



A really useful place for community groups

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Financial Rules

The Financial Rules will be reviewed every two years by the Management Committee and Staff Team. The Rules were reviewed in February 2016.

The Financial Rules may be amended at any time in order to meet new circumstances, subject to approval by the Management Committee. The Rules were amended in February 2017.

Signed:

Date:

Director of B&H SWET Ltd (the employer)

1. Purpose of Financial Rules

- 1.1. The purpose of these rules is to ensure proper control of the Centre's finances.
- 1.2. Wherever practicable, tasks are separated so that each transaction is completed by more than one person in order to provide a built-in checking process.

2. Bank accounts

- 2.1. The Resource Centre has a current and a deposit account;
- 2.2. All income and expenditure will be transacted through the current account: money paid into or drawn from the deposit account must pass through the current account as a transfer;
- 2.3. All members of staff are signatories to the accounts in order to facilitate the team method of work organisation and meet the needs of a trading organisation;
- 2.4. Every payment for goods, services and staff wages will be in accordance with the budget agreed by the Management Committee;
- 2.5. A bank reconciliation of both accounts will be carried out monthly.

3. Savings account

- 3.1. A savings account is held to maximise the amount of interest received on Resource Centre reserves.
- 3.2. 90 days' notice is required to withdraw funds from the account.
- 3.3. The finance workers will monitor the expected cash-flow to ensure there are always enough funds in the current and deposit account to meet financial liabilities.
- 3.4. Four members of staff are signatories to the account, and all transactions require two signatories.
- 3.5. The account will be reconciled monthly, with the current and deposit accounts.

4. Invoicing and credit

- 4.1. The front desk is responsible for recording each group's use of equipment and services;
- 4.2. The front desk will issue each user with a numbered VAT invoice or debit their monthly account;
- 4.3. There is a general credit limit of £50.00 but groups are encouraged to settle invoices immediately;
- 4.4. For certain groups the staff team may authorise a credit limit of up to £500.00 according to the groups' needs and credit-worthiness;
- 4.5. All invoices are considered to be overdue if they haven't been paid within 2 weeks;
- 4.6. Regular users may open a monthly account if this is authorised by the staff team;
- 4.7. Groups will only be given credit if they provide a bonafide name, address, email address, and phone number;
- 4.8. The front desk will send out invoices for monthly accounts;
- 4.9. Once a month the front desk workers will chase up unpaid invoices.

5. Income

- 5.1. Payments received by post will be processed by the front desk;
- 5.2. All incoming cash and cheques are handled by the front desk and will be recorded on the income day sheet;

- 5.3. All BACS payments for payment of invoices will be processed by the Front Desk;
- 5.4. At the end of each day, the front desk will process any BACS payments that have been received. Then they will reconcile the cash and cheques in the cash tin with the invoices and the income day sheet and lock the tin in the secure cupboard.
- 5.5. At the beginning of each week, the finance section will check the income against the records and pay all incoming cash and cheques into the bank;
- 5.6. Full details of all income invoices will be recorded weekly in the income section of the accounts.

6. Stock control and ordering

- 6.1. Stock checks will be carried out monthly by the front desk and stock items ordered to bring stock up to the agreed levels;
- 6.2. Orders for non-stock items will be agreed by the staff team which must take into account the overall financial position and the cash-flow situation;
- 6.3. One signature is required for payments below £50.00, UNLESS they are for a NEW item of equipment that has not been specified in the budget or agreed by the workers group;
- 6.4. Two signatures are required for payments of £50.00 or more, UNLESS they are for a NEW item of equipment that has not been specified in the budget or agreed by the workers group, in which case they must be agreed by the workers group;
- 6.5. All purchases above £100.00 must be agreed by the workers group, and require two signatures
- 6.6. All purchases above £1,000.00 must be approved by the chair of the management committee unless the specific item of expenditure has been shown in the budget;
- 6.7. All purchases above £2,000.00 must be approved by a meeting of the management committee, unless the specific item of expenditure has been shown in the budget;
- 6.8. Goods received will be checked by the front desk and order forms and delivery notes/repair dockets passed to the finance section;
- 6.9. The front desk is responsible for dealing with suppliers in connection with the non-arrival of orders or the supply of damaged or unsatisfactory goods;
- 6.10. The finance section will check invoices against delivery notes and repair dockets before making payments.

7. All payments

- 7.1. One signature is required for payments below £50.00;
- 7.2. Two signatures are required for payments of £50.00 or more;
- 7.3. No payment will be signed without supporting documentation;
- 7.4. No staff member will sign a payment payable to themselves;
- 7.5. All requests from suppliers to change their bank details will be verified by finances staff contacting the supplier through existing channels.
- 7.6. Payments by cheque
 - 7.6.1. No blank cheque will ever be signed by any signatory;
 - 7.6.2. Cheque stubs will be completed at the time of payment;
 - 7.6.3. Details of the cheque number, date, and analysis heading (expenditure category) will be recorded on the firm's invoice/statement, and initialled by the finance worker;

- 7.6.4. Full details of all cheque payments will be recorded weekly in the expenditure section of the accounts.
- 7.7. Payments by Debit Card
 - 7.7.1. Each front desk worker will be issued with a Debit Card in their name;
 - 7.7.2. For each payment, a requisition form will be completed, signed by one or two signatories as appropriate and attached to the firm's invoice/statement/payment confirmation.
- 7.8. Payments by internet banking
 - 7.8.1. For each payment, a requisition form will be completed, signed by one or two signatories as appropriate and attached to the firm's invoice/statement/payment confirmation.
- 7.9. Direct Debits and Standing Orders
 - 7.9.1. When setting up or amending a direct debit or standing order, direct debit / standing order form will be signed by two signatories and a copy kept on file;
- 7.10. Petty cash
 - 7.10.1. An imprest of £200.00 is maintained for small payments such as bus fares, local purchases of tea & coffee and items for equipment repairs, casual wages, and management committee expenses;
 - 7.10.2. Cash will be drawn from the bank to make up the imprest;
 - 7.10.3. Expenses above £60.00 will be paid by cheque, with the exception of payment for print service work if the contractor requests payment by cash;
 - 7.10.4. Payments will be recorded on a signed petty cash slip and only be made if a receipt or other docket is provided - the petty cash slip will be initialled by the claimant and payments of £50.00 or more will be authorised by the finance worker;
 - 7.10.5. The petty cash tin is to be kept locked in the secure cupboard at all times;
 - 7.10.6. Petty cash records are entered weekly onto the accounts.

8. Staff wages and pensions

- 8.1. Staff can choose to be paid weekly or monthly. Weekly paid workers are paid every Tuesday and monthly paid staff are paid on the 15th of the month or the previous Friday if the 15th falls on a weekend.
- 8.2. All staff are enrolled into a NEST pension scheme and are left to choose to opt out if they wish to.
- 8.3. Wages are paid by BACS and payments are prepared a week in advance.
- 8.4. Pension contributions are collected by NEST via Direct Debit.
- 8.5. Payments to HMRC for Tax and NIC are made monthly by BACS.

9. Reports

- 9.1. The finance section will maintain a weekly running balance and produce a report at the end of quarter detailing income and expenditure to date and the projected out-turn for the year with a budget comparison.
- 9.2. The staff team will scrutinise the quarterly report and assess the feasibility of the projections;
- 9.3. The quarterly report will be presented to the management committee.