

Frome Area Community Land Trust Financial Policy
V3 Approved 26 November 2020

Outgoing Payment Protocol

Bank payments including Cheques

For monies withdrawn from any bank account -there must be at least two persons authorising each payment by the following *internal* process

£0-500 any two of the named officers

£500-5000 any two of the named plus a board member

£5000-10k any two of the named plus two board members

Above £10k requires board approval

The named officers are those filling the following roles (those named are the current holders):

Treasurer: R T Cutting

Chair of Board: R Saunders

Board secretary: Paul Cowlshaw

Online Banking

All online banking is subject to an *external* dual authorisation process that requires two of the bank authorised signatories to approve payments, including BACS, standing orders and direct debits. The bank authorised signatories were set up on opening and can be changed or added to as required.

Debit Card Transactions

Payment by Debit Card can only be made by the person named on the card. The Board authorises that person (usually the Treasurer) to make small payments up to £25 without getting a second authorisation. Otherwise all payments must comply with the authorisation protocol listed above and be signed for in advance on our own payment form.

All banking transactions must comply with the authorisation protocol listed above and be authorised in advance on the FACLT Payment Authorisation form. The

payment form will include the following details: date; payee; purpose of payment; type of payment (e.g. BACS, standing order); amount; and space for the necessary signatures. Payments must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.

Petty Cash Transactions

Petty cash may be used by board members for payment of small items such as postage, stationary or refreshments, up to £25. Claims must be submitted to the Treasurer within 60 days of incurring the expense, using the FACLT Payments and Expenses claim Form.

Bank Account Transactions

All cash deposits received can be added to a Petty Cash Float to a maximum amount of £100 and recorded in the Petty Cash Ledger

Any further Monies above £100 and all Cheques must be banked within seven working days.

Cheque payments made but outstanding for more than two months, will be investigated and the recipient contacted. Where instructed to do so by the recipient, the cheque will be stopped and redrawn.

Where a payment stop on a cheque is required, this will be authorised by the Treasurer.

The Treasurer will be responsible for carrying out the following duties in regards to payment stop on a cheque:

- ensuring the cheque has not already been presented at the bank;
- getting authorisation to action the stop payment using appropriate forms from the bank;
- ensuring the bank receives notification of the stop payment notice;
- receiving confirmation of action from the bank of the stop payment.

Bank Accounts

Any new bank accounts to be opened for the business must have the authorisation of the Board. For each new bank account opened, the financial system must be updated and the bank account registered by the Treasurer. Variations to banking arrangements can only be made or varied by the Board. The Treasurer is responsible for updating the financial system and/or bank account register with the new information. Where it is decided that a bank account is no longer necessary, the Board will authorise the closure of the bank account.

The Treasurer will then be required to complete the following:

- ensure all transactions with respect to the account (including cheques drawn) have been completed;
- lodge with the bank a letter, signed by two authorised signatories advising of the closure of the account;
- meet the bank's requirements with respect to account closure; and
- update the financial system and bank account register

Financial Reporting

The Treasurer will keep accounts that are always fully up to date

- Report to the Board at each meeting, giving a summary of income and expenditure with the current balances at the bank and in petty cash
- will, on request from any board member, make available the detailed bookkeeping accounts
- prepare year end accounts for the auditor for filing returns to HMRC and the FCA.

Suppliers

Preference will be given to local suppliers.

Suppliers of services must provide our organisation with **a quality product, competitive pricing and efficient delivery.**

For each new supplier the following information table must be completed prior to agreeing services

<u>Supplier Selection Background Information</u>	
Business Name of Supplier	
Location of Supplier	
Products/Services provided by supplier (Attach a list if necessary)	

Name of business owner/ sales representative	
How many years has the supplier been trading?	

For each new supplier being considered the following checklist must be completed

<u>Supplier Selection Review</u>	
Is the supplier pricing competitive? Attach list to this checklist	
What are the payment terms for this supplier?	
Does the supplier provide warranties, guarantees etc.?	
Are the suppliers representatives knowledgeable of the products/ services and industry?	
Is there an alternative to this supplier, has the alternative supplier been considered?	
What are the delivery services of the supplier?	

Appointment of Supplier

The appointment of a new supplier for under £500 may be authorised by any 2 of the named officers and above £500 will be authorised by any 2 officers and 1 Member of the Board of **Frome Area Community Land Trust**

All relevant details of the supplier will be entered into the financial system by the Treasurer once approval is obtained from the Board.