# STRATTON PLAYGROUP

# 11 Financial Control and Accounting policy & procedure

**General**

* At Stratton Playgroup, the committee will always be responsible for making sure that a group has enough money to operate, and that the group uses that money in accordance with its original aims and contractual arrangements. This means preparing and monitoring a budget, looking at cash flow for the year, making sure wages are paid; fees are set; and identifying other potential sources of funding. Some of the responsibility for this will lie with the Treasurer and or administrator; but overall, the committee will need to make collective decisions around financing the setting.
* Financial matters are to be dealt with in a manner consistent with the charitable aims of the playgroup and in accordance with the Charities Commissions and other bodies’ regulations.
* Accurate records of all financial transactions and decisions are to be maintained.
* Committee members may inspect the accounts of the playgroup by giving two weeks notice to the treasurer or administrator.
* All staff, volunteers, management and sub-committee members should be familiar with the accounting procedures concerning approval of expenditure.

**Budgeting**

* By at least two months before the end of the financial year a draft budget and termly expenditure forecast will be set for the work of the playgroup for the following year.
* This budget and cash flow will in the first instance be presented by the treasurer in consultation with the administrator, to the management committee. This working budget and cash flow will be approved after amendment as necessary by the management committee.
* The working budget will clearly show sums earmarked against any contractual or statutory obligations of the playgroup.
* Upon any substantial variance of income, the treasurer, in conjunction with the administrator will re-adjust the budget accordingly. Such adjustment will be approved by the management committee.
* At the beginning of each financial year the approved working budget and cash flow will become the working budget for the playgroup.
* The treasurer and administrator will ensure provision to the management committee termly management accounts which will compare actual with budgeted expenditure and cumulative actual with cumulative budgeted expenditure.

**Use of Debit Cards**

* Use of the playgroup debit cards will be restricted to £50. If a request for an expense is more than £50 (other than for normal groceries / statutory / annual renewals) - this will then be presented for final approval and signature by another approved signatory.

**Approval of Expenditure**

All expenditure:

* Will require support of receipts or invoices wherever possible before approval at the discretion of the management committee.
* May be authorised by the treasurer as long as the expenditure concerned is within the levels of the budget allocated for that purpose, or at the discretion of the management committee.
* Will be considered for approval, subject to the discretion of the management committee.
* All reasonable travel costs incurred by staff or volunteers, in the execution of their duty will be paid at the discretion of the management committee.

**Reimbursement**

* A bank direct payment will be made by the administrator. If a request for expenses claim is more than £50 (other than for normal groceries / statutory / annual renewals) - this will then be presented for final approval and signature by an approved signatory.
* Signatories to the account will be presented with any relevant documentation when presented with any request for expenses claim.
* It is within the power of any signatory to refuse to sign any request for expenses claim if they believe that there is anything improper. The matter will then be referred to the next management committee meeting.

**Income**

* The playgroup receives income from a variety of sources. The following procedure operates to ensure that all income is properly and correctly recorded, as well as being held against specific purposes that it might have been granted for.

Grants

* Regular checks should be made to exploit all sources of income or funds; and to make the appropriate applications at the required time.
* The treasurer and administrator should ensure that income or funds are correctly applied in accordance with the terms of the grant.
* Comprehensive records of all applications should be kept and applications should be followed up until a response, either favourable or not is received.
* All grant applications will be approved by the management committee or appropriately constituted sub-committee.
* Upon receipt of any grant income, the amount, granting body and any special conditions attached to the grant will be noted and put on file. The information will form part of the termly management accounts and reports.
* An acknowledgement will be sent to the grantor.
* The project managers will be responsible for ensuring that all grant monies are banked promptly.
* The annual report will contain the names of all grantors.

Donations

* Will be banked as soon as possible.
* Will be sent a note of thanks if appropriate.
* Will be recorded upon receipt.
* Will be reported on as part of the termly management accounts/reports.

**Petty Cash**

* The petty cash is kept at a limit of £100 (except in special circumstances agreed by the management committee).
* Petty cash is authorised by the treasurer or administrator and allocated petty cash officer. The maximum level of petty cash expenditure is £50 (unless in extreme circumstances).
* When an individual receives any petty cash, they must produce the relevant receipts. A petty cash voucher is completed and a record made in the petty cash register. Petty cash is reconciled and topped up when advised by the petty cash officer.
* Cheques may be cashed at the bank by any member of staff or management committee, or the playgroup debit cards may be used to obtain cash.

**Banking**

* Any cheques or large sums of cash will be banked as soon as possible.
* Cheques may be cashed at the bank by any member of staff or management committee (the playgroup debit cards may be used to deposit cheques or cash, also).

**Independent Examination**

* The management committee is responsible for recommending the appointment of independent examiners, at the AGM.
* The examiners have access to all the playgroups financial and other records.
* As preparation for the annual examination, the termly management accounts will be reconciled against bank statements.

**Operation of Bank Accounts**

* All bank accounts will have an official title and no account is to be opened in the name of an individual.
* The treasurer is responsible for taking any steps which may reasonably be necessary to protect the financial interests of the playgroup, pending receipt of instructions from the committee.
* The safe-guarding of all bank documents including cheque books will be the responsibility of the treasurer and administrator.

**Insurance and Fixed Assets**

* The management committee delegates to the treasurer and administrator, the responsibility that the playgroup is protected as necessary by insurance policies. This includes the protection of the playgroup’s assets and the playgroup role as an employer.
* The administrator will keep a schedule of all insurance policies that are in force and report as necessary, to the management committee of any policies needing renewal or material variation.
* An inventory of fixed assets will be kept by the playgroup. All items with a purchase price of more than £50 or an estimated life of more than twelve months, and updated whenever a new asset is bought.

**Wages**

* Wages are calculated by the administrator. It is the responsibility of each employee to ensure that the administrator has full and accurate information for the preparation of the payroll every month.
* It is the responsibility of the management to ensure that the administrator is informed of new employees, employees leaving, any change of status, absence from work from sickness or other reasons (apart from approved leave) and changes in remuneration.
* Expenditure on wages will be reported to the management committee as part of the termly management accounts.

**Changes to these Procedures**

Changes to these procedures can only be made by the management committee of the playgroup.

This policy was adopted at an open committee meeting of Stratton Playgroup

Held on

**10/07/2023**

Signed on behalf of the committee