**Financial Control and Expense Policy**

**Introduction**

This policy sets out the principles for Financial Control and Expenses within the Parents, Teachers and Friends Association (“the PTFA”) of Warnham C.E. Primary School. It is relevant to all within the association and is endorsed by the committee of the PTFA. It will be reviewed annually to ensure that it remains appropriate to the organisation and its volunteers’ needs.

In order to achieve its purpose, the PTA recognises that steps must be taken to ensure that all profit is collected, securely held and spent or given to appropriate people to spend on items or services that improve and augment Warnham C.E. Primary School’s facilities.

The key areas are:

* The role of the Treasurer including the collection, saving and payment of monies.
* The role of the Committee in identifying and approving appropriate causes.
* The individual role of each Committee member in declaring conflict of interests.

The PTFA Committee is collectively responsible for its finances and must formally agree to any project. However, it is the responsibility of the Treasurer to ensure that all financial transactions are presented and recorded correctly.

**Applicability**

This policy applies to all Trustees and Committee Members who are legally responsible for the running of the association and for all Members of the Association who are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur whilst supporting the delivery of the charity’s objects.

**Money Authorisations**

The following controls will be applied when managing the money raised by the PTFA:

* All purchases over £100 must be agreed by the Committee before they are made.
* All donations to the school shall be approved by the Committee either at Committee meetings or via majority agreement email in extraordinary circumstances.
* The maximum payment that will be given for expenses without a receipt is £5. If one is not available, then a petty cash slip signed by the Treasurer and recipient will suffice.
* There will be no payment of expense claims to Committee members for petrol, telephone or childcare costs incurred when organising PTFA events.
* All other purchases including stationery costs will be paid when accompanied by receipts as long as they have been agreed in principle by the Committee.

**Bank Account Management**

The bank accounts will be maintained according to the following rules:

* The bank mandate shall require two out of three or four signatories for each cheque.
* The Treasurer is authorised to operate the bank accounts and will retain passwords for electronic banking. Electronic banking will only allow viewing of transactions and statements plus movement of money between PTFA accounts.
* Movement between the current account and the parental donation (gift aid) account and any savings account will be by the Treasurer following agreement from the Chair or other signatory.
* The Treasurer shall make a regular review of deposit, investment and current accounts suitable for charities.

**Handling Cash**

There are extra rules for the handling of cash due to the difficulty of tracking transactions:

* For large events, such as the Summer Fair, there will be a minimum of two people counting cash.
* Money from events will be banked within a week of the event unless required for petty cash to pay outstanding expenses or for floats at future events.
* A maximum of £120 will be held in petty cash for payments for expenses, and these will be used to provide the float for future events with exception of the Summer Fair. The additional funds required for this event shall be provided by the Treasurer and recovered from cash takings.

**Accounts and Recording Transactions**

The Treasurer shall keep the accounts up to date in order to produce accurate reports for the Committee and to keep track of cash and bank balances:

* The Treasurer shall produce an income and expenditure statement and bank reconciliation for all Committee meetings plus breakdown of events as requested.
* The Treasurer will make arrangements for a simple independent examination of the accounts at the end of each financial year. This should be a financially competent person or local accountant, who is not on the Committee or related to a Committee member.
* The Treasurer shall record the flow of money into and out of the PTFA:
  + All the money received by the PTFA must be recorded, no matter how small the amount may be. The full income figure should be recorded and not netted against any expenditure.
  + All payments made from the account or out of cash income must be recorded and the receipt should be produced before the payment is made.
  + Bills must be paid when they are due.
  + Donations to the school must be recorded and broken down into general headings to ensure transparency.

**Insurance**

Parentkind’s subscription linked insurance provides its members with cover against fraud or dishonesty by any member of the Committee, including the Treasurer.

It is a condition of the current policy that cheques bear two signatures and an independent annual examination of the accounts is carried out by someone other than a Committee member or their relatives.

It is the responsibility of the Committee as a whole to ensure that the above is adhered to.

The Treasurer must also ensure that a reasonable standard of care and supervision of the PTFA's monetary affairs is implemented. For limits covered please refer to the current Parentkind Insurance summary <https://www.parentkind.org.uk/For-PTAs/Member-benefits/Insurance>.

**Identifying Facilities & Spending Funds**

In order to ensure that the profit the PTFA makes is spent on items or services that improve or augment the facilities at Warnham C.E. Primary School for the benefit of all pupils, the PTFA will allocate in accordance with three key areas namely:

* Supporting regular contributions via the Warnham Wishlist.
* Supporting individual requests from students and teachers.
* Spending up to 50% of funds on large projects.

The PTFA can agree to change the amount spent on large projects at a full meeting if there are reasons for doing so and a simple majority of members agrees to do so. Such a decision will be recorded in the minutes.

The PTFA will consider all funding requests from representatives of the School, taking into account:

* Any previous large expenditure to that area in the previous year.
* Any other large expenditure items that have been agreed.

Where the PTFA agrees a purchase, the requester will be informed and the Treasurer will release the money to the Bursar once the purchase cost has been confirmed.

At any PTFA Committee meeting which agrees expenditure, members will be reminded of the Conflicts of Interests policy and asked to declare any such conflicts before decisions are reached.

**Trustee Expenses**

Wherever possible, authorised expenditure should be made using the PTFA’s debit card for ease. However, all Trustees of the Association may be reimbursed for reasonable expenses incurred whilst carrying out their duties as a Trustee of the PTFA.

It is generally expected that expenses will be agreed by the Treasurer or Chair in advance of them being incurred.

All other expenses must be pre-approved by two members of the committee, of whom neither may be the claimant.

Receipts must be provided for all expenses over £5.00.

All claims for reimbursement must be made within 30 days of the date of expense using the Association’s approved expense claim form.

**Member Purchases**

Members of the Association are entitled to be reimbursed for purchases made for the Association. Purchases must be pre-approved by the Treasurer or Chair and have already been agreed by the committee as an agreed spending of funds.

Any member who has not received pre-approval for a purchase is not guaranteed reimbursement.

Receipts must be provided for all purchases over £5.00.

All claims for reimbursement must be made within 30 days of the date of purchase

**Waiving Expenses (Donating Expenses as Gifts in Kind)**

Members who generously waive their expenses or purchases as ‘donations’ to the Charity inadvertently create some difficulties. If reimbursement of expenses and purchases are not claimed they cannot be entered into the accounts to show both the true running costs of the Charity and the generosity of its supporters through cash-donations. If the amount of waived expenses and purchases are entered into the Charity Accounts, the Charity may not claim Gift Aid on these amounts as ‘Gifts In Kind’ are excluded from Gift Aid.

**Changes to the policy**

The Committee reserve the right to change its Financial Control and Expense Policy to maintain consistency with current best practice and the needs of the Charity.

**Enquiries regarding finances**

The PTFA finances are reviewed and discussed at the scheduled PTFA meetings. All PTFA members are welcome to come along to these meetings with any questions they have regarding the PTFA finances. If you are unable to attend a meeting, then you are advised to email any questions you have to the Committee who will then respond and a meeting to discuss these can be arranged if necessary.

This policy will be reviewed annually by the PTFA committee prior to the AGM.