

# **Chestnut Community Action Group: Financial Rules**

## **General arrangements**

1. We have a management committee which is elected at the Annual General Meeting;
2. The management committee is responsible for ensuring that the group is well managed and that we look after our income properly and put it to best use.
3. We will keep appropriate financial records, including:
  - an account book or spreadsheet recording all the transactions in the bank account(s)
  - bank statements
  - a petty cash book (if we make cash payments)
  - details of all funds received
  - invoices and other receipts for all payments
4. Our financial year ends on 31<sup>st</sup> July
5. We will draw up accounts at the end of the financial year and have them examined by a suitable person who is independent of the group. The annual accounts will be presented to the Annual General Meeting for approval.
6. At the start of the financial year, we will set a budget for the forthcoming financial year.
7. We will discuss a financial report at each committee meeting showing money received, payments, and remaining funds. It will also show expected future receipts and payments.

## **Bank accounts**

1. We have a current account with Barclays Bank
2. At least three members of the management committee will be signatories to the accounts.
3. Any withdrawals will be signed by two of the signatories. We expect that one of these will be the treasurer. If not, we will give the treasurer full details of the payment.
4. We will ask the bank to provide statements every month and will check the statements against our records.

## **Income**

1. When we receive cash as payment for room hire or other services, we will issue a receipt and keep a copy.
2. When we receive cash at events, two members of the group will count up the cash, make a note of the total and sign for it.
3. When the treasurer collects cash from a group member, the treasurer will issue a receipt.
4. Details of cash received will be entered in the cashbook.
5. We will use small amounts of cash received as petty cash.
6. We will record details of cheques received in the account book and bank the cheques within one month.
7. We will record details of all bank transfer (BACs) payments in the account book.

8. The treasurer will keep files of paperwork relating to cheques and BACs payments (e.g. grant award letters or copies of receipts issued by the group).

## **Buying goods and services**

1. Our management committee will agree payments in advance. This will either be shown in our annual budget or discussed at a meeting during the year.
2. The treasurer will keep a file of all the paperwork and check invoices before making payments.

## **Payments by cheque, direct debit, bank transfer or debit card**

1. We will not sign a cheque, or authorise a direct debit, bank transfer (BACs) or debit card payments without paperwork to support the payment.
2. Two signatories are required on each cheque. Cheque stubs will be completed at the time of payment.
3. All other payments (including BACS, debit card payments, standing orders and direct debits) must be signed for in advance by two signatories on our own payment form. The payment form will include the following details: payee; date; amount; type of payment (e.g. BACS, standing order); and space for two signatures.
4. We will never sign a blank cheque.
5. We will record details of payment on the accounts book/spreadsheet:
  - cheque number / type of payment
  - date
  - who signed the cheque / payment form

## **Petty cash**

1. We may keep a small float of no more than £50 for small payments. We will keep the float separate from incoming cash and withdraw cash from the bank to make up the float. Cash withdrawals from the bank account will require 2 signatories. We will enter in the petty cash book the amount of cash drawn from the bank and details of payments.
2. We will record payments on a petty cash slip and keep till receipts, bus tickets, etc.

Policy approved at the Annual General Meeting held on 24<sup>th</sup> August 2019.