

Financial Procedures

Purpose of this document

To define the financial systems used by NFPTA.

Ordering supplies and services

All orders of £100 or more must be authorised by the management team.

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

Suppliers must be requested to produce invoices

Payment authorisation and Purchase Ledger

All invoices must be authorised for payment by the Treasurer. A cash book is operated by the Treasurer. All incoming invoices are to be passed to the Treasurer. Invoices will be recorded on to the cash book.

Trustees expenses will be paid on receipt of a signed and completed Expense Claim form, relevant printed receipts and authorised by the Treasurer or in the case of the Treasurer, by another Trustee. Management meeting travel expenses will be paid.

Cheque writing and Bank Transfers

Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed. Bank Transfer which are now the accepted method of payment, require receipts and the usual signed authorisation.

Petty cash is not a usual function of the NFPTA. If the management team purchase on behalf of the Association, receipts must be obtained, and a repayment of expenses form completed and forwarded to the Treasurer for payment. In the interests of time and energy saving, small purchases should be collected and one expense claim submitted.

Any cash income will be banked by the Treasurer.

Income

The majority of income received by NFPTA is from sales of guide and chart books and the online and attending teacher training course. With the exception of book sales, invoices will be issued for every sale as soon as practical. Invoices and receipts are issued by the Treasurer/Administrator for Accounting and recording purposes and emailed to payees. All income will be paid into the current accounts as soon as possible.

All invoices should be raised on NFPTA letterhead. There is no requirement currently to apply for VAT registration – which has an £84,000 per annum income threshold. If this threshold is reached then VAT invoices need to meet HM Customs and Excise requirements, and must include the VAT registration number, VAT rate and VAT amount.

Association members pay an annual subscription fee, which is agreed at the AGM. Subs are due in October annually and can be paid via standing order, PayPal, bank transfers.

Donations will immediately be transferred to the COIF Charity Deposit Account and held until such time as the Management Committee decide and approve its use.

Bank accounts

The NFPTA bankers are:

- Lloyds Bank PLC - Current Account.
- COIF Charity high interest deposit account - London.

Books of account and records

Proper accounting records will be kept. The accounts system is based on Excel cash book spread sheet on a manual basis.

Bank accounts will be reconciled at the end of each month, and if necessary, VAT returns produced on the required quarterly cycle.

All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the trustees) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal.

Budget setting

The NFPTA will endeavour to balance income and expenditure as far as is practical and the management team will be responsible for any budget setting that is required.

The Management Team will play a lead role in ensuring that any budgets are set fairly, efficiently and in time.

Financial monitoring and audit

The Management Team will receive:

Quarterly reports of income and expenditure.

The NFPTA's financial year is from 1st January to 31st December. Annual accounts will be submitted for audit, as required under the Companies Act, charity regulations and grant conditions, prepared per SORP for Charities and any other relevant accounting conventions. Final draft should be ready for and passed by Board of Trustees as soon as is practical, with audited accounts signed at the AGM meeting.

The NFPTA Auditor/Accountants are Leonard Cohen Accountants, Cardiff.

Role of Treasurer

Extracted from Charity Finance Yearbook:

The Treasurer Specific responsibilities are to:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of NFPTAs strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of NFPTA meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Board of NFPTAs financial integrity.
- Ensure that the accounts are properly audited, that accepted recommendations of the auditors are implemented.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor the investment activity, if any, and ensure its consistency with policies, aims, objectives and legal responsibilities

Role of Board of Trustees & Management Committee

The committee is responsible for:

- approving any budget for the year.
- approving signatories to the bank accounts.
- approving exceptional items of expenditure.
- monitoring the financial position based on reports, with advice from the Treasurer.
- approving the annual accounts, auditors report and appointment.

Other Related Policies

Investment & Reserves Policy

Business Plan

Policy Review Frequency: annually

Responsibility: Management Team

Date approved via AGM 10th October 2020