financial standing orders

objectives of this policy

The objective of this policy is to lay out various standing orders in relation to the finances of the organisation, particularly having regard for the need to ensure that the co-op's finances are administered with a high standard of probity and conduct.

1 LEVEL OF AUTHORISATION

1.1 The treasurer will be authorised to issue cheques up to £300, unless the cheques are for the co-op's auditors for whom cheques can be issued without limit. Cheques above £300 should be referred to the co-op's monthly meeting.

1.2 All cheques will require authorisation by 2 co-op members, not including the treasurer or any 2 persons who live at the same address.

2 CHEQUE SIGNATORIES

2.1 At the first General Meeting following the AGM, the co-op will appoint 4 members as signatories to serve for a twelve-month period.

2.2 When selecting signatories, the co-op will ensure that signatories are completely aware that their responsibilities include ensuring that:

a) invoices are attached to the cheque
b) they understand what the payment is for
c) the amount equals the amount on the invoice
d) no blank cheques will be signed.

2.3 The treasurer will not be a signatory, and no 2 signatories will reside at the same address.

2.4 If a signatory resigns, the next general meeting will appoint a new signatory.

3 CHEQUE SIGNING PROCEDURE

3.1 Cheques will be drawn up at least monthly by the treasurer.

3.2 All cheques requiring signatures will be produced to 2 of the designated signatories

3.3 All cheques will be accompanied by a copy invoice

3.4 Cheques will be dispatched by the treasurer

4 MEMBERS EXPENSES

4.1 The treasurer or a designated member of the co-op will hold a petty cash float not exceeding £50.

4.2 Petty Cash will be issued in accordance with the Co-op's Expenses Policy.

4.3 All petty cash requests will be accompanied by receipts where appropriate, and will be signed for by the recipient, and authorised by the treasurer or a designated member of the co-op. The treasurer or the designated member of the co-op's expenses will be authorised by another co-op member.

5 INCOME

5.1 Cheques paid to the co-op will be banked within 4 working days of receipt.

5.2 No payments of rent will be accepted by co-op members.

5.3 Payments will be made by tenants into the co-op's bank deposit account via the rent book (except for Housing Benefit).

5.4 Housing Benefit direct will be banked in accordance with point 5.1 by the co-op treasurer.

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6 RECORDS & REPORTS

6.1 The co-op's books of account, bank statements, cheque books, paying in books and other financial information will be kept in the co-op's office or such other place designated by the co-op, and are to be kept up to date at all times.

6.2 Any co-op financial and other records kept on the co-op computer will be backed up at least fortnightly and a back-up will be kept in a designated place other than where the computer is.

6.3 The bank balance shown on the current account bank statements must be reconciled to the cashbook at least once a month.

6.4 The Treasurer and other persons designated by the co-op will be responsible for drafting an annual budget for approval by the Management Committee and General Meeting at least 2 months before the start of each financial year.

6.5 The Treasurer will present a report on the financial position of the co-op on a quarterly basis to the governing body of the co-op.

6.6 The Treasurer and other persons designated by the co-op will ensure that the co-op's accounts are audited annually and a financial report made available at the Annual General Meeting.

7 STAFFING MATTERS

7.1 The payment of all salaries, wages, pensions, compensation and other earnings to all employees or former employees shall be under the arrangements approved and controlled by the governing body.

7.2 Staff expenses should be checked and authorised by the line manager of the staff member concerned.

7.3 Staff loans should be authorised by the Management Committee before being granted. The sum advanced should be recovered over an agreed period of time at a fixed amount per month by deduction from net salary. The amount lent should not exceed 1 month's salary.

7.4 Formal accounting records of gross salary payments, National Insurance contributions, PAYE and other deductions must be kept up to date at all times.

7.5 A record should be kept showing the financial cost of leave and flexi-time of each staff member.

8 RENTS

8.1 Rents charged to tenants can only be increased by a vote of approval at a General Meeting.

8.2 All additional charges (e.g. service charges, water rates & council tax) associated with a property will be collected along with the rent, as enshrined in the tenancy agreement.

8.3 Service charges should be reviewed and varied on an annual basis in accordance with expenditure unless the tenancy agreement states otherwise.

8.4 Rent received should be reconciled quarterly from the bank statement to the rent ledger.

8.5 Bad debts over £50 can only be written off by the governing body.

9 FIXED ASSETS

9.1 All fixed assets costing more than £100 will be capitalised in the accounts and recorded in a Fixed Assets Register. The register will record details of dates of purchase, supplier, cost, serial number, depreciation and net book value, description and in due course details of disposal.