



Finance Policy and Procedure Manual

Introduction

The Homes for Wells Financial Policy and Procedure Manual provides the policies and procedures for financial transactions within the business which must be followed by all staff and Board members. It also provides guidelines that Homes for Wells will use to administer these policies along with the relevant associated procedures.

Homes for Wells will keep all financial policies current and relevant. From time to time it may be necessary to modify and amend some sections of the policies and procedures. It may also be necessary to add new procedures.

Any suggestions, recommendations or feedback on the policies and procedures in this manual are welcome.

The policies and procedures apply to all Board members and employees.

Financial Supervision Structure

The Board appoints a Board member to Chair the Finance Subcommittee.

The Finance Subcommittee consists of the Chair, Treasurer and at least one other Board member, with a maximum of four members in total.

The Finance Subcommittee members are typically also “authorised persons” for Bank Account payments.

The Treasurer is responsible for the day to day supervision and operation of our Finance Policy and Procedures.

The Finance Subcommittee meets periodically and as required to review major finance plans or concerns before they are presented to the Board for review.

Any Finance Subcommittee business may, at the discretion of the Chair, be conducted electronically. In such cases the Office Coordinator must be provided with a copy of relevant correspondence for the record.

Example subjects of Finance Subcommittee reviews in advance of a Board meeting are: The proposed budget for the forthcoming year; significant deviations from budget during the year; any recommendations regarding significant changes to our balance sheet.

Finance Authorisation Policy

Purpose of the Policy: All finance transactions as noted in this policy are to be authorised by the specified authorised person prior to the transaction being undertaken. This policy is to be read in conjunction with other specific finance policies where relevant.

Procedures: Prior to any of the following finance transactions being undertaken, the authorising person noted must authorise the transaction. Where an additional relevant policy is noted, this policy must also be adhered to when undertaking the finance transaction.

Finance Transaction	Authorised Person	Additional Policy
Bank Accounts	Treasurer	Bank Account Policy
Authorising New Suppliers	Board decision	New Supplier Policy
Purchasing Stock	Office Coordinator	
Purchasing Assets/ Equipment	Under £100: Office Administrator Over £100: Two Board Members	
Maintenance	Under £300: Maintenance Contractor Over £300: Treasurer and Chairperson and in their absence two Board Members	
Debt Collection	Office Coordinator and Treasurer	Debt Collection Policy
Payment of Invoices	Two Board Members	Payment of Invoices Policy
Rent Collection	Office Coordinator	Affordable Rents Policy

Bank Account Policy

Purpose of Policy: This policy sets out the requirements for use of bank accounts, including opening and closing authorisation, variation in terms and conditions, reconciliation of bank accounts and bank account transactions.

Procedures:

Opening Bank Accounts: Any new bank accounts to be opened for the business must have the authorisation of the Homes for Wells Board. For each new bank account opened, the financial system must be updated and the bank account registered by the Treasurer.

Bank Account Authorisations:

- For monies withdrawn from any bank account, whether by cheque or other method there must be two persons authorising each payment

with cheques signed by those persons authorised to do so by the Board.

- Each payment made must be supported by an invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.

Variations to Bank Account Terms and Conditions: Variations to banking arrangements can only be made or varied by the Board of Homes for Wells. The Treasurer is responsible for updating the financial system and / or bank account register with this new information.

Closing Bank Accounts: Where it is decided that a bank account is no longer necessary, the closure of that account will be authorised by the Board of Homes for Wells. 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.
- Update the financial system and bank account register.

Bank Account Transactions: All deposits received must be banked within seven working days. Cheques 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 a payment stop on a cheque:

- Ensuring the cheque has not already been presented at the bank.
- Obtaining authorisation to action the stop payment using appropriate forms from the bank.
- Ensuring the bank receives notification on the stop payment notice.
- Receiving confirmation of action from the bank of the stop payment

New Supplier Policy

Purpose of Policy: All new suppliers to the business must be reviewed and accepted in accordance with this policy to ensure that the supplier service is aligned with the business objectives.

Procedures:

Choosing a new supplier: A new supplier for services costing over £500 must be able to provide our business with a quality product, competitive pricing, efficient delivery, third party recommendation.

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

Supplier Selection Background Information	
Business Name of Supplier	
Location of Supplier	
Products and Services provided by Supplier (Attach list if necessary)	
Name of business owner / sales representative	
How many years has the supplier been trading	
Declare any personal relations between the supplier and any Board member or employee of Homes for Wells	

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

Supplier Selection Review	
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?	
Name of third party reference	

Appointment of the Supplier: The appointment of a new supplier will be authorised by the Board of Homes for Wells. All relevant details of the supplier will be entered into the financial system by the Treasurer once approval is obtained by the Board.

Tenant Debt Collection Policy

Purpose of Policy: This policy provides guidelines for the collection of late payments from tenants.

Procedures: All rents are paid by standing order. When any rent is overdue:

- First Contact: Once the payment is overdue by a month, the tenant should be phoned or emailed. The tenant should be reminded that payment is overdue and has not been received and they should be asked when payment will be made. A record of the conversation or email should be retained.
- Final notice: When a payment is overdue for two months it will be reported to the Board who will decide what action should be taken considering all relevant circumstances.

Finance Control Policy

Purpose of Policy: This policy provides guidelines for maintaining strong financial control of books and records at Homes for Wells.

Procedures: The following procedures will apply regarding books and records:

- An up to date transactional spreadsheet will be maintained, noting all revenue and cost, with items coded to the relevant account: Office Coordinator.
- A monthly bank reconciliation will be carried out: Treasurer.
- An annual budget will be set: Signed off by the Board.
- An update on spend relative to budget will provided at each Board meeting: Treasurer.
- Any recommendations arising from the annual audit will be actioned: Treasurer, Board as relevant.

Policy Update by RD, 17th January 2018