

Bournemouth East Allotment Society Ltd

FINANCE POLICY

First adopted on 9th December 2012

Last reviewed on 23rd November 2022 and adopted at AGM on 7th December 2022

The policy will be reviewed annually at the October meeting of the Management Committee and ratified at the next AGM.

1. Background Information

This policy has been written in line with rules 41-47 of the Rules of the Society.

2. Policy Development

The policy was drafted by the Secretary and Treasurer with advice from Paget, Reid York for adoption by the Annual General Meeting, 2012.

3. Introduction

3.1 The Society will operate to high business standards and best practices.

3.2 The Treasurer and Secretary are responsible for ensuring that Financial Regulations are observed.

3.3 The Treasurer will be responsible for reporting to the Management Committee on all financial matters on a monthly basis and to the Financial Conduct Authority (FCA) annually.

4. Financial Control and Account Examination

4.1 The Treasurer is responsible for the proper administration of the Society's financial affairs and for reporting thereon to the Management Committee. All accounting procedures will be set in accordance with the requirements of the FCA and best financial practices and will incorporate sound principles of internal control.

4.2 The following accounts and accounting records will be kept as a minimum requirement:

- Purchase ledger and invoices
- Sales ledger and associated documentation
- Bank statements
- Cash book
- Fixed asset register

4.3 The records will be kept in a way that complies with the requirements of the FCA.

4.4 The Treasurer will ensure that draft accounts are considered by the Management Committee before the Annual General Meeting and that final financial statements are available for adoption at the Annual General Meeting, which will be held within six months of the year end.

4.5 Financial statements will comply with all relevant statutory requirements and guidelines.

4.6 The financial year of the Society will run from 1st October to 30th September.

4.7 The appointment of the external examiners is approved by the Annual General Meeting, on a recommendation from the Management Committee. The provision of external examiners' services should be reviewed by the Management Committee on an annual basis.

4.8 The Treasurer will be responsible for liaison with the external examiners and for ensuring the completion of the external examination to comply with statutory timescales.

4.9 Members are expected to raise concerns with the Management Committee about anything that is fraudulent or otherwise unlawful. Where there is evidence of fraud, the details of the case may be passed to the police for further investigation and will be reported to Bournemouth Borough Council (the leaseholder).

5. Control of Income

5.1 All income received by the Society will be processed as soon as possible to ensure that it is properly accounted for.

5.2 All income received by the Society, through whatever means, will be recorded.

5.3 Where an invoice is issued, it is the responsibility of the issuing officer to ensure that payment is received.

6. Ordering and Payment of Goods and Services

6.1 All orders for goods and services will be in writing and details of the price will be included where this is known. Stock orders up to £1000 may be placed by the Shop Manager and up to £2000 jointly with the Treasurer. Stock orders over £2000 must be referred to the full Management Committee.

6.2 Where an order has to be placed by telephone, a written order will be sent in confirmation as soon as possible. Where an order is to be placed by email, confirmation of receipt of the order must be requested

6.3 Goods received will always be checked against orders, delivery notes and invoices.

6.4 Only original invoices, or certified copies, will be processed for payment. This should show the name and business address of the supplier, the date of supply and the order number.

6.5 Expense claims, or claims for goods purchased on behalf of the Society by members, will be checked by the Treasurer against receipts or evidence of purchase before reimbursement is made. Payment will not be made without such evidence.

6.6 Cheques raised and BACS payments must be authorised by two signatories from the list held by the Bank.

7. Banking Arrangements

7.1.1 The Society's bankers will be appointed by the Management Committee. (Currently Lloyds PLC)

7.2 The Society will maintain Accounts as follows:

- Current Account
- Deposit Account
- Key Account
- Investment Account at any bank or Building Society offering preferential rates at the discretion of the Management Committee.

A Services Fund will be held within the Deposit Account for any big maintenance issues.

7.3 The bank reconciliation will be performed monthly by the Treasurer. This reconciliation will be reviewed annually by two scrutineers (not officers) from the Management Committee.

8. Petty Cash

8.1 A petty cash float will be held for the purpose of making small disbursements. The Treasurer will ensure that the minimum level of cash required for the smooth running of the Society's business is held.

8.2 Petty cash withdrawals should be against valid original receipts or invoices.

8.3 The Treasurer will reconcile the petty cash on at least a monthly basis.

9. Honoraria

- 9.1 The total sum to be disbursed will be agreed annually by the Annual General Meeting.
- 9.2 The Management Committee will decide how the total sum will be divided.
- 9.3 Any honoraria will be paid in respect of the preceding year.

10. Custody and Security of Assets

- 10.1 A fixed asset register will be maintained, which will include a description and a valuation for all assets held over a minimum value of £100.
- 10.2 The Treasurer is responsible for conducting a physical check of these assets at least annually to ensure that they still exist and are in a workable condition.
- 10.3 Depreciation will be charged on appropriate fixed assets on a reducing balance as agreed with the independent examiners.
- 10.4 The Treasurer is authorised to write down any asset that is no longer deemed to be worth its net book value up to a limit of £150. Assets held in the register at £151 or more should be referred to the Management Committee before being written down. All assets written down will be reported annually to the Management Committee.
- 10.5 Surplus or redundant items with an apparent resale value will be sold for the best possible price, or applied in part exchange for new items. The Treasurer will be responsible for obtaining the best price possible.
- 10.6 All insurance arrangements and levels of cover will be reviewed by the officers annually. The following insurances will be kept as a minimum:
 - Public Liability
 - Employer's Liability
 - Cash and Money Policies
 - Contents
- 10.7 The Secretary will ensure that all contractors have adequate public liability insurance before work is carried out for the Society.