



## PL24 Community Association (PL24CA) Finance Policy

### Part A: Overview of Structure and Roles

1. The Constitution of PL24 Community Association (PL24CA) details how the community group is organised and sets out its aims. The Committee is responsible for ensuring that income and money held by the group is managed properly and put to best use in line with the aims of the Constitution.
2. The Treasurer is a member of the Committee. The Treasurer is responsible for the day-to-day book-keeping and other tasks as detailed below in Part B.
3. The Advertising/Business Administrator can be a member of the Committee but does not have to be provided they liaise closely with the Treasurer. The Administrator is responsible for dealing with all invoices relating to advertising. Advertising rates, payment schedules and other advertising related matters are agreed by the Advertising/Business Administrator, the Treasurer and Chair, and by reference to a Meeting if required.

### Part B: Treasurer Role

The Treasurer:

- gives the Committee advice on processes and policy.
- is a bank signatory and monitors banking transactions.
- liaises with the other bank signatories as regards payments by BACS, paying in cash and cheques; and taking out cash if necessary, e.g. for a float for an event.
- places orders and liaises with Committee members to ensure that orders have been fulfilled.
- pays invoices.
- keeps invoice records in liaison with others as necessary, including with the Advertising/Business Administrator who handles advertising invoices.
- records income, payments and outgoings on a spreadsheet uploaded to a folder on the PL24CA G drive.
- responds to requests from external Funding Bodies, if a grant application is made; and monitors the spending of any monies received. The Secretary will assist the Treasurer as necessary with correspondence and other matters; and will also keep a copy of paperwork as required e.g. grant letters.
- keeps a copy of all paperwork relating to financial transactions e.g. grant letters, copies of receipts.
- provides a simple, written summary of the accounts for the regular Working Group and Committee Meetings.
- liaises with the Independent Examiner who inspects the accounts.
- provides a written, detailed financial report for the Annual General Meeting (AGM), and if possible is present to respond to questions.
- attends a minimum of 3 Committee Meetings a year (including the AGM).

## **Part C Processes**

### **Accounting records and budget**

1. The end of the financial year for PL24CA is 31<sup>st</sup> August and the AGM is normally held in October. Given the voluntary nature of the Treasurer and other Officer roles, these dates may be subject to change with the agreement of the Officers and/or a majority of Committee Members.
2. The end of the financial year accounts are examined by a suitable person who is independent of the group.
3. The end of the financial year accounts are presented in a Financial Report to the next Committee Meeting and/or AGM (with update if required) for approval.
4. A budget is drafted annually as soon as practicable after the end of the financial year accounts are available, and this can be reviewed and revised at Committee Meetings if required.
5. Finance is a standing item on the Agenda for the Committee Meetings, and the Treasurer provides a simple, written summary of the accounts for these meetings.
6. Any committee member can ask the Treasurer for sight of the full accounts which give the detail on individual payments and outgoings. The full accounts are confidential and must not be shared with others.

### **Bank Account**

1. PL24CA banks with Lloyds.
2. All bank transactions go through the current account.
3. The bank's signatory procedures must be followed.
4. At least three members of the committee are signatories on the account, including the Treasurer and the Chair. When a payment of more than £500.00 is made, the Treasurer will email the other 2 signatories, so they are aware of the payment.
5. Cheque stubs are completed at the time of payment. Blank cheques must not be signed.
6. The PL24CA debits cards are held by the Treasurer and other Officers as necessary.
7. The Treasurer checks the bank statements against the financial records.

### **Cash**

1. If a member of PL24CA is given a cash donation, the member should ask for the donor's contact details (name, phone number, address, email) so the Secretary can thank them formally. Any cash must be passed as soon as is practicable to the Treasurer or another Officer (if the Treasurer is not available). An email recording this activity should be shared with the Treasurer, Secretary and Chair for information. The Treasurer records the donation in the accounts.
2. All cash received is banked. It is not used for cash payments. Cash over £100.00 should be banked ASAP.
3. PL24CA actively encourages payments by BACS (preferably) or cheque. Should any cash be received at an event e.g. if there is a raffle, then two members of the

Association will count up the cash, make a note of the total and pass it over to the Treasurer ASAP.

### **Reimbursement of necessary expenses**

1. There is no petty cash.
2. The Treasurer must be consulted **in advance** of all purchases. The Treasurer has sole authority to agree purchases up to a maximum of £25.00 unless the Committee decides otherwise.
3. Where one item or a group of related, small items e.g. refreshments will cost more than £25.00, the purchase must be agreed by a minimum of 3 Officers (the Chair, the Vice-Chair, the Treasurer and/or the Secretary).
4. Approval should be sought from the Committee for sums over £200.00. Approval may be given by email and will be granted when a majority of committee members support the expenditure.
5. The Treasurer will order items and pay by BACS or debit card wherever possible (so as to avoid reimbursements to individual Committee members).
6. Where it has been agreed in advance that a member should buy goods, once the Treasurer receives a copy of the receipt or receipts, the member will be reimbursed by a BACS transfer ASAP.

### **Events**

1. Where an event is planned which will require total expenditure in excess of £250.00, a break-down budget should be drawn up in advance and approval sought from the Committee. Approval may be given by email and will be granted when a majority of Committee members support the expenditure.
2. The Treasurer will liaise with the Chair (and Event Coordinator where appropriate) as regards monitoring expenditure. Where the projected expenditure is significantly more than that previously approved, the committee should be asked for their approval. It is the responsibility of the Treasurer and Chair to agree what constitutes a significant increase and when in doubt, approval should be sought.
3. PL24CA will employ an outside agency to sell event tickets, so that the responsibility lies with the agency for the reimbursement of any monies, such as in the event of cancellation.

### **Part D: Criteria for Expenditure**

PL24CA is a small, volunteer-led, community group. Its Constitution details its aims:

- a) To promote community cohesion in the PL24 area by operating as an 'umbrella group', offering a forum for discussion and a focal point for the community through the PL24 Community Association Magazine, Website and Facebook group.
- b) To foster inclusivity.
- c) To contribute to efforts to help improve the quality of life of those living within the PL24 area.

The Constitution also states that:

‘Any money obtained by PL24CA will be used only in accordance with the aims set out in this constitution and in line with the provisions of the Finance and other Policies.’

Activities which would fall under the above aims might include:

- a) expenditure which would allow for the development of the website or PL24 magazine, for example publishing software to assist with the production of the magazine.
- b) signage indicating level walks from the station to the shops to the beach and benches at intervals on the way, so as to encourage mobility.
- c) the purchase of equipment to facilitate litter picks, the maintenance of PL24CA planters and beach cleans.

PL24CA’s purpose does not include fund-raising in order to make donations to other groups or individuals. Where PL24CA recognises that it can work in partnership with another community group to achieve a specific aim, it may make a donation (which will preferably be in kind). For example, PL24CA may contribute refreshments to an outdoor event organised by another group or bulbs to be planted throughout the area, as these are compatible with Aim c) and “would help improve the quality of life of those living within the PL24 area”.

Any other type of donation would be exceptional and would require the agreement of the majority of the Committee. Care would need to be taken to ensure that if donations are made, the process is equitable and criteria-led. It is unlikely that any financial donation would exceed £200.00 and no community group would benefit two years running. As a general rule, donations will only be made to other small community groups who do not have the capacity to fund-raise or make grant applications of their own.

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