



Financial Control

Responsibility

PACC's Secretary is responsible for the day-to-day running of the organisation. The responsibilities of Treasurer are delegated to an appointed accountant who acts on behalf of the organisation on the board's instruction and the Secretary who makes payments as authorised by the Board.

Management of Financial Records

1. This financial control policy is designed to ensure that all expenditure is on PACC's business; that it is properly authorised; and that this can be demonstrated.
2. PACC keeps the following accounts:
 - A electronic spreadsheet or equivalent book keeping software analysing all the transactions appearing on the bank accounts
 - Inland Revenue deduction cards P11 held electronically
3. Accounts are drawn within 3 months of the end of each financial year and presented to the next PACC Annual General Meeting.
4. Prior to the start of each financial year, the PACC Board approve a budgeted income and expenditure account for the following year.
5. A report comparing actual income and expenditure with the budget is presented to the PACC Board at least quarterly.
6. At the AGM an appropriately qualified auditor/ independent examiner is appointed to audit or examine the accounts before presentation to the next AGM.

Banking

1. PACC will bank with Co-operative Bank plc and accounts are held in the name of PACC Shropshire.
2. The bank mandate (list of people who can sign cheques on the organisation's behalf) will be approved and minuted by the PACC Board, who also approve and minute any changes to the mandate.
3. PACC requires the bank to provide statements every month. The person delegated to act as PACC's Treasurer reconciles bank statements with the cash book or electronic system at least every three months, signing the cash book or electronic records accordingly.
4. PACC does not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.
5. PACC aims to maintain a reserve in its account equal to three months of running costs or £200, whichever is higher.

Receipts

1. All monies received are recorded promptly on the financial spreadsheet and banked without delay (this includes sundry receipts such as payment for telephone calls, photocopying etc.). PACC maintains files of documentation to back this up.

Cheque Payments

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

Electronic Transfers

To reflect the growth in electronic transfers these can be used where preferred. Prior to the payment being made to a payee written authorisation should be obtained from two signatories, giving approval for payments to be made via bank transfer or other electronic methods up to an agreed limit.

Expenses, payments and honorariums

1. The PACC Board will, reimburse authorised expenditure paid for personally by volunteers or staff, providing it has been agreed and recorded 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 agreed and reasonable mileage rates
 - no cheque signatory signs for the payment of expenses to themselves
 - honorarium claims should be accompanied by a record of what this is being paid for, and demonstrates the agreed activity has taken place.

Payment documentation

1. Every payment out of PACC'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 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.
 3. Where a payment is made by a bank transfer the invoice / claim form will be annotated with 'paid by bank transfer', the date and the signature of the person making the transfer

Staff

1. There must be a clear trail to show the authority and reason for EVERY payment to staff; eg a cheque requisition form asking for payment to an employee. All formal employees will be paid within the PAYE and National Insurance regulations.
2. All staff appointments or departures will be authorised by the PACC Board minuting the dates and salary level. Similarly, all changes in hours and variable payments (eg overtime) will be authorised by the PACC Board.

Other rules

1. PACC does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost PACC in excess of £100 must be authorised and recorded by the board/steering group.
2. In exceptional circumstances, such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the PACC Board.
3. PACC 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 items of significant value, with an appropriate record of their use. Any assets should be returned to PACC if individual members stand down.
4. Purchases of goods or services over a value agreed by the PACC Board will be subject to obtaining at least two quotes, and the subsequent decision based on value for money and recorded by the PACC Board.
5. Any member of the PACC Board 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 PACC) must declare this interest and have it minuted by the PACC Board.