



## **Parents in Partnership Stockport - Financial Control Policy**

The financial control policy consists of:

1. Role of the Treasurer
2. Management of financial records
3. Authority for expenditure
4. Banking arrangements
5. Receipts
6. Cheque payments
7. Petty cash payments
8. Expenses, payments and honorariums
9. Payment documentation
10. Employed Staff
11. Other rules

The financial control policy is designed to ensure that all expenditure is on behalf of Parents in Partnership Stockport (PIPS) business; that it is properly authorised; and that this can be demonstrated. The policy gives guidance to the Treasurer, Steering Group and members in respect to all financial matters of the Forum. The policy will be reviewed on an annual basis and any amendments will be agreed by the Steering Group.

### **1. The role of Treasurer**

The Treasurer will be appointed on a 3-year term in line with the PIPS Constitution. The Treasurer shall be accountable to the Steering Group for proper keeping of accounts and expenditure. The Treasurer must also ensure spend in accordance with the requirements and wishes of any funder.

### **The Treasurer will:**

- ❖ Keep control of the budget to pursue the vision and the objectives of PIPS and to ensure financial viability
- ❖ Keep accounts and funds in line with this policy
- ❖ Keep records of evidence and expenditure as necessary, in keeping with the format(s) required by funders. Make prompt payments as required
- ❖ Prepare and present current and accurate accounts at each Steering Group meeting for review.
- ❖ Produce accurate annual accounts for the AGM, working in conjunction with others as appropriate.
- ❖ Submit accurate accounts and evidence of expenditure to funders and appointed auditors for review and audit purposes.
- ❖ Maintain an accurate bank balance on behalf of PIPS.
- ❖ Act as a nominated signatory for PIPS bank accounts.

### **2. Management of financial records**

#### **Financial records (a book of accounts) must be kept so that PIPS:**

- ❖ has proper financial control of the organisation
- ❖ meets its legal and other statutory obligations (if relevant), such as the Charities Act and HM Revenues and Custom
- ❖ meets the contractual obligations and requirements of funders

#### **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
- ❖ Inland Revenue deduction cards P11 (if registered for PAYE)

Accounts must be drawn up at the end of each financial year, i.e. at the 31st March and must be produced within two months of the end of the year, and presented to the next Annual General Meeting (AGM).

Prior to the start of each financial year the Treasurer shall compile a budgeted income and expenditure account. The membership will approve a budgeted income and expenditure account for the following year at the Annual General Meeting. If the proposed budget is not approved by the membership, the Treasurer shall gain agreement with the membership in respect to adjusting the budget so it becomes acceptable to the membership. Where there has already been expenditure within that year, the budget will be adjusted to reflect this expenditure.

A report comparing actual income and expenditure with the budget should be presented to the Steering Group/members at every

meeting (and at least every three months).

At the AGM, the Forum will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM.

### **3. Authority for Expenditure**

PIPS does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost in excess of £200 must be authorised and minuted by the Steering Group.

There will be a delegated responsibility for the Chair to spend up to a maximum of £200 without the prior agreement of the Steering Group, when this is essential. Wherever possible the Chair shall gain approval of the Steering Group prior to the expenditure taking place. Where the expenditure has not been approved prior to the expenditure taking place, the Chair must report back to the Steering Group within two weeks or at the next meeting of the group, whichever is the earliest.

### **4. Banking arrangements**

PIPS will bank with Barclays plc at its Stockport branch and accounts will be held in the name of PIPSTOCKPORT.

A bank mandate (the list of people who can sign Cheques on the forum's behalf) will be approved and minuted by the Steering Group, as will any changes to it. The signatures will be agreed from Steering Group Representatives.

The forum will require the bank to provide statements every month. These will be reconciled with the cash book. The Treasurer will be responsible for reconciling the bank statements with the cash book and sign the cash book accordingly

The forum will not use any other bank or financial institution, or use overdraft facilities or loan, without the previous agreement of the Steering Group.

Until the last financial quarter, PIPS should if possible aim to maintain a reserve in its account equal to three months of running costs, or £500, whichever is higher. PIPS shall by the year end ensure that all budgets are expended in line with the terms of any grants received for that year or have an agreement with the appropriate funder that an agreed expenditure can be carried over into the next financial year.

### **5. Receipts**

All monies received by the forum will be recorded promptly in the cashbook and banked without delay (this includes sundry receipts such as payment for telephone calls, photocopying etc.). The forum will maintain files of documentation to back this up.

## **6. Cheque payments**

- ❖ The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept in a secure place.
- ❖ Each Cheque will be signed by at least two people.
- ❖ The approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure and not beyond it.
- ❖ A cheque must NOT be signed by the person to whom it is payable.
- ❖ A blank cheque will NEVER be signed.
- ❖ The relevant payee's name will always be inserted on the cheque before signature, and the cheque stub will always be properly completed.
- ❖ No cheque should be signed without original documentation (see below).

## **7. Petty cash payments**

If PIPS wishes to maintain a petty cash float, the Treasurer or representative of PIPS should be entrusted with this with the prior agreement of the 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.

## **8. Expenses, payments and honoraria**

PIPS will, if asked, reimburse expenditure paid for personally by volunteers or staff on PIPS business, providing it has been agreed and minuted to do so, and that:

- ❖ Public transport fares are evidenced by tickets
- ❖ Other expenditure is evidenced by original receipts containing the items claimed against
- ❖ car mileage is based on agreed and reasonable mileage rates, currently at 0.45p per mile, passenger rate an additional 0.05p per mile (see Remuneration Policy)
- ❖ Honorarium claims should be accompanied by a record of what this is being paid for, and demonstrates the agreed activity has taken place with the DFE Grant or Stockport Metropolitan Borough Council Service Level Agreement

Anyone making an expenses claim is responsible for their own tax and insurance position, and is responsible for checking how any payment, either cash or voucher, may impact on their benefits, and/or tax.

For details on amounts that can be claimed, please refer to the forum's remuneration guidance at Annexe A.

## **9. Payment documentation**

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

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

## **10. Employed Staff**

If the forum has employed staff, there must be a clear trail to show the authority and reason for every such payment to staff; e.g. a cheque requisition form asking for payment to an employee. All formal employees will be paid within the PAYE and National Insurance regulations.

All staff appointments or departures will be authorised by the Steering Group, minuting the dates and salary level. Similarly, all changes in hours and variable payments (e.g. overtime) will be authorised by the Steering Group.

## **11. Other rules**

PIPS will adhere to good practice in relation to its finances at all times. This should include 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 all items of a value over £50, with an appropriate record of their use. Any assets should be returned to the forum if individual members stand down.

For purchases of goods or services over a value of £200, at least two written quotations shall be obtained, or the Steering Group must approve the production of a single quote and the subsequent decision minuted by the Steering Group.

Any member of the Steering Group who has a personal interest in, or connection to, an organisation or individual who is already being

paid by PIPS (or intends to quote for work being commissioned by the forum) must declare this interest and have it minuted by the Steering Group.

It is the responsibility of the Steering Group, individually and collectively, to ensure the proper use of PIPS funds. Anyone who has reasonable grounds to believe funds are being misused should report this to the Treasurer, Chair or Membership/Secretary as appropriate, who will raise the matter immediately with the Steering Group. Misuse of funds may result in disciplinary action including in the final instance withdrawal from membership and possible legal action in line with the Constitution.

## Remuneration Guidance – Annexe A

	Involvement & activity	Example	Payment/travel and expenses	Amount	Childcare
Level 1	<p>Informing people of what is planned or has already been decided</p> <p>Consulting on decisions and offering opinions, listening to feedback</p> <p>Unpaid work</p>	<p>Open invitation meetings</p> <p>Information events</p> <p>Meeting with wider special educational needs and disabilities (SEND) organisation and events not covered by 0-25 funding</p>	<p>Travel expenses</p> <p>Travel expenses for organisers only</p> <p>No payment</p>	<p>Expenses with receipt</p> <p>Expenses with receipt</p>	<p>Childcare paid for all activities for Steering Group members up to a maximum of £25 per half day and £40 per full day</p>
Level 2	<p>Steering Group work (planning events)</p> <p>Sub-groups developing the work</p> <p>Attending meetings with Health &amp; Leisure</p> <p>Assisting interviewing process</p>	<p>Steering Group meeting</p> <p>Sub-groups – a max of 12 meetings per year</p> <p>Focus groups, facilitator only</p>	<p>All examples are paid for travel expenses plus fee</p>		
Level 3	<p>Contribute to academic activity, educating others and work involving preparation such as speaking at a seminar or conference</p>	<p>N/A</p>	<p>Travel expenses plus fee</p>	<p>Fees to be paid by and in line with agreements with the event organisers.</p>	

Level 4	Meeting other groups to promote the work of the forum Representing the forum at public meetings with statutory organisations	Meetings with other voluntary and statutory organisations	Travel expenses plus fee	Fees to be paid in line with agreements with the Statutory Organisations and other groups	
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