



# C.L.G Watty Graham, An Gleann Internal Financial Procedures Policy

## Segregation of Duties

The principle of segregation of duties is important with regard to both income and expenditure, and capital transactions to comply with best accountancy practice eg appropriate controls will be put in place to prevent one person recording and processing a complete transaction.

C.L.G Watty Graham will therefore ensure that all financial personnel within the Club have clear segregation of duties.

## Qualification of Volunteers

C.L.G Watty Graham will ensure that, where possible, financially qualified people carry out the financial duties of the organisation. In addition, any general or specific advice from the Club accountant will be brought to the attention of all of the Executive Committee.

## Income

The majority of income received by C.L.G Watty Graham is from fundraising events, funding from statutory and governing bodies and membership subscriptions.

All invoices will be raised on C.L.G Watty Graham letterhead, or in a format agreed with the Club Treasurer, and be drawn up in accordance with standard invoice requirements. In particular VAT invoices need to meet HM Customs and Excise requirements, and must include the VAT registration number, VAT rate and VAT amount where appropriate.

Information about non-routine and all grant income will be passed to the Club Treasurer with the cheque or remittance advice. This will be filed by the Club Treasurer, and used to ensure such income is correctly recorded in the accounts.

## Fund-Raising Events

Specifically, in terms of fundraising, C.L.G Watty Graham have the following controls in place:

- records be maintained for each fund-raising event, in sufficient detail to identify gross receipts and how they have arisen, and all costs incurred;
- for all events for which there is ticket income or gate money:
  - That tickets all be pre-numbered;
  - a record be kept of all persons who have been issued with tickets to sell, and of which ticket numbers have been allocated to each;
  - a record be kept of which tickets have been sold; and
  - a reconciliation be made of receipts against tickets sold.

## **Bank Accounts**

All income will be lodged into the current accounts as soon as possible, not less than once a week.

## **Banking and Custody Procedures**

C.L.G Watty Graham will ensure that, once funds are received into the control of club, their continued security is maintained through the implementation of the following guidelines:

- Incoming receipts will be banked regularly and as soon as possible – at least weekly. Frequency of banking will depend on the amount of cash received. Only a minimal amount of cash will be retained in a locked cash box.
- Cash or cheques will be placed in a safe or locked cash box if they cannot be banked on the day of receipt.
- All incoming money is banked gross – no amounts will be held back for petty cash.
- All C.L.G Watty Graham money will be kept separate from any individual's personal money.
- Where possible, two people will lodge the money in the bank for safety, particularly if significant sums of cash are involved.

## **Ordering Supplies and Services**

All members need to be aware that expenditure is committed when an order is placed on behalf of C.L.G Watty Graham, not when the cheque is requested. Therefore, it is important that all orders are placed properly and are within delegated powers.

Any lease, hire purchase agreement or other contract involving expenditure will be subject to the approval of the Executive Committee.

Large contracts will not be entered into without adequate advice from a relevant professional adviser (e.g. accountant, solicitor, surveyor).

While claims for small items of expenditure may be made via adequate supporting documentation, preferably receipts, must be obtained.

Large items requiring cash payment must be checked by the Club Treasurer before the arrangement is confirmed.

## **Payment Authorisation and Purchase Ledger**

All invoices must be authorised for payment by the Executive Committee of C.L.G Watty Graham, although the actual checking of details may be delegated to the Treasurer or Assistant Treasurer as appropriate. The Club Treasurer is responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, that the services or goods have been received, and following up any problems.

A Purchase Ledger is operated by the Treasurer. All incoming invoices are to be passed to Treasurer as soon as they arrive. Invoices will be recorded on to the Purchase Ledger within two days. They are then passed on to the Executive Committee for authorisation. Once authorised as above, suppliers will be paid within the appropriate timescale.

## **Cheque Writing and Signing**

Signatories will only be drawn from the Officers of the Club and Trustees, and any new signatory must be approved by the Trustees before the bank is notified. All cheques for £100 or over require two signatories. Cheque signatories should check that the expenditure has been authorised by the appropriate person before signing the cheque.

Signatories will not sign cheques which are payable to themselves, or blank cheques. Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed.

## **Handling of Cash**

### Accounting for Cash as it is Received

- If received in person, record on a pre-numbered multiple-copy receipt form. Give a copy of the receipt to the customer.
- Indicate the type of payment

### Separating Individual Cash Handling Duties

- The components of cash handling will be separated ie - collecting, depositing, and reconciling - so that one individual does not have responsibility for more than one component.
- It is best practice to always separate the handling of the actual cash from the reconciliation.

### Safeguarding the Handling and Storing of Cash

- During hours of operation coins, notes and cheques will be kept secure to restrict access.
- At other times store all coins, notes and cheques will be kept in a locked safe or other locked secure place until they are deposited.

### Depositing Cash Promptly

- Cash receipts will be deposited at least weekly or when the total on hand reaches £500.

### Reconciling Weekly and Monthly Activity

- Weekly balancing: balance each deposit by comparing:
  - the cash receipt records (cash register tape, pre-numbered receipts, or receipt log totals)
  - the completed cash transmittal
- Monthly balancing: monthly reconcile the cash and cheque ledgers with the bank statements.
- Document differences.

### Monitoring the Cash Receipts Process

The Assistant Treasurer, who is not directly involved with the cash receipt process, has responsibility to periodically:

- Review the nature and extent of overages and shortages.  
Compare actual deposits recorded with expected receipts.
- Review weekly and monthly cash activity reconciliation.
- Compare the mode of payment (coin, notes or cheques) recorded at the time the cash was received with the coin, notes and cheque totals on the validated deposit document.
- Evaluate overall internal controls to ensure that reasonable controls exist to safeguard cash, and that they are understood and followed.

## **Books of Account and Records**

Proper accounting records will be kept. The accounts systems is based around computer facilities, using Sage and Excel, but manual/paper records will also be used if appropriate.

At a minimum, the following records will be kept:

- appropriate control accounts (i.e. bank control, VAT control).
- monthly income and expenditure records.

Bank accounts will be reconciled at least monthly, and VAT returns produced on the required quarterly cycle.

Purchase Ledger, other cheque payments and banking sheets will be filed in the appropriate reference order, with any supporting documentation. All cheque stubs etc. will be retained for audit and for statutory purposes thereafter.

All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the Executive Committee) will be capitalised in the accounts and recorded in a fixed assets register.

## **Financial Monitoring and Audit**

The Executive Committee will receive appropriate, regular reports of income and expenditure against budget.

C.L.G Watty Graham financial year is from 01 October to 30 September. Annual accounts will be submitted for each AGM.

## **Role of Treasurer**

The Treasurer works in close co-operation with, and provides support and advice to, the Executive Committee. Specific responsibilities are to:

- Guide and advise the Executive Committee in all aspects of the Clubs finances.
- Keep the Executive Committee informed about its financial duties and responsibilities.
- Confirm that the financial resources of C.L.G Watty Graham meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Executive Committee of the Club's financial integrity.
- Ensure that the accounts are properly audited, that accepted recommendations of the auditors are implemented, and meet the auditor at least once a year.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor C.L.G Watty Graham investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities.

## **Declaration**

This document has been approved by the Club Executive Committee and serves as the working internal Financial Procedures of C.L.G Watty Graham

Signed\_\_\_\_\_

Treasurer

Signed\_\_\_\_\_

Secretary

Signed\_\_\_\_\_

Chairman