

## **FINANCE POLICY AND PROCEDURES**

### **FINANCIAL DECISION MAKING**

- 1.1 All financial decisions above the authorisation limits listed below are made by the full TMO Board. There is no Finance Sub Committee at the time of writing this procedure
- 1.2 The TMO financial year runs from 1<sup>st</sup> April until 31<sup>st</sup> March.
- 1.3 The Manager will draw up an annual budget to be approved by the Board and by a General Meeting before the start of the financial year. Planning for upcoming annual budgets will start in the January prior to the new financial year
- 1.2 A copy of the approved budget will be sent to the council or their agents before the start of the financial year.
- 1.3 The Board will receive monthly financial reports. The reports will include a budget report, profit and loss statement and balance sheet. The report will also include a narrative account of the financial reports. Any discussions will be minuted.
- 1.4 Board members will be reimbursed for agreed expenses such as travel, training, phone use and subsistence on production of appropriate receipts.
- 1.5 Financial reports are available to the Council or their agents
- 1.6 Board members will be sent electronic and hard copies of finance reports before
- 1.7 The monthly budget reports will include any variances

### **2.0 CHEQUE SIGNATORIES**

- 2.1 The Board will maintain an up to date list board members who are authorised to sign cheques. A copy of the mandate will be kept in the TMO Offices.
- 2.2 The cheque signatories must not be related to each other. At no time should any 2 signatories be resident at the same address. Only one signatory per address is permitted.
- 2.3 All cheques must be signed by 2 authorised signatories one of which must be an officer of the board. Staff members are not permitted to sign cheques
- 2.4 Any changes to the authorised signatories must be agreed at a board meeting and minuted.

### 3.0 AUTHORISATION OF EXPENDITURE

The Board has approved the following authorisation limits for expenditure (ex VAT):

- Below £1000 – Manager
- Between £1000 and £5,000. – Manager and Chair. The related cheque will not be signed by the Chair.
- Above £5,000 – the Board

### 4.0 SUPPLIERS / CONTRACTORS

- 4.1 The TMO will use the Northgate Housing Management system to raise repair orders where the Council retain the repair responsibility. The Councils responsibility includes lifts, heating, hot water and lighting.
- 4.2 The TMO does not currently maintain an approved contractors list and will continue to use the lists provided by BHP or will source their own suppliers and contractors.
- 4.3 Work or supplies over £1000 and below £5000 must be authorised by the Manager and Chair and will be subject to competitive quotation unless undertaken on a schedule of rates.
- 4.4 Works or supplies over £5000 will be approved by the Board

### 5.0 PURCHASE ORDERS

All purchase orders will be signed by an authorised staff member completing the order and counter signed by the Manager. In the Managers absence the Chair or Treasurer may countersign. Purchase Orders over £1000 and up to £5000 must have been agreed and signed by both the Manager and Chair.

The Manager, Finance Officer and TMO Support Officer are authorised to prepare Purchase Orders.

Purchase orders will be serially numbered in triplicate:

- The first copy will be given to the supplier
- The second copy along with the invoice and delivery note will be used to raise a payment cheque and will be retained in file.
- The third copy will be filed in numerical order as a record of all purchase orders

### 6.0 GOODS RECEIVED

Delivery notes will be checked by ticking and signing. The signed delivery notes will then be attached to the purchase order used for ordering the goods.

<b>AUTHORISATION TO ACCEPT AND SIGN FOR DELIVERIES</b>	
MANAGER	ALL DELIVERIES
TMO SUPPORT OFFICER	ALL DELIVERIES
FINANCE OFFICER	ALL DELIVERIES
REPAIRS OFFICER	MAINTENANCE/CARETAKING SUPPLIES
CARETAKER	CARETAKING SUPPLIES

## **7.0 SUPPLIER INVOICES**

- 7.1 Supplier invoices will be grid-stamped and attached to the related purchase order.
- 7.2 The Manager or Finance Officer will then check and authorise the invoice for payment by signing the “authorised and checked by” box in the grid stamp
- 7.3 The invoice, delivery note and purchase order will be passed to the finance officer to raise a cheque. In the absence of the Finance Officer the Manager may raise a cheque and adhere to 8.1 and 8.2 below-

## **8.0 CHEQUE REQUISITION AND SIGNATURE**

- 8.1 The Finance Officer will check that the supplier invoice and supporting documentation are complete. He will raise sign and date a cheque requisition and attach the supporting documentation,
- 8.2 The Finance Officer will prepare and submit the cheques for signing together with the cheque requisition forms and attached documentation to the authorised signatories.
- 8.3 The cheque signatories must satisfy themselves as to the integrity and correctness of the payment before signing the cheque. In support of every cheque requisition for payments to suppliers there should be certified supplier invoice, purchase order form and delivery note where appropriate. The cheque signatories should raise any queries in order to satisfy themselves that they are signing cheques to make correct bona fide payments.

## **9.0 DISPATCH OF CHEQUES**

Cheques will be posted by a staff member to the suppliers address

## **10.0 PETTY CASH**

- A petty cash imprest system will operate with a float of £100. The cash will be kept in a cash box kept locked and kept in the safe of the TMO Office
- No single item above £50 will be paid for by petty cash. Petty cash vouchers must be completed at all times indicating the amount and reason for expenditure.
- Receipts must be submitted in support of petty cash payments and attached to the related petty cash voucher.
- VAT paid must be properly accounted for and reclaimed.
- Each petty cash voucher should include the name and signature of the recipient and be signed by the Manager. On vouchers where the Manager is the recipient then the Chair or Treasurer will be the authorised signatory.
- Petty cash expenditure will be reconciled each month. The reconciliation will be signed by the Manager and Chair.

## **11.0 BANK ACCOUNTS**

11.1 Bank accounts are as follows:

<b>BANK</b>	<b>ACCOUNT TYPE</b>	<b>ACCOUNT NUMBER</b>
HSBC	TMO Current Account	61489666
HSBC	TMO Deposit Account	71337939

- 11.2 All cheque payments will be made from the current account.
- 11.3 Bank reconciliations will be prepared, signed and dated by the Finance Officer each month. The Manager and Chair will then review the reconciliations and sign the document. Copies will be kept in the Finance Office. Reconciliations will be completed and signed within 4 weeks of the receipt of bank statements.
- 11.4 The TMO is liable for Corporation Tax earned on bank interest. This is payable annually once annual accounts have been filed with HMRC**
- 11.5 The VAT return is filed electronically every quarter. Due VAT is paid by direct debit**

## **12.0 SALES INCOME**

- 12.1 Income generated from sales of key fobs, room hire, parking permits, rechargeable works and any other source will be paid into the TMO current account. VAT must be properly accounted for as such sales attract VAT.
- 12.2 A single numbered receipt book will be used for all cash. Cash will be deposited into the bank account with records.
- 12.3 The Finance Officer will initial the copy retained in the receipt book as evidence the cash has been received and banked
- 12.4 Cash used for minor expenses will be taken from petty cash. All cash income must be banked.
- 12.5 The finance officer will maintain an income register which includes:
- Date of receipt
  - Amount
  - Payment method
  - What the payment is for
  - Payee
  - Receipt number
  - Officer taking payment
  - Date banked
  - Paying in slip reference number

12.6

## **13.0. PAYROLL**

- 13.1 Salaries will be paid monthly on or around the 20<sup>th</sup> day of each month. Employees are all on PAYE. PAYE and NI are worked out by the contracted payroll bureau and all salaries are paid by BACS
- 13.2 Each month the Finance Officer will meet with the Manager to check the clocking cards used by staff and to make any adjustments to salary payments. The Finance Officer will then prepare timesheets which will be signed by the Manager and delegated Board Member. The Finance Officer will then complete the outsourced payroll returns which will be signed by the Manager before being scanned.)

13.3 Payroll statements will be signed each month by the Manager and Chair as evidence of review.

#### **14.0 INFORMATION BACK-UP**

All financial information held in Sage and other data files such as Microsoft Office will be backed up weekly on two memory sticks. One will be kept on site in the safe and the other retained off-site by the Finance Officer.

Finance reports, budgets and audited accounts are kept on the IT system as provided and maintained by LB Brent

#### **15.0 REPORTS TO THE BOARD**

15.1 The Board will receive monthly financial reports at the Board meeting. These reports will be prepared by the Finance Officer.

15.2 The reports will include: budget report, profit and loss, balance sheet and creditors or debtors reports.

15.3 The Finance Officer and the Manager will sign and date the reports. Copies will be filed in the Finance Office.

15.4 After the Board meeting the Chair or Treasurer will sign all the finance reports as seen and approved by the Board.

#### **16.0 ACCOUNTS AND AUDIT**

16.1 Full details of the accounting and audit standards are contained in the Management Agreement with Brent Council signed on 26<sup>th</sup> April 2002.

16.2 Auditors are appointed annually at the AGM.

16.3 Fully audited accounts will be prepared within 6 months of the year end. The accounts will be circulated at the AGM and abbreviated copies sent to all members. A draft year-end balance sheet and income and expenditure account will be available to the Council or their agents by 30<sup>th</sup> June each year.

16.4 The Manager will ensure that the annual return to the FSA will be made on time.

16.5 All financial records will be retained and archived in the TMO offices.

16.6 The auditor with the help of TMO staff will compile a stock list and assets register which will form part of the annual audit

#### **17.0 CREDIT CARD**

The TMO Board has authorised the use of a credit card by the Manager. The card limit has been set at £1500 and any balance will be paid off each month by Direct Debit.

## Watling Gardens TMO

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17.1 The card will be used to order goods and services where the TMO do not hold accounts, where companies do not offer trade accounts, where one off or infrequent purchases are made and where good value purchases can be made which are not available through regular suppliers.

17.2 The authorisation limit for a single purchase is £1000. This is the same authorisation limit as set for the Manager in normal account purchases

17.3 The card is to be kept locked in the safe when not in use

17.4 A purchase order will be used for every card purchase

17.4 The Finance Officer will identify in the financial records which payments have been made using the card

17.5 The Finance Officer will complete a monthly reconciliation to be signed by the Chair or Treasurer.

17.6 The board will ensure the card user signs a consent form which includes the terms and conditions of use

17.7 Purchases made via credit card will be countersigned on the purchase order by another member of staff

### 18.0 CHARGING POLICY

The following charges apply to residents of Watling Gardens and may be updated periodically

- Replacement of lost key fobs- £10. Replacement of malfunctioning key fobs- no charge. In cases where a fob is stolen due to crime a replacement fob will be provided free of charge where the resident has a CAD number issues by the police
- Parking permits; as of 1/04/17 the following charges apply: 1<sup>st</sup> resident permit £10, 2<sup>nd</sup> resident permit £20, garage owner residential permit £20, visitor permit £10
- Hall hire- £10 per hour for residents, £20 per hour non residents (hire charges revised by Board 31.07.13)
- Repairs chargebacks- cost of materials plus £25 per hour. Special consideration will be given by the TMO Manager to repairs involving the vulnerable
- 19.0 INSURANCE

The TMO will maintain an appropriate insurance policy as detailed in the Management Agreement

**Signed** \_\_\_\_\_

Chair

**Signed** \_\_\_\_\_

TMO Board Member

Approved by TMO Board 25.10.17