



## **FINANCIAL REGULATIONS – 2023**

**The Rotherham Allotment Alliance will adopt the following financial polices to ensure it operates in an unambiguous manner, fully transparent and meeting the audit requirements of the Co-operative and Community Benefit Societies Act 2014, HMRC, Financial Conduct Authority.**

- The RAA period for its financial accounting year will be the 1<sup>st</sup> January to the 31<sup>st</sup> December.

These regulations will be reviewed annually to ensure they are relevant and being properly implemented. The review will reflect any changes to operational methods and any changes to legislation.

### **A. Introduction**

- The RAA is a registered 'Community Benefit Society'.
  - The Board of Directors consists of 9 Directors Including Chairman, Secretary, Treasurer and 2 Directors nominated by RMBC. The Board of Directors will stand for election in accordance with rules defined in the 'Co-operative and Community Benefit Societies Act 2014' at the Annual General Meeting of Shareholders held annually.
1. The RAA Board of Directors is responsible for ensuring that the RAA is well managed, that measures are in place to ensure income and expenditure are correctly managed. The Board of Directors will also ensure that available financial resources are used in a manner to provide best value in providing allotment provision for its shareholders and the community in general.
  2. The RAA will keep accurate and appropriate financial records, including:
    - a) An account book and/or computer accounts package (QuickBooks) recording all financial transactions (income and expenditure). Accounts being computer based, the 'account book' will be print-outs in date order in a ring-binder or other file.
    - b) Reconciliations of the accounts to bank statements every 2 months
    - c) A petty cash book (spreadsheet), detailing all petty cash uses with receipts.
    - d) Details of all funds received (to include receipt book to record any cash payments).
    - e) An order book (spreadsheet – with unique reference number for each individual order) – recording all details of all orders/contracts issued.
    - f) Invoices to cover all purchases to be filed in date order and payment method and date noted on each invoice.
    - g) PAYE records (if/when RAA directly employ staff).
  3. The RAA will draw up accounts at the end of the financial year and have them examined by the 'Lay Auditors' as appointed at the AGM who are independent of



the Board of Directors. The annual accounts will be presented to the Annual General Meeting for approval.

4. Before the start of the financial year, the RAA will set a budget for the following year and monitor it throughout the year to ensure sufficient funds are available to undertake activities and meet liabilities. Financial projections will also be prepared (updated) for a further two years in advance.
5. The treasurer/ASO (RFO) will present to each Board Meeting a report detailing the following financial information:
  - a) income received
  - b) payments made
  - c) Bank reconciliation
  - d) Overall balances.
  - e) It will also show expected future receipts and payments so that we have robust information on which to make informed decisions.
  - f) Arrangements will be made for an 'Internal Financial Control' to be carried out every six months (month 3 and month 9). The Internal Financial Control will be carried out by a Board Member nominated at the preceding Board Meeting and will be a different Board Member from previous Board Member who completed the Internal Financial Control. The Treasurer will make all necessary financial information available for this to be achieved effectively. This will take the form of a full visual check (utilizing 'OneDrive') of the income and expenditure records to date along with a reconciliation of the accounts with the most recent bank statement available.

**B. Bank accounts including internet banking procedures.**

1. The RAA agree that it will a bank with the Co-operative Bank, P.O. Box 250, Delf House, Southway, Skelmersdale, WN8 6WT.
2. The RAA will have two accounts with the Co-operative Bank – a current account and a deposit account. The Deposit account will be used to retain the contingency/reserve fund and include the share account.
3. All revenue income and expenditure bank transactions will go through the current account.
4. Four members of the Board will be signatories to the accounts (Chair, Secretary, Treasurer and one other) the Allotment Support Officer will also have access to internet banking facilities (see below). Personnel changes to signatories will be amended and notified to the Bank as soon as possible – deleting previous held signatory and notification of new signatory.
5. Making payments by internet banking –
  - a) The ASO will raise the payment transaction for all accounts other than direct re-payments to ASO or Directors. Normal payments raised by the ASO will then be authorized by the Treasurer in first instance or one of the other signatories as available.



- b) For payments relating to the ASO or other Director these will be raised by the Treasurer and authorized by one of the other signatories not involved in the said payment.
6. Where cheque payments are necessary these will be signed by two of the signatories (as detailed above). The two signatories to any transactions should not be related or live at the same address. We expect that one of these will normally be the treasurer.
7. We will ask the bank to provide statements every month and will check the statements against our financial records.

### **C. Income**

1. Wherever possible all income will be in cashless form direct to the RAA bank account or by cheque payment.
2. Where any cash is received we will issue a numbered receipt and keep a copy.
3. Details of cheques received will be recorded in the account book and banked at the earliest opportunity within one month.
4. The treasurer/ASO will keep files of paperwork relating to the cheques (e.g. grant award letters or copies of receipts issued by the group). The Treasurer will ensure that the Board are aware of and fulfill any reporting requirements and conditions of grant aid.

### **D. Buying goods and services**

1. In using 'QuickBooks' all orders are duly logged by the ASO
  - a. Each order will be given a unique reference number and date placed.
  - b. Each order will include details of work to be completed and person responsible for raising order.
2. Emergency and minor works required up to £500 should be placed with the appropriate contractor as listed on the **RAA Approved Contractor List**. (The Approved Contractor List will be reviewed at least every twelve months. It will be the Board of Directors decision to add or remove contractors from the list. Contractors will added or removed from the list following assessment of the work completed, cost of such work, speed of response, especially if emergency work.)
3. Wherever possible quotations will be sought for any work and must be sought if expenditure is anticipated to be over £500 subject to obtaining quotations from at least three sources. Quotations will be requested based on a written specification, prepared by the RAA (in consultation with allotment society if applicable). The specification will include:
  - i. A detailed method statement to meet the job specification and fulfil all Health and Safety requirements with specific respect to the welfare of allotment tenants during the period the contract.
  - ii. Measurements and quantities as necessary
  - iii. Removal of rubbish etc. The site must be left in an acceptable condition on conclusion of the work, as determined by the ASA.
  - iv. Third party indemnity insurance cover of £5 million whilst completing the work



- v. Agreement to carry out full Health and Safety risk assessment if contract secured.
- vi. Date at which contractor could start work and length to completion.

4. Closed tenders will be required for any projects in excess of £20,000.
5. The ASO/ treasurer will check contractor's invoices (both mathematically and against the original order) before processing payments.
6. **Delegated Spending Powers** - Works orders can be placed by the Allotments Support Assistant to a maximum value of £200. Works orders over £200 to a maximum of £500 needs Director approval - Treasurer/Secretary/Chair or (other Board Member in the event of an emergency).

**E. Payments by cheque, direct debit, debit card or bank transfer.**

1. No payments will be made without paperwork to support the payment.
2. Two signatories are required on each cheque.
3. Two signatories are required to set up a direct debit, standing order or BACS payment. We expect that one of these will be the treasurer.
4. No signatory will ever sign a blank cheque nor be asked to do so by our organisation.
5. Cheque stubs will be completed at the time of payment.
6. The following payment details will be recorded on the invoice before filing in date order.

Cheque Number	who signed the cheque
Date of cheque	
7. All payments cheque, direct debits, debit card purchases, standing orders and BACS payments will be recorded in the account book – 'QuickBooks'.
8. For all purchases made by debit card, a receipt/invoice must be obtained and recorded in QuickBooks.

**F. Petty cash**

1. Petty Cash to a maximum of £25.00 will be maintained to cover small payments for such as stamps/stationery. (The petty cash float will be kept separate from as incoming cash receipts).
2. A petty cash book (spreadsheet) will be maintained to record payments, date and reason. Receipts will be recorded to cover expenditure.



3. We will enter in the petty cash book (spreadsheet) the amount of cash drawn from the bank and details of payments. Withdrawal and purchase receipts will be scanned for our records.

#### **G. Staff wages**

- a) The RAA issue proper contracts of employment specifying terms and conditions and will keep records of staff wages in accordance with PAYE and National Insurance regulations and pension's regulations. Staff will normally be paid BACS payment and will receive a wage slip.

*\* it is very important that care is taken to keep all employment and financial records relating to these matters safely and over considerable periods of time as details may be required by staff or others many years later to establish e.g. pension or benefit entitlement. There are strict employment legislations requirements as well as tax and NI requirements with which you must legally comply.*

#### **H. Stock Register**

1. A register of all stock held will be maintained. This register will be adjusted as stock is used and replenished.
2. Details of stock issued for use will be noted – date and site etc.
3. Details of stock added will again be noted – date and supplier.

#### **I. Asset Register**

1. All assets will be entered on an asset register (machinery/equipment and office equipment). For each item the following information will be listed:-
  - a. Identification or serial number.
  - b. Acquisition date.
  - c. Description of asset.
  - d. Location.
  - e. Class of asset.
  - f. Cost of acquisition.
  - g. Accumulated depreciation.
  - h. Net book value.
2. An agreed period of depreciation will be agreed to allow calculation of value at each year end.

#### **J. Insurance**

The RAA will ensure that the following insurance is in place to cover all allotment sites.

1. Public Liability (including building for fire only).
2. Directors and Officers liability.
3. Employee liability
4. Cash protection and handling

#### **K. Financial Records**

1. All financial records for previous years will be maintained safely for a period of seven years.



2. Electronic copies will be duplicated to ensure at least two copies, one to be maintained by Treasurer and one by Chair. All Directors have access via shared online drive (One Drive).

#### **L. Reserve Fund Policy**

1. The Board agreed at its meeting (47) held on the 12<sup>th</sup> April 2021 – minute no 116.6/04/21 – to hold a minimum sum of £10,000 in reserve to meet contingencies and any unforeseen emergency expenditure during the year. The reserve account will be maintained with any surpluses from the revenue account. To finance any capital projects and allow contribution towards obtaining grant funding for specific projects.
2. The Board agreed to the establishment of a separate bank account for the holding of the Reserve Fund – Board Meeting 60 25/10/21 – minute no 309/10/21d. This account would also hold the 'share account' (the nominal £1.00 that each plot holding shareholder makes in the first year of tenancy).

**Approved by the RAA Board of Directors on 28<sup>th</sup> February 2022, Minute no. 36/02/22b**

#### **M. DIRECTORS REIMBURSEMENT OF TRAVEL EXPENSES**

1. *Director's reimbursement of travel expenses.*
  - a. *Directors will be reimbursed for any authorised travel from home to allotment site and return. Directors should wherever possible arrange to share vehicle to avoid travel duplication,*
  - b. *Payment will be at the HMRC approved mileage rate (currently .45p per mile for the first 10000 miles then .25p 12/21).*
  - c. *It is the Directors responsibility to ensure that their vehicle insurance takes into account this type of usage.*
  - d. *It will be the Directors responsibility to submit a duly completed claims form at the end of the month in which the expense was incurred.*
  - e. *The claim form will be submitted to the ASA who will check the claim is mathematically correct and the travel claimed is for authorised duties. The claim will be prepared for payment via BACS direct to the Directors accounts and will be authorised by the Chair (or Treasurer) (\*Authorisation cannot be completed by any Director involved in the claim)*