

ACCOUNTS PROCEDURES FOR THE PEEL INSTITUTE

The following files are to assist with correct and controlled financial procedures. They are held in the Admin. Office.

1. PURCHASE INVOICES (2)
2. SUPPLIERS STATEMENTS
3. CASH BOOK PAYMENTS
4. REMITTANCE ADVICE (Banking)
5. SALES INVOICES
6. PETTY CASH VOUCHERS
7. INVOICES PENDING AUTHORISATION
8. ORDERS FILE
9. CASH AND CHEQUE REQUEST FORMS

Staff should not remove papers from these files. Ask the Administrator to take a copy for you. The aim is to avoid the loss of important documentation, to ensure that expenditure is controlled and accounted for and to save time on end of year audit queries.

(A) Purchase Orders

1. All purchase orders must be authorised by the Director. We must fill out a standard purchase order form for every non-routine purchase and pass this on to the Director. This includes purchase of repairs to equipment, purchase of temporary staff and volunteers, where expenses will be incurred. All orders must be raised internally before action is taken externally.
2. Orders can then be placed for invoicing direct or a cheque issued (see below).

(B) Invoices

- 1) When the invoice is received the Director will check that it is correct and if so pass it to Administrator to code it and authorise payment.
- 2) Invoices pending authorisation and dubious invoices will be kept in the Pending file (7).
- 3) When authorised, invoices are held in the pending file and then posted once a week to the suppliers accounts in the Bought Ledger. Invoices will be marked posted. Payments will be made twice a month.
- 4) All documentation will be filed in the Purchase Invoice file, alphabetically and in date order.

- 5) Whenever possible, bills are to be paid by account and avoid paying two cheques to the same supplier.
- 6) Under no circumstances must the original invoice or supporting documentation be removed from the file. If copies are required, they should be obtained from the Administrator.

C) **SUPPLIERS STATEMENTS**

- 1) To be reconciled with the account in the Bought Ledger.
- 2) Administrator to mark the statement agreed or show the reconciliation. Sign, date and file.

(D) **CASH BOOK PAYMENTS**

- 1) All payments, including petty cash, other than Bought Ledger, salaries and PAYE must be made against a cheque or cash request voucher.
- 2) A request voucher must have the necessary supporting documentation before payment can be made. Where this is not possible, full details to be given on request form.
- 3) Admin to enter the cheque number on the cheque request voucher before authorising by the Director.
- 4) Director to make out cheques from the cheque request forms and staff to sign request form to confirm receipt of cheque.
- 5) Admin to enter cheques in cashbook and staff to provide evidence of payment as soon as possible.

(E) **BANK RECONCILIATION**

- 1) Treasurer to do on monthly basis and to post cashbooks to Sage.
- 2) Treasurer to finalise month end on Sage and check bank account statements and cash books with double check by Treasurer.
- 3) Treasurer to check at least fortnightly that cheques and cash paid have supporting documentation.

(F) **REMITTANCE ADVICE**

- 1) Administrator to fill out remittance advice (banking form) prior to banking. All cheques and cash to be listed. Please give correct breakdown of information on cash. All banking should be co-ordinated where possible, so that we go once a week only for the whole organisation Banking list should be supported by attaching payers remittance advice to the list and bank receipt where available.

- 2) Where there is no advice sent, a copy must be taken of the cheque.
- 3) Banking list must be numbered and have a cash book reference.

(G) **SALES INVOICES**

- 1) Standard Sage invoice format used. Each invoice to be numbered automatically and filed.
- 2) Each invoice copied to customer and to sales invoice file.
- 3) Repeat invoices generated monthly. Treasurer to do monthly check of debtors' listing at least.
- 4) Sales invoices to be filed in alphabetical order and statements generated monthly as required.

(H) **CASH REQUEST FORMS**

- 1) When requesting petty cash a cash request form is required and must be authorised by Administrator.
- 2) Evidence of expenditure to be provided as soon as possible and passed back to Petty Cash controller (Administrator).
- 3) Requests for cash should be paid at least one day before required and if over £200 at least two days before.

4) Wherever possible payment should be made by cheque not cash.

(I) **PETTY CASH**

- 1) Administrator will be the Petty Cash controller and will be responsible for maintaining petty cash on a daily basis.
- 2) Any requests for payments into petty cash must be on a request form or inter account transfer and authorised by the Administrator. The Treasurer will do the month end on petty cash and spot checks on floats as and when.

(J) **INCOME**

- 1) All managers are responsible for ensuring that income is stored in a safe environment and that it is accounted for and reconcilable with departmental records.
- 2) All income passed to the Administrator will be entered in the administrators own cash control book subject to banking.

- 3) Managers are responsible for maintaining their own written income records and evidence where appropriate.

These procedures are designed to introduce an element of control to the accounts and minimise the possibility of error or misappropriation. The Treasurer will be responsible for monthly checks of accounts and for producing month end reports to the Director.

(K) **SIGNATORIES**

For cheques up to £250, the Director can sign alone on authorised expenditure. Any payments over £250, require a second signatory for authorisation.

All Cheques other than those signed by the Director and under £250 must have two authorised signatories for payment.

Authorised Signatories

Co-Op

Rob Hamilton Bosco McAuliffe John Hayes Any Trustee

(L) **VISA PAYMENT**

Can only be made by the Director. Any such purchases must be supported by relevant documentation passed to the Administrator as soon as possible.

Each month end account cheques will be completed by the Director and Treasurer independently. Any discrepancies will be resolved immediately or as soon as practically possible.