



# **Financial Management Policy (Draft)**

---

## Table of Contents

---

<b>Managing Our Money .....</b>	<b>3</b>
<b>Responsibility and Reports .....</b>	<b>3</b>
<b>Expenses.....</b>	<b>3</b>
<b>Bank Account .....</b>	<b>4</b>
<b>Receipts and Payments .....</b>	<b>5</b>
<b>Petty Cash.....</b>	<b>6</b>
<b>Accounts .....</b>	<b>6</b>
<b>Annual Accounts .....</b>	<b>7</b>

---

## Managing Our Money

---

This is a statement of how the Scottish Potters Association SCIO (or 'the charity') manages its money. It was adopted by the Committee on (date).

The charity's financial year runs from 1st December to 30 November each year.

---

## Responsibility and Reports

---

- 1.1 The Committee is responsible for the charity's money and will determine how the accounts will be structured (i.e. how receipts (income) and payments (expenditure) will be broken down and recorded). All financial decisions taken by the Committee will be recorded in the minutes.
- 1.2 The Treasurer works on behalf of the Committee, taking day to day care of the money and giving a financial report at each meeting of the Committee. To provide cover in the absence of the Treasurer, the Committee will either elect a Vice-Treasurer or nominate another member to act in this capacity if required.
- 1.3 At the end of the financial year, the charity's accounts will be subject to external scrutiny by a suitably experienced and/or qualified person who is not a member of the charity or related to any member. The appointment of this person will be agreed at the AGM where possible, or by the Committee in the event that holding an AGM is not possible due to national emergencies such as the Covid-19 pandemic.
- 1.4 A statement of the year's receipts (income) and payments (expenditure) and Statement of Balances (balance sheet) will be presented to the AGM for the approval of members.

---

## Expenses

---

- 2.1 All members of the Committee are encouraged to claim expenses for attendance at meetings and all work done on behalf of the charity.

- 2.2 All claims must be made on an official claim form and must be supported by receipts or tickets, except when the claim is for the mileage allowance (see 2.4). Copies of the official claim form can be obtained from the Treasurer.
- 2.3 The claim form will be counter signed by the Treasurer (the Treasurer's own claims will be countersigned by the Chairperson) and, whenever possible, payment will be made by electronic transfer.
- 2.4 When a private car is used, a mileage allowance of 35p per mile will be paid - this amount will be agreed by the Committee. A further 5p per mile can be claimed by the driver for Committee members who car-share in order to attend meetings. Details of the journey, the number of miles travelled, and any passengers will be recorded on the claim form. Committee members must claim for the most direct route available, which will be checked and verified by the Treasurer.
- 2.5 When public transport is used, only standard/economy class fares will be refunded.
- 2.6 Claims for expenses relating to attendance at Committee meetings should be claimed separately from claims relating to the charitable activities of the SPA, using an official claim form.
- 2.7 All claims for expenses must be submitted at the end of the calendar month in which they are incurred. No claims for expenses made more than 1 calendar month after the end of the calendar month in which they were incurred will be paid, unless exceptional circumstances arise which prevent the claim being made within the time limit. At the end of each calendar month, the Treasurer will send a reminder to the Committee to submit any claims and will state on the reminder what the deadline for claiming those expenses will be. It is the responsibility of each Committee member to ensure that their claims for expenses are submitted within the time limits.

---

## **Bank Account**

---

- 3.1 The charity has opened an account with the Bank of Scotland in Elgin. A bank statement will be sent each month to the Treasurer. The Chairperson has access to the bank account and can download a statement each month. Where possible, a third Committee member should be appointed to have access to the bank account to ensure that there will always be two available authorised trustees at any one time.
- 3.2 The Committee will authorise the Treasurer and at least one other member to sign cheques on behalf of the charity; this decision will be recorded in the minutes. In accordance with clause 3.4 below, only one signature is required on cheques.

- 3.3 A bank mandate form will be used to notify the Bank of any changes to the charity's authorised signatories.
- 3.4 Subject to clause 3.6 the signatures of one of the signatories appointed by the Committee will be required in relation to all operations on the bank and building society accounts held by the organisation; all signatures must be the signature of a committee member. Blank cheques will never be signed.
- 3.5 The Committee acknowledge that best practice is to have two signatories on bank cheques and other transactions, but the Committee is very geographically spread and the practicality of that must be considered in any amendment to these requirements.
- 3.6 Where the organisation uses electronic facilities for the operation of any bank or building society account, the authorisations required for operations on that account must be consistent with the approach reflected in clause 3.4.

---

## Receipts and Payments

---

- 4.1 All income received will be recorded as a Receipt in the accounts and, if not received by electronic transfer, paid into the bank account as soon as possible (until then it will be kept in a secure place). Any supporting papers must be filed electronically and referred to in the accounts. Receipt records will state the source of the funds, the amount and any relevant income heading detailing the purpose of the funds received.
- 4.2 All payments, as far as possible, will be made by electronic transfer or, failing that, by cheque. Payments using cash should be avoided wherever possible. All payments made will be recorded as a Payment in the accounts. Any supporting papers must be filed electronically and referred to in the accounts. Payment records will detail the purpose of the payment, the expenditure heading from which it will be made and will be completed at the same time as either the cheques is signed, or the electronic payment is authorised.
- 4.3 All cash transactions should be recorded in the Cash Receipt Book (See Petty Cash below) in addition to being recorded in the appropriate Receipts or Payments section of the accounts.
- 4.4 Payments out using charity funds can only be made in relation to the furtherance of our charitable purposes; for charitable activities or for the governance of the charity.

---

## Petty Cash

---

- 5.1 If required, a petty cash account will be maintained by the Treasurer and will never exceed the sum of £100, except in the case of the annual residential weekend when the petty cash account will not exceed £1000. The cash tin must be kept locked in a secure place and should be accessible only to the Treasurer or to a person specifically nominated by the Committee.
- 5.2 All cash income and expenditure will be recorded on petty cash vouchers and expenditure must be supported by receipts. The receipts and vouchers will be given to the Treasurer.
- 5.3 Each transaction will be entered on the 'Petty Cash Record' form and the balance calculated and checked. This form will be completed in order to periodically replenish the petty cash or, in the case of the annual residential weekend, to remove surplus cash to return the petty cash to the general limit of no more than £100. Any surplus in the petty cash will be transferred to the bank account and this will be recorded in the accounts.

---

## Accounts

---

- 6.1 Accounts sheets will be prepared by the Treasurer that identify, in separate columns, different types of income (e.g. grants, donations, bank interest) and expenditure (e.g. committee expenses, stationery, room hire).
- 6.2 All income and expenditure will be recorded on the appropriate sheets.
- 6.3 When the bank statement is received, it will be checked against the accounts to identify any cheques or other transactions that have not yet been cleared through the bank. A note will be kept of any outstanding amounts so that the charity can be aware of the amount of money it has left to spend.
- 6.4 At the end of each month, a monthly summary of income, expenditure, balance in the bank, outstanding liabilities and uncleared funds will be prepared by the Treasurer and circulated to Committee members.
- 6.5 At the end of the year, the Treasurer will prepare the Annual Accounts and the Annual Return for submission to the Office of the Scottish Charity Regulator (OSCR).

## **Annual Accounts**

---

- 7.1 The Treasurer will ensure that the annual accounts are prepared and presented for independent examination in sufficient time to be presented at the AGM. Once approved by the members at the AGM and approved by the Independent Examiner, the Chair and the Treasurer will sign off the accounts as accurate. The Treasurer is responsible for submitting the signed accounts to OSCR.
- 7.2 The following records/documents for the year will be provided to the person examining the accounts:
- cheques and paying in books/slips
  - bank statements
  - all income and expenditure records and supporting paperwork
  - itemised accounts sheets
  - annual summary sheet, including reconciled amounts
  - minutes of committee meetings
  - and any other relevant information request.