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Rotherham Allotment Alliance Ltd

Financial regulations

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The Rotherham Allotment Alliance will adopt the following financial policies 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 (FCA).

- The RAA period for its financial accounting year will be the 1st of January to the 31st of 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.

1) 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.

- a) 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.
- b) The RAA will keep accurate and appropriate financial records, including:
 - i) **Income and expenditure records:** These records will be maintained using Quickbooks accounting software and show all the income and expenses.
 - ii) **Purchase orders:** An electronic list of all authorised purchase orders will be maintained with a unique reference allocated to each order.
 - iii) **Bank statements:** The society will keep copies of all bank statements electronically, including details of all transactions, deposits, and withdrawals.
 - iv) **Invoices and receipts:** The society will keep copies of all invoices and receipts for all transactions, in an electronic format.
 - v) **Payroll records:** If the society has employees, it will keep records of all payroll transactions, including salaries, wages, and other benefits.
- c) The RAA will draw up accounts at the end of the financial year and have them examined by Voluntary Action Rotherham (VAR) which is independent of the Board of Directors. The annual accounts will be presented to the Annual General Meeting for approval. The annual accounts must be submitted to the FCA within 7 months of the RAA financial year-end.
- d) 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.



- e) The treasurer/ASO will present to each Board Meeting a report detailing the following financial information:
 - i) income received
 - ii) payments made
 - iii) Bank reconciliation
 - iv) Overall balances
 - v) It will also show expected future receipts and payments so that we have robust information on which to make informed decisions.

2) Bank accounts including internet banking procedures.

- a) The RAA agree that it will bank with the Co-operative Bank, P.O. Box 250, Delf House, Southway, Skelmersdale, WN8 6WT.
- b) 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.
- c) All revenue income and expenditure bank transactions will go through the current account.
- d) 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 previously held signatories and notification of new signatories.
- e) Making payments by internet banking –
 - i) 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 the first instance or one of the other signatories as available.
 - ii) 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.
- f) 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.
- g) We will ask the bank to provide statements every month and will check the statements against our financial records.

3) Income

- a) The RAA preference is for all income to be received by bank transfer whenever possible.



- b) Cheques received will be recorded electronically before depositing with the bank. Cheque deposits will be reconciled in QuickBooks.
- c) Cash receipts will only be accepted via the post office counter and with an approved deposit slip.
- d) The Treasurer will ensure that the Board are aware of and fulfil any reporting requirements and conditions of grant aid.

4) Buying goods and services

- a) Purchase orders are duly logged by the ASO on QuickBooks accounting software.
 - i) Each order will be given a unique reference number and date placed.
 - ii) Each order will include details of work to be completed and the person responsible for raising the order.
- b) Emergency and minor works required up to £1,500 net should be placed with the appropriate contractor as listed on the RAA Approved Contractor List.
 - i) 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 be added or removed from the list following assessment of the work completed, cost of such work, and speed of response, especially if emergency work.
- c) Wherever possible quotations will be sought for any work and must be sought if expenditure is anticipated to be over £1,500 net 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 of the contract.
 - ii) Measurements and quantities as necessary.
 - iii) Removal of rubbish etc. The site must be left in an acceptable condition on the conclusion of the work, as determined by the ASO.
 - 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.
- d) Closed tenders will be required for any projects above £20,000.
- e) The ASO/ treasurer will check the contractor's invoices (both mathematically and against the original order) before processing payments.
- f) Delegated Spending Powers - Orders can be placed by the Allotments Support Officer to a maximum value of £300 net.



- g) Orders over £300 net to a maximum of £1,500 net needs Director approval - Treasurer/Secretary/Chair or (other Board Member in the event of an emergency).
- h) Orders over £1,500 net need approval of the RAA board or relevant subcommittee.

5) Payments by cheque, direct debit, debit card or bank transfer.

- a) All payments by cheque, direct debit, debit card, standing order and BACS will be recorded using QuickBooks.
- b) For all purchases a receipt/invoice must be obtained and recorded in QuickBooks.
- c) The required supporting documentation must be recorded before making any payment.
- d) Two signatories are required to authorise setting up a direct debit, standing order or regular card payment.
- e) Two signatories are required to authorise BACS payment. Preferably, one signatory will be the treasurer.
- f) Cheque payments
 - i) Two signatories are required on each cheque.
 - ii) No signatory will ever sign a blank cheque nor be asked to do so by our organisation.
 - iii) Cheque stubs will be completed at the time of payment.
 - iv) The following payment details will be recorded on the invoice before filing in date order:
 - v) Cheque Number
 - vi) Signatory of the cheque
 - vii) Date cheque issued

6) Petty cash

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

7) Staff wages



- a) The RAA issue proper contracts of employment specifying terms and conditions and will keep records of staff wages following PAYE and National Insurance regulations and pension regulations. Staff will normally be paid BACS payment and will receive a wage slip.
 - i) it is very important that care is taken to keep all employment and financial records relating to these matters safely and over considerable periods as details may be required by staff or others many years later to establish e.g. pension or benefit entitlement. There are strict employment legislation requirements as well as tax and NI requirements with which you must legally comply.

8) Stock Register

- a) A register of all stock held will be maintained. This register will be adjusted as stock is used and replenished.
- b) Details of stock issued for use will be noted – date and site etc.
- c) Details of stock added will again be noted – date and supplier.

9) Asset Register

- a) All assets will be entered on an asset register (buildings, machinery/equipment, and office equipment). For each item the following information will be listed.
 - i) Identification or serial number
 - ii) Acquisition date
 - iii) Description of asset
 - iv) Location
 - v) Class of asset
 - vi) Cost of acquisition
 - vii) Accumulated depreciation
 - viii) Net book value
- b) An agreed period of depreciation will be agreed to allow calculation of value at each year end.

10) Insurance

- a) The RAA will ensure that the following insurance is in place to cover all allotment sites.
 - i) Public Liability (including building for fire only)
 - ii) Employee liability
 - iii) Directors and Officers liability
 - iv) Cash protection and handling

11) Financial Records

- a) All financial records for previous years will be maintained safely for seven years after the financial year it relates to.



- b) Financial records are recorded using Quickbooks. Copies and summaries are kept in OneDrive cloud storage.

12) Reserve Fund Policy

- a) 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.
- b) A separate reserve bank account holds the following reserved funds.
 - i) The reserve fund (minimum £10,000).
 - ii) Share capital.
 - iii) Key deposits.

13) Directors Reimbursement Of Travel Expenses

- a) Director's reimbursement of travel expenses.
 - i) 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,
 - ii) Payment will be at the HMRC approved mileage rate (1) (currently .45p per mile for the first 10000 miles then .25p 12/21).
 - iii) It is the Directors responsibility to ensure that their vehicle insurance takes into account this type of usage.
 - iv) 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.
 - v) The claim form will be submitted to the ASO 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)



Changes log