first authorising director and followed again by a second authoriser. All authorisations will require a paper trail record signed off by each authorisation. Names should be recorded in the minutes of Committee meeting.
- Where goods/services cost in excess of £500 a formal request must be put forward at the next committee meeting for committee approval (approval will be considered as a two-third majority of those at the meeting). Approval of expenditure should be recorded in minutes of meeting.
- For all approved purchases with the exception of Petty Cash a Purchase Order Form must be completed (see purchase order section of procedures).
- For approved purchases in excess of £500 quotations will be required (see quotation section of procedures).

- As the nature of acquiring goods/services is payment on delivery any committee member requesting a cheque must present a completed signed purchase order form to the Treasurer.

### **Purchase Order System**

A purchase order system is established to ensure that details of any agreements in respect of purchases are recorded.

- Purchase order book/form should include details of goods/services, price, details of suppliers, date of committee approval, prepared by, authorised by and goods received signature.
- Purchase order book/form is held by Treasurer.
- Two members of the Committee (not cheque signatories) should be elected with responsibility for all purchases. Names should be minuted at Committee meeting.
- The nominated Committee members will be responsible for completion and signing of purchase order before passing to Treasurer for authorisation.

### **Quotations**

Where necessary quotations should be acquired. The quotations will be considered on the basis of best value for money.

Up to £500	None
£501 - £5,000	2 Quotations
£5,001 - £20,000	3 Quotations
Over £20,000	Public Tender

## **Petty Cash**

For small purchases (postage, stationery, refreshments) under £25 it is impractical to go through the process of raising a cheque. In these instances petty cash is used:

- The float is £100.
- A numbered petty cash voucher system is operated.
- Cash and vouchers are held in a lockable box by the Chairperson.
- Each time a withdrawal is made from the float the details are written on a voucher, the actual receipt is attached and voucher is signed by the person requesting the withdrawal and authorised by the Chairperson.
- The vouchers are used to complete the petty cash book. The petty cash book has columns that relate to the accounts/budget headings and is held by the Treasurer.
- When the petty cash is at £25 or under, a cheque is issued to return the float to the original level. This means that the value of the cheque should equal the amount of purchases. When the cash is placed in the box, the vouchers making up that amount are removed and placed in a file.
- Petty cash is reconciled every two months. The amount of cash in the box plus the value of the vouchers in the box should always equal the amount of the float. The reconciliation is checked and signed by the Chairperson and the Treasurer.

## **Bank Mandates and Cheque Signatories**

The bank mandate (list of cheque signatories) will always be approved and minuted by the Committee.

The Group will not use any other banks for financial institutions or use overdraft facilities or invest speculatively unless authorised, approved and minuted by Committee.

The Treasurer , Chairperson and two other members of the Committee are authorised cheque signatories for the Group. The following procedures must be adhered to in respect of all cheques issued:

- Each cheque must be signed and authorised by two of the four signatories.
- Before signing the cheque each signatory should ensure that full back-up documentation is provided ie approved purchase order form.
- Cheques should never be pre-signed by one signatory, thus effectively allowing payments to be made on one signature.

#### **Receipts of Goods System**

- When goods are received they should be matched to the purchase order to ensure goods ordered have been received.
- Purchase order should be signed in goods received section.
- The receipt/invoice and purchase order is checked for accuracy (all calculations checked) then passed to Treasurer for either payment or goods received cheque reconciliation.

#### **Bank Reconciliation**

A bank reconciliation should be carried out quarterly and is vital as it gives the Group a true position at that moment in time.

- The Treasurer is responsible for the bank reconciliation.

- The bank statement should be reconciled to the accounts books. A tick should be placed beside the matching figures on the bank statement and the accounts books.
- The Chairperson of the Committee should check and sign their agreement of reconciliation.

### **Financial Reporting**

The following table shows the financial reports required to be prepared by the Treasurer and approved by the Chairperson together with the timetable and forum for presentation.

<b>Report Type</b>	<b>Content</b>	<b>Frequency</b>	<b>Recipient</b>
Cashflow Projection	Receipts and payments	Monthly	Cheque Signatories
Income and Expenditure	Summary of income and expenditure	Quarterly	Committee Members
Annual Budget	Breakdown of budget forecast for coming year	Annual	Committee Members
Annual Accounts	Complete record of groups income and expenditure and any fixed assets in year.	Annual	Committee Members and General Public

### **Conflict of Interest**

Conflicts of interest may arise when the personal or professional interest of a Committee Member is potentially at odds with the best interest of the Group. Therefore it is important to take steps to avoid even the appearance of impropriety. These steps include.

- Committee Members on election and annually thereafter are required to furnish the Committee details relating to any business/external work, directorship held, other community or family interest which could lead to a conflict of interest.
- If in doubt, preference to declare would be the guiding principle.
- The conflict of interest should be recorded in the minutes of the meeting.
- Any Committee Member must disclose any potential conflicts of interest at the earliest opportunity.
- Where a question arises as to whether or not there is a conflict of interest the Committee Member should consult with the Chairperson. The Chairperson shall determine the question and their decision shall be final and be recorded.
- Committee Members should withdraw from discussions or decisions that present a potential conflict.

#### **Fraud Policy**

- Elect Committee Member who should be informed of any suspected fraud and will lead investigation. Name should be minuted at Committee meeting.
- Establish facts without alerting suspected perpetrator.
- Maintain confidentiality.
- Make an immediate note of everything reported.
- Take steps to minimise any immediate further losses.
- Initial investigation to establish substance to allegation.
- Secure any evidence.
- If substantiated inform Committee, grant-aid bodies, etc and Police.
- Agree if further investigation is required and who will undertake it.

Approved by committee on Monday 23 September 2019

Signed:.....*Kevin Mulagh*.....

Position:.....*Children Officer*.....

