VINE HOUSING CO-OPERATIVE

FINANCIAL PROCEDURES FOR VINE HOUSING COOPERATIVE

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1. Records and Reports

1.1. All the Co-operative's books of account, bank statements, cheque books, paying-in books and other financial information will be kept in the co-operative's office and are to be kept up to date at all times. The worker is to be responsible for this.

1.2. The bank balance(s) shown on bank statements must be reconciled to the cash book(s) at least once monthly. Worker to be responsible.

1.3. The Finance sub-group will present a quarterly report to the Management Committee (MC) and General Meeting (GM) of actual expenditure against budget in conjunction with the worker.

1.4. The Finance sub-group will ensure that the co-operative's accounts are audited annually and a financial report made available to the Annual General Meeting (AGM).

1.5. The Finance Worker, as directed by the Finance sub-group, will be responsible for drafting an annual budget for approval by the MC at least two months before the start of each financial year.

2. Cheques

2.1. The Co-operative will maintain one current bank account, through which all payments and receipts will be made. Any additional accounts will operate by transfers into or out of this "control account". Surplus funds will be transferred to a high interest account with the Alliance and Leicester on a quarterly basis. The amount to be decided at a Finance sub-group meeting after consultation with the worker. A designated member of Finance sub-group will contact the Alliance and Leicester to arrange the transfer.

2.2. The Co-Op Chair, Treasurer and Secretary together with the designated co-operative staff will be authorised to sign cheques of the "control account" on behalf of the MC.

2.3. Cheques may only be signed if accompanied by a Payment Authority Voucher (PAV), correctly completed and signed and original invoice/bill; where exceptionally no invoice is obtained the PAV must be provide a full explanation. The PAV is to be signed by two signatories.

2.4. All cheques will require two authorised signatures. The person who makes out the cheque must at the same time complete the cheque stub with details of date, amount, payee and brief description of the payment. The cheque stubs are always to be kept in a secure place by the Co-op worker. The counter-signatory must always ensure that the proper procedures have been followed prior to signing.

2.5. All paid invoices must be marked paid and be stapled to the appropriate PAV which should be filed in cheque order by the worker.

2.6. Blank cheques are never to be signed.

3. Standing Orders

3.1. Setting up financial Standing Orders has the same requirements as the practice of cheque signatories – e.g. The Co-Op Chair, Treasurer and Secretary together with the designated co-operative staff will be authorised to set up standing orders on the "control account" on behalf of the MC.

4. Petty Cash

4.1. The co-op worker or a nominated co-op officer will be responsible for operating and Imprest System with a float of GBP 50 which will be held in a locked petty cash box in a secure place and reconciled monthly.

4.2. Petty cash should only be used for small items costing up to GBP 20. Anything more than this should be paid by cheque where possible.

4.3. All petty cash payments are to be made on petty cash vouchers accompanied by a detailed explanation and wherever possible by a receipt.

4.4. The nominated persons (as in 2.2 above) should countersign all petty cash vouchers and ensure that a correct balance in the ptty cash box is maintained at all times.

4.5. All receipts to be stapled to the appropriately completed petty cash vouchers and kept in the locked petty cash box together with the cash balance of the float.

4.6. All monies drawn for petty cash purposes must follow the prescribed cheque authorisation procedure (see 2.2 and 2.4).

5. Paying in money to the bank

5.1. All cash received is to be banked by next working day at the latest. A receipt must be issued for all items of cash received. To be the worker's responsibility.

5.2. A record of all payments into the bank account shall be kept with the date, amount, payee and description of type of income or transaction.

5.3. A paying-in slip is to be completed each time money is paid into the bank stating date, amount, payee and description and filed with any relevant papers.

5.4. All invoices from the Co-operative should be raised on the Co-operative's letter-head and should include details of the VAT registration number, VAT rate and VAT amount.

5.5. Every week rent received should be reconciled from the cash book to the rent ledger.

6. Payments and Contract Authorisation

6.1. Expenditure can only be authorised from an approved budget category. The MC must approve the transfer of funds from another budget category.

6.2. Maintenance authorisation levels:

Up to GBP 500	Co-op worker can authorise
GBP 501 – 750	Maintenance sub-group
GBP 751 – 1000	2 quotes must be obtained and submitted to Finance sub-group

	for approval. The MC must be informed.
GBP 1001 – 5000	3 quotes must be obtained and as above.
Over GBP 5000	5 quotes, full tender procedure and as above

6.3. From time to time the MC will recommend to the GM appropriate expenditure authority limits. Until such time the following limits shall apply:

a) Expenditure up to GBP 750 must be authorised by a Minute of a duly convened meeting of the Finance sub-group and notified to the MC.
b) Expenditure of between GBP 750-5000 must be authorised by a Minute of the MC.
c) Expenditure in excess of GBP 5000 may only be authorised by a GM.

6.4. Encashments of cheques in excess of GBP100 are not to be made.

6.5. Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation limits as above, with the appropriate expenditure amount being the total committed expenditure over the period of the contract, or where the contract is open-ended, over the first 12 months of the contract. Larger contracts should not be entered into without adequate advise from the Co-operative's relevant professional adviser(s) (e.g. accountant, solicitor, surveyor).

7. Staffing matters and contractors

7.1. The payment and level of all salaries, wages, pensions, compensation and other earnings to all employees or former employees of the Co-operative shall be made under arrangements approved and controlled by the MC.

7.2. Staff expenses should be checked and authorised by a designated member of the Co-op's Personnel Committee.

7.3. Any new post shall only be created on the authority of a GM either by specific approval or through a specific budget heading on the approved budget.

7.4. Contractors will only be taken on when authorised in accordance with section 5.5.

8. Security

8.1. The MC shall be responsible for introducing and maintaining adequate arrangements for all aspects of security throughout the Co-operative including all buildings, staff, stocks, stores, equipment, cash, records and confidential information in consultation with, and on the advice of all Co-op members.

9. Accounting Standards

9.1. The Co-operative's audited financial statements should be presented to the Co-Operatives AGM within six months of the close of the financial year.

9.2. The financial statements should be prepared in accordance with general accepted accounting principles.

10. Audit

10.1. The audit should be completed by the end of February at the latest (preferably earlier) so that the MC can approve the accounts and signed copies be sent to the Housing Corporation and the Financial Services Authority (previously the Registrar of Friendly Societies). Audited accounts to be presented to AGM in April/May and officers elected.

11. Financial Year

11.1. Vine co-operative's financial year runs from 1-Oct to 31-Sept each year.

Change Control

Version	Updated and passed at GM	Summary of changes
1.0	30 Jan 1997	
1.1	1 Oct 2002	Slight change to Petty Cash para (from 100 to 50 pounds) Additional section 10 added (Audit)