

WOLVERHAMPTON FEDERATION OF TENANTS ASSOCIATIONS

Guidance on book keeping and financial controls for your organisation

It is important to keep accurate financial records to enable your organisation to meet any contractual obligations and the requirements of funders. It will also enable your committee to be in proper financial control of the organisation.

This guidance is to help you keep such records.

- You need to record all transactions in a cashbook or recorded on a computer system set up for this purpose. (Always remember to back up the records ie on a memory stick.) Keep separate records for income and expenditure
- Keep a record of petty cash either in the cash book or a separate book or again hold computer records for this
- Your accounts need to be presented to the Annual General Meeting, so give yourself at least a month to get the records together and a balance sheet drawn up
- Make sure the books are audited/examined by an independent person or organisation.
- At the AGM you need to appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM
- Prior to the start of your financial year it is advisable for the committee to approve a budget profile ie decide how money is to be spent and on what for the next financial year
- It is advisable for the treasurer to present a report to the committee detailing spend against the budget at least every 3 months
- The organisation should open a bank account in the name of the organisation
- The committee must approve and minute the bank mandate (authorisation to the bank giving a list of people who can sign cheques on the organisation's behalf and any amendments or changes to this)
- The organisation will require the bank to provide regular bank statements or will need to use internet banking which will need to be regularly reconciled with the cash book/record
- The organisation will keep all documentation to back up transactions eg invoices and receipts etc
- All financial records including cheque books, and bank cards should be locked away
- All expenditure should be properly authorised by the committee, it is recommended that the signatories and the treasurer should have authority

to spend up to a limited budgeted expenditure, but beyond that limit the committee will need to authorise any expenditure.

- All decisions concerning finance must be minuted at meetings
- It is advised that cheques should be signed by 2 out of 3 signatories from separate households.
- Blank cheques should never be signed
- The payee's name should be inserted on the cheque before signature and the cheque stub should be completed
- An agreed procedure should be in place to carry out card payments and BACs payments
- Every payment out of the bank account must be evidenced by an original invoice and filed. The invoice should be referenced with the cheque number, date when the cheque was drawn, amount of the cheque and who signed the cheque, or a copy of the BACs payment should be attached to the invoice and filed. The only exceptions to payment without an invoice would be for advanced booking fees, or a deposit for goods or a service, and here a copy of the cheque/BACs payment should be kept
- The committee will need to agree an amount for the float for petty cash and a cheque will be drawn/or card withdrawal for sufficient funds to bring the float up to the agreed amount
- The committee must agree what expenses will be reimbursed ie travel
- No cheque signatory/or BACs payor should sign for payment of expenses to themselves
- A list of all card payments and BACs payments should be presented to the committee each quarter
- The organisation will adhere to good practice at all times in relation to its finances
- It will maintain a fixed asset register with details of each asset
- All fundraising and grant applications undertaken on behalf of the organisation will be done in the organisations name with prior approval of the committee or in urgent situations with approval of the chair who will provide full details at the next committee meeting.