



REIDVALE HOUSING ASSOCIATION FINANCIAL PROCEDURES

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Author	Finance Agent

POLICY SUMMARY

Purpose:	The purpose of this policy is to set out our Financial Procedures.
Legislation/Guidance:	The Association is a company under the Co-operative and Community Benefit Societies Act 2014, and a company regulated by the Financial Conduct Authority (FCA).
Regulatory Compliance	<ul style="list-style-type: none"> • Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users. • Standard 2 - The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. • Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay. • Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose. • Standard 5 - The RSL conducts its affairs with honesty and integrity. • Standard 6 - The governing body and senior officers have the skills and knowledge they need to be effective • Standard 7 - The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.
Linked policies	RHA Rules Financial Regulations
Financial Impact	Low
Risk Assessment	Low
Equalities Impact Assessment	Low
Date Reviewed	<u>29th March 2023</u>

Date approved by
Management Committee

29th March 2023

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A. INTRODUCTION

- A.1 Reidvale Housing Association (RHA) is a community based organisation based in Dennistoun. Our core business is the provision of affordable housing and related services, and we recognise that we are an important part of the local community.
- A.2 In order to facilitate the efficient and effective operation of the Association in matters relating to the finance and minimise risk in accordance with our Risk Management Policy, a series of financial controls have been established. This is also to ensure compliance with Standard 3 of the Scottish Housing Regulator ('SHR') Regulatory Standards of Governance and Financial Management.

B. AIMS AND OBJECTIVES

B.1 The aims and objectives of the policy are to:

- Ensure we are delivering our vision & values and objectives in our business and operational plans;
- Ensure we are financially sustainable and able to deliver on our objectives set within the Business Plan;
- We are meeting our Key Performance Indicators;
- We are becoming more efficient, which means having the same outcomes for reduced resources applied or better outcomes for the same resources applied

C. LEGAL AND REGULATORY FRAMEWORK

C.1 Reidvale Housing Association Limited, is a registered society under the Co-operative and Community Benefit Societies Act 2014; a registered social landlord; and regulated by the Financial Conduct Authority (FCA).

C.2 The Management Committee, as the governing body, is responsible for safe-guarding our tenants income and our reputation for honesty and transparency in all that we do as an Association and through our subsidiary in furthering our aims and objects

- a. We are regulated by the Scottish Housing Regulator (SHR). Their Regulatory Framework sets out seven Standards of Governance and Financial Management. Relevant to this Policy are particular elements under these Standards:

- Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- Standard 2 - The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service

users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

- Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
- Standard 5 - The RSL conducts its affairs with honesty and integrity.
- Standard 6 - The governing body and senior officers have the skills and knowledge they need to be effective
- Standard 7 - The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

The Scottish Government's Social Housing Charter, April 2012 sets out standards and outcomes which RSLs should achieve:

- Outcome 13: Value for Money – Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

D Financial Procedures

1. INTRODUCTION

- 1.1 In order to facilitate the efficient and effective operation of the Association in matters relating to the finance and minimise risk in accordance with our Risk Management Policy, a series of financial controls have been established. This is also to ensure compliance with Standard 3 of the Scottish Housing Regulator ('SHR') Regulatory Standards of Governance and Financial Management.
- 1.2 These procedures incorporate basic elements of financial control which exist in most organisations as well as those which may be peculiar to this Association.
- 1.3 **It is in the interests of the organisation that these controls are made known and are adhered to by both staff and Committee members. All members of staff and Committee will be made aware of these controls and must comply with the same. Awareness of these controls will form part of the induction for new staff and Committee members.**
- 1.4 These procedures shall be reviewed and updated as necessary on an annual basis by the Finance Agent in conjunction with the Senior Management Team and any amendments shall be considered and approved by the Management Committee.
- 1.5 The Association must ensure that, where records of a financial nature are kept outside the finance team, consultation is held with the Finance Agent and an agreement reached that ensures the way records are kept is appropriate for audit purposes.

- 1.6 In addition, consultation with the Finance Agent and Director and must take place for all transactions which have (or may have) a material financial effect, including any maintenance, purchase or leasing agreements.
- 1.7 It is essential that the Finance Agent and Director be notified immediately of any event which has, or may have, material financial implications for the Association.
- 1.8 These procedures together with the Financial Regulations form part of the overall system of financial and management control and take account of the Scottish Housing Regulator's (SHR) Standards of Governance and Financial Management.
- 1.9 In the event of failure to follow agreed procedures, action may be taken against the offending individual(s) under the Association's disciplinary procedures and/or Code of Conduct (for Committee and staff Members).

2. BUDGET PROCESS

- 2.1 The value of the budget statement, as a Management tool should be recognised and under no circumstances should the organisation be operating without a comprehensive budget document.
- 2.2 In preparing the budget statement, appropriate consultation and discussion with all Teams of the organisation must take place and guidance from the Scottish Housing Regulator must be recognised and considered.
- 2.3 The budget setting process must allow adequate input from all Sections within the Association. The Finance Agent shall issue a formal and detailed budget information request in October of each financial year to budget holders. Budget holders have responsibility for co-ordinating the supply of information to the Finance Agent within agreed timescales.
- 2.4 Budget holders have been determined within the Financial Regulations. Budget holders are responsible for providing detailed information to inform the annual setting of budgets. They are also responsible for monitoring actual income and expenditure against their allocated budget codes and providing detailed information to the Finance Agent with regards any significant variances.
- 2.5 The Finance, Audit and Risk Sub Committee shall consider a draft budget for the year in January of each year, also approving the indicative annual rent increase at that point, and then approving the final budget document in March of each year. The final budget document approved for the year must contain appropriate supporting narrative, including details of main assumptions employed, material changes from the previous year, appropriate ratio analysis, covenant compliance review and detailed cash flow projections.
- 2.6 To assist the process of cost allocation within the Association, Managers may be required to complete time allocation sheets as directed.
- 2.7 On completion of the annual budget a copy shall be sent to the external auditor and all funders.

- 2.8 Budget variance reports shall be issued monthly to Senior Management Leader budget holders. Budget holders are expected to formally explain variances to the Finance Agent to allow the preparation of the quarterly management accounts and related Committee reports.
- 2.9 All Managers and budget holders should be aware of the budgets within their control and should have in place effective tools for managing their budgets throughout the year. Any requirements to exceed a budget should be drawn to the attention of the Director / Finance Agent immediately and a report submitted to the Committee for approval.
- 2.10 Management accounts will be prepared on a quarterly basis and shall compare the estimated and actual income and expenditure for the period to date and project for the full year against the approved budget. Any material variances must be highlighted and explained to the Committee with the covering report issued within the management accounts.
- 2.11 The quarterly management accounts should include the effect of likely future events on the financial position together with details of the currently projected financial position of the Association at the year-end. In the event of a material adverse change in expected outcomes a revised annual budget may be required to be prepared.

Budget Setting Timetable:-

Budget request issued to Team Leader budget holders	October
Budget Information Submitted to Finance Agent	November
Senior Management Team meet to discuss draft budget	December
Draft Budget to Finance, Audit and Risk Sub Committee then The Management Committee	January
Tenant Consultation on Rent Increase proposal	December
Rent increase proposal to The Management Committee	January
Final Budget updated to reflect any changes and rent increase decision and formal approval by the Management Committee	March

3. TENDERING PROCEDURE

- 3.1 Full details of the Association’s approach to procurement for works and services and the related detailed tendering process can be found in the Procurement Policy.

4. RECEIPT OF MONIES

- 4.1 The Finance Agent will ensure that appropriate processes are in place for the timely and accurate recording of all monies due to the Association.
- 4.2 To minimise risk the Association will attempt to limit the level of cash payments made directly into the office.

- 4.3 Cash payments will be accepted in certain circumstances, however, staff will advise the tenant or owner of the options to make future payments (Direct Debit, Allpay app).
- 4.4 If a tenant/factored owner/service user pays personally by cheque at the office, the following procedures apply:
- a. The staff member will check that the cheque is correctly made out and ensure it is receipted accordingly.
 - b. The cheque will then be given to the Finance Officer for storage in the safe. It should be logged on the relevant Daily Banking Sheet by the Finance Officer
 - c. The Finance Team will pay the cheque into the Association's General/Factoring/ bank account.
- 4.5 If a cheque is received in the post, the following procedures apply:
- a. The cheque will be date stamped with the date of receipt by the reception staff and given to the Finance Officer for storage in the safe.
 - b. Finance staff will check that the cheque is correctly made out it should then be logged on the relevant Daily Banking Sheet by the Finance Officer.
 - c. Finance Team will pay the cheque into the relevant bank account.
- 4.6 All monies received shall be reconciled by one of the finance team and recorded within the relevant pay-in books (General/Factoring/) allowing two members of staff to lodge all monies received at the bank.
- 4.7 Housing and Finance staff are authorised to accept electronic payments. This requires to be administered through the Associations Allpay website. All trained staff have their own username and password to access this system and will never share passwords.
- 4.8 It is the responsibility of the Housing Team to process rent and Allpay factoring receipts daily. It is the responsibility of the Maintenance and Factoring Assistant to process factoring receipts daily. It is the responsibility of the Finance Officer to process any other payments received into the appropriate ledgers daily.

5. INVOICES/ORDERS

- 5.1 The Association operates a Purchase Ordering system. The purchase order of all non-maintenance goods, services and other relevant items shall be made by the Finance Officer usually acting under the instructions of a member of the Senior Management Team, but also from other staff acting within the limits set by the Scheme of Financial Delegation in the Financial Regulations.
- 5.2 When non-maintenance goods are ordered in this manner a copy of the purchase order, together with supporting documentation, often a confirmation e-mail, will

be filed in the Credit Card or Purchase Order file. When the invoice is received this will be matched with the appropriate purchase order and delivery note and checked to see if it agrees.

- 5.3 Invoices received by post or by hand shall be date stamped by the relevant staff member and passed to the finance team or Maintenance team who will log the details on the relevant invoice authorisation spreadsheet and purchase ledger system all invoices will be scanned into the relevant (shared) f: drive folder.
- 5.4 A copy of all invoices received by email will be logged on the relevant invoice authorisation spreadsheet and purchase ledger system and scanned into the relevant (shared) f: drive folder (Maintenance Assistant for all maintenance invoices and Finance Team for all non-maintenance invoices)
- 5.5 For non-maintenance invoices the finance team will share a link to the General Invoices Authorisation Spreadsheet with the relevant Budget Holder by email. The email will include details of the invoice batch to be authorised for payment by the Budget Holder and give a link the location of all invoices. The Budget Holder will check each invoice in the batch against the purchase orders (if relevant) and if satisfied that the invoices are correct should authorise the invoices for payment by signing the spreadsheet. The budget holder should then reply by email to the Finance Officer confirming that he/she has signed the Invoice Authorisation Spreadsheet. Any queries that the Budget Holder has should be resolved before signing the Invoice Authorisation Spreadsheet.

The Scheme of Financial Delegation for authorising invoices is noted below. A full list of Delegated Authorities is noted in the Financial Regulations.

<u>Role</u>	<u>Level of Authority</u>
Maintenance Assistant – Gd3	up to £250
Maintenance Assistant – Gd5	up to £500
Senior Maintenance Assistant	Up to £1,000
Finance Officer	up to £5,000
Corporate Services Officer	up to £1,000
Housing Officers	up to £1,000
Housing Manager	up to £5,000 (legal fees)
Maintenance Officer	up to £5,000
Maintenance Manager	up to £20,000 (Repairs & Maintenance)
Director	up to £20,000 (General)
Director	Up to £20,000 (Repairs & Maintenance)

- 5.6 All maintenance orders shall be supported by a works order issued on MRI Hometeam. Invoices received in respect of repair related expenditure shall be matched with a copy of the maintenance order and be authorised and approved for payment in line with the Financial Regulations.

- 5.7 Any member of the Maintenance staff team can process a maintenance order, however, only those with appropriate delegated authority as set out in the Financial Regulations have the authority to authorise these.
- 5.8 A list of approved suppliers is in place and shall be revised annually and approved by the Management Committee. Additions to the list will be approved by The Management Committee on a monthly basis. Goods and services should be ordered from the approved suppliers wherever possible. Approval from the Director should be sought where a non-approved supplier is to be utilised.
- 5.9 On at least a quarterly basis the Finance Officer shall review all unmatched non-maintenance purchase orders and make enquiries of relevant staff as to the status of the order.
- 5.10 On at least a quarterly basis the Maintenance Assistant shall review all unmatched maintenance orders and make enquiries as to the status of the order.
- 5.11 Purchase invoices will be processed onto the purchase ledger in a timely manner. Prior to processing any purchase invoice, it will be reviewed for financial accuracy. Each purchase invoice will be allocated a unique reference number, which is generated in the Purchase Ledger system.
- 5.12 The Finance team will review all invoices approved for payment by budget holders as required to ensure they are supported by an appropriately approved purchase order and there are no discrepancies between the purchase order and the purchase invoice and to ensure that they are authorised in line with Scheme of Financial Delegation.

6. NOMINAL LEDGER

- 6.1 Required journals posted in a timely manner by the Finance team.
- 6.2 The journal sheets are prepared for each journal posted. Who prepared and posted each journal should be noted on the journal document.
- 6.3 Journal sheets and their supporting documentation shall be retained on file within the Finance team. The journals file will be reviewed at least once a quarter by the Finance Agent.
- 6.4 Cash book postings are made monthly to reflect receipts and payments, including those paid via standing order and direct debit, and inter account bank transfers.
- 6.5 Suspense accounts are investigated and cleared on a quarterly basis.
- 6.6 Monthly reviews or reconciliations will be carried out on all balance sheet accounts and shall be reviewed by the Finance Agent.
- 6.7 A formal month end process is in place, with an agreed timetable, to close the ledger for the previous month. All month-end reconciliations are signed-off by the appropriate staff member.

6.8 The month end checklist will be completed within 3-4 weeks of the period end by the Finance team.

7. REPORT AND FINANCIAL STATEMENTS

7.1 At the end of each financial year, the following process and timetable will be observed led by the Finance Agent/ Finance Officer to produce the audited and approved Report and Financial Statements of the Association:

Task	Owner	Timeline
Budget owners to ensure invoicing of completed services/works	Budget holders	By 31 March
End of accounting year – books close	Finance Officer	31 March
Date agreed with External Audit for visit	Finance Agent/Director	By 31 March
Trial balance on all accounts prepared	Finance Agent/ Finance Officer	Mid-April
All account adjustments (accruals, prepayments etc.) input and full reconciliations complete	Finance Agent/ Finance Officer	By mid-May
Draft Report and Financial Statements prepared	Finance Agent/ Finance Officer	By June
Draft Report and Financial Statements discussion at Senior Management Team	Finance Agent/ Finance Officer	By mid-June
External Audit visit	External Auditors	Complete by end June
Audited Report and Financial Statements and Management letter to Finance, Audit and Risk Sub Committee for full review	Finance Agent	August
Audited Report and Financial Statements and Management letter to The Management Committee for approval	Finance Agent	August
Report and Financial Statements and External Auditors Report laid before the Annual General Meeting	Finance Agent and External Auditor	September

Audited Financial Statements Return to the Scottish Housing Regulator	Finance Agent	30 September
Audited Financial Statements to Financial Conduct Authority	Finance Agent/ Finance Officer	October
Audited Financial Statements to OSCR	Finance Agent/ Finance Officer	December

8. CHEQUES/BACS PAYMENTS

8.1 The Association pays its suppliers on a weekly basis or as required. Ad hoc payment runs will be processed for overhead invoices, utility invoices and Interim Certificates. This will be performed by the Finance Officer. Payments will be made by BACS transfer.

8.2 The person performing the payment will first review the purchase ledger to identify all invoices due to be paid before the next payment run. They will also ensure that all identified invoices are entered on the 'Maintenance Authorisation Spreadsheet or the General Invoices Authorisation Sheet and appropriately authorised in accordance with the Financial Regulations. Where a payment is greater than £3k the bank details of the payee must be checked to the original notification of bank details held by the association. The Finance Officer should note that this on the Lloyds Payment Detail Report prior to scanning it (see section 8.3).

8.3

The person processing the payment will save a scanned copy of the signed Authorisation spreadsheet, the Purchase Ledger Payment Report and the Lloyds Payment Detail Report in an electronic file on the F Drive. The batch of invoices to be paid should also be saved in an electronic file on the F Drive. The person processing the payment will also prepare a 'Bacs list for signatories' spreadsheet and send (by email) the relevant section to the individuals authorising the payment.

The individuals authorising the payment should review the 'BACS list for signatories sheet' and, if satisfied, authorise the payment/s on the Lloyds Commercial Banking system following the approved secure payment routine using password and card and authenticator. All payments require two 'authorisers' per the Association's mandate with Lloyds. Both 'authorisers' should confirm by email to the Finance Officer that the payment/s have been authorised.

Where the Finance Officer is preparing the payment run, they are unable to authorise the BACS run for payment except on an emergency basis.

8.4 BACS payees should receive a remittance; this will be emailed by the finance team.

- 8.5 Cheques issued should run in numerical order.
- 8.6 In the event that no invoice is available e.g. petty cash, rent refund etc., a completed cheque/BACS request voucher must be available and be fully authorised in accordance with the invoice procedures. It is the responsibility of the Officer requesting payment to complete the cheque/BACS request voucher.
- 8.7 The Association currently operates the following bank accounts:

Bank	Bank A/c Name	Account Number	Sort Code
Lloyds Bank	Current A/c	01689261	30-00-02
Lloyds Bank	Factoring A/c	01688958	30-00-02

It is the responsibility of the Management Committee to authorise the opening and closing of Bank and Building Society Accounts. The Finance Agent and Director are responsible for the holding of the Association's Bank and Cheque Books.

- 8.8 Payments to creditors shall be made in accordance with any contractual obligation. Where no contractual obligation exists, payment should normally be made within 30 days of invoice date/date receiving invoice.
- 8.9 In the event of an amendment to any supplier bank account being notified by e-mail the finance team shall contact the payee directly by telephone (on a number researched from an independent source, not from a number on the emailed notification) and request written confirmation of the change on company headed paper. This written confirmation must be signed by the payee- it can be posted or scanned to the finance team. No payments will be made until the amendment is verified. Any discrepancies will be reported immediately to the Director or the Finance Agent.

9. CREDIT CARD

- 9.1 The Association has two Lloyds Bank Business Charge Cards with the Lloyds Banking Group, one is held by the Housing Manager and the other by the Corporate Services Officer. The maximum spend limit on each card is £5,000 and a business limit of £15,000.
- 9.2 The credit card is held for use in limited circumstances. Any items being purchased with the credit card should do in line with the Invoices/Orders system described at section 6 above. All items purchased by credit card should be for business purposes. Purchases on the credit card will be reconciled to the statement on a monthly basis.
- 9.3 The credit card limit of £5,000 shall be reviewed on an annual basis and adjusted if considered necessary. Changes to the credit card limit must be justified to and approved by the Management Committee.
- 9.4 Only the Finance Officer/Finance Agent or Director must authorise use of the credit card in line with the Scheme of Financial Delegation. The individual making

the request must explain the purpose of its use and must be able to provide back-up for the transaction. If satisfied the payment will be made by the cardholder, or in their absence the Finance Officer. A purchase order will be generated along with supporting documentation and filed in the Credit Card folder for subsequent matching with the statements. The purchase order will be signed in line with the Association's Financial Regulations.

- 9.5 When the monthly credit card statement is received, all transactions will be matched with the purchase orders/supporting documentation.
- 9.6 Any bank charges appearing on the statement will be verified by the Finance team for accuracy.
- 9.7 There should be no circumstances under which the credit card is used in error and for any other purpose than in relation to business for the Association.
- 9.8 At no time should the Credit Card be used by any staff or Committee member for personal use or other purposes other than expenditure wholly and necessarily incurred on Association business.
- 9.9 The balance on the statement will be cleared each month, by direct debit, to ensure no interest charges are incurred.

10. PETTY CASH

- 10.1 The petty cash will be the responsibility of the Finance Officer. When not in use the petty cash box will be locked and kept in the safe which is also locked when not in use. It will be the responsibility of the person maintaining the petty cash to review the level of cash in the box and to arrange at an appropriate time for it to be topped up. The standard limit for petty cash in the office is £500.
- 10.2 All requests to reimburse the petty cash should be made through a cheque request form, with the cheque signed by two authorised signatories in accordance with the cheque signing procedures.
- 10.3 The use of petty cash should be restricted normally to small sundry items which cannot be purchased through the normal invoicing procedures. Examples of such items would be:
 - a. Gas/Electricity top ups.
 - b. Reimbursement of small sundry expenses such as tea, milk, meeting refreshments, etc.
 - c. Reimbursement of sundry travel expenses where it is not practical to claim them
Through the payroll.
- 10.4 At no time should the petty cash tin be used by any staff or Committee member for personal use or other purposes other than expenditure wholly and necessarily incurred on Association business.

- 10.5 The person claiming the petty cash expense must provide a receipt for the item purchased.
- 10.6 The person responsible for the petty cash will complete a petty cash voucher for each claim, which will correspond to the receipt. They will then count out the cash in the presence of the person making the claim, who will also check it. Once the amount has been paid both persons will sign the petty cash voucher which will then be filed in the petty cash vouchers file with the receipt attached.
- 10.7 The person responsible for the petty cash maintains a petty cash book on Excel which is updated at the point of each transaction or as soon as practicable, thus ensuring that the balance of the cash in the box should agree with the spreadsheet.
- 10.8 At the end of each month the balance of cash in the petty cash tin is reconciled to the petty cash spreadsheet. When the cash reconciliation has been carried out this should be noted on the spreadsheet. This is double checked and verified by another member of the Finance team.
- 10.9 At the end of each month the petty cash spreadsheet will be totalled and posted to the Castleton Financials nominal by either the Senior Finance Officer or the Finance Officer.
- 10.10 Any differences upon reconciling the petty cash should be reported in the first instance to the Association's Senior Finance Officer for further investigation. If this remains unresolved it should be reported to the Finance Agent who will report this to the Director if appropriate.

11. SALARIES/EXPENSES

- 11.1 The Director is responsible for the HR records of the Association. It is the responsibility of the Director to ensure that all relevant information with regards payroll is provided to the Finance team at least two weeks prior to the payroll processing date. This should include approved starters and leavers forms, and approved salary changes.
- 11.2 Salary and wage increases arising from staff promotions or pay awards must be approved by the Management Committee annually as part of the budget process prior to any payment being made. Any changes in salary amounts due must be confirmed in writing to the individual staff member with a copy of the letter being retained in the Finance salary files.
 - 11.3 A subsistence payment at the currently agreed rate will be paid with the monthly salary when staff have fulfilled one of the following:
 - a. Attending evening meetings on Association business or other events on the instruction of the Management Committee
or
 - b. Working over 10 hours in one day
or
 - c. Leaving employment after 8.00p.m.

- or
- d. Working at weekends
- or
- e. On call during a weekend or Public Holiday
- Or
- f. Emergency Attendance

Late working or weekend working (b to e) must be authorised in advance by a line manager. See subsistence claim form (revised from 1 4 23)

- 11.4 Payment of expenses shall be made in accordance with the Staff Expenses policy. Any request for reimbursement of expenses/mileage costs should be accompanied by an expenses claim form signed by the individual requesting payment and authorised in accordance with the Financial Regulations. Receipts should be provided where possible.
- 11.5 All sickness absences of less than 5 working days require completion of a self-certification sickness form.
- 11.6 All sickness absences of over 5 working days require a Statement of Fitness for Work from the employees' GP to cover ongoing absence.
- 11.7 The Housing Manager will provide the Finance Officer with a copy of the Sickness Absence Register on a monthly basis, to ensure that the finance team are made aware of all absences from work arising from sickness for the purposes of paying statutory sick pay.
- 11.8 Salary processing is carried out by the Finance Officer, or in their absence by the Finance Agent. The deadline to submit all claims for travel expenses, subsistence etc is 15th of the month, or as requested by the Finance Officer. If staff fail to submit claims on time, these will not be paid until the following month. Expenses claims must be submitted within 3 months to avoid losing.
- 11.9 Once the salaries have been prepared by the Finance Officer, the Salary Mandate will be reviewed by the Finance Agent for accuracy and signed and dated. The Director (or in their absence, another authorised signatory), will then sign and date the Salary Mandate. A pdf of the Salary Mandate must be provided to the Finance Agent and Director as well as the link to the secure F: drive location. This should be done by e-mail and the Finance Agent and Director should confirm by email that they have checked and signed the Salary Mandate.
- 11.10 The Finance team will next prepare Salaries bacs payment. This should then be included on the Bacs list for Signatories sheet. All parties (i.e. Finance Team and Signatories) should then follow all payment procedures outlined at paragraph 8.3 above.
- 11.11 If the salary payment run is being prepared by the Finance Officer they will be unable to authorise for payment.
- 11.12 Salary payments are due on the 24th of each month (or the last working day prior to this) and shall be processed at least four days prior to this to ensure adherence

with the timetable. The payment period in December will vary in line with agreed holiday arrangements.

11.13 The Finance team are responsible for submission of all PAYE returns and Pension contributions in accordance with statutory timetables.

11.14 Any changes in employment terms must be approved by the Director if within the approved budget and must be conveyed to the staff member in writing and a copy of the letter held within the personnel files.

11.15 Any voluntary deductions from pay must be supported by written authorisation given by the employee.

11.16 Other than in respect of any special December holiday arrangements (see 11.12 above) early payment of salaries will not be permitted.

11.17 Any settlement agreements must be approved by the Management Committee subject to a business case to support payments made.

12. PENSIONS

12.1 The Association currently contributes to two pension schemes, Defined Benefit (Final Salary) and Defined Contributions on behalf of employees.

12.2 All matters in relation to Pensions is outlined in the Associations Pensions Policy.

13. COMMITTEE EXPENSES

13.1 All claims for reimbursement of expenses must be accompanied by an expenses claim form signed by the individual requesting payment and countersigned by the Association's Director.

13.2 Receipts must be obtained and attached with any claim made, if the claim is for loss of earnings a copy of the relevant pay slip must be submitted with the claim.

13.3 Whilst it is preferred that payment is by BACS or cheque, it is recognised that payments via petty cash may be required.

13.4 Payment of expenses shall be made in accordance with the Committee Expenses policy.

14. MAINTENANCE & REPAIRS

14.1 The annual budget setting process will allocate the level of funds available for day to day, cyclical and major repair maintenance works and component installations.

14.2 The allocation of funds will exclude any salary costs, recoverable costs and overhead allocation and will refer solely to monies available for repairs by outside contractors and the purchase of materials.

- 14.3 Budget Holders will liaise with the Finance Agent prior to the commencement of the financial year for the purposes of agreeing an annual maintenance/repairs budget. This will be prepared in line with the Association's budget setting procedures.
- 14.4 Projections of cyclical maintenance/major repair works will be compiled by the Maintenance Manager. Currently the Association have a 30 year investment programme, which will be reviewed annually to allow incorporation of the financial effects into the revised long term financial projections.
- 14.5 Where changes are required to the 30-year investment plan because of investment/financial needs these will be brought to The Management Committee for explanation and approval as soon as they have been identified by the Maintenance Manager.
- 14.6 There may be circumstances when the Management Committee may wish to deviate from the approved budget. Any decisions made must be recorded in the minute of the meeting and any subsequent variances from the original budget shall be noted through the normal quarterly management accounts.
- 14.7 The maintenance team will maintain detailed project accounts for all major works, development works or where contractor payment is in instalments. This shall be updated on at least a monthly basis to monitor actual spend on each project and to identify any significant under or overspend.
- 14.8 At the commencement of each financial year the Maintenance Manager will prepare the list of approved contractors and check for the following is in place for Committee approval:
- Trade
 - Hourly rate
 - VAT registered
 - Valid insurance documents
 - Equal opportunities and Health & Safety compliance
 - Related parties' information
- 14.9 The maintenance team shall notify the finance department of a new supplier, using the Supplier Notification Form. The Finance Officer will contact the supplier to verify all details. The information is processed onto the Purchase Ledger System and the original copy kept in a file in the Finance Department.
- 14.10 It is the responsibility of the Maintenance Manager, in line with the Procurement Policy to inform the Finance team of the following details when a contract for major works has been awarded to enable and maintain project accounts:-
- Contractor Name
 - Contract Details (kitchens, etc.)
 - Contract Amount
 - Contract Start Date
 - Consultants Details

- 14.11 It is the responsibility of the Maintenance Manager to verify retention costs at year end and confirm to the Finance Officer.
- 14.12 It is the responsibility of the Maintenance Manager at year end, to inform the Finance Officer of any outstanding major works costs.
- 14.13 The Maintenance Manager is responsible for ensuring that expenditure remains within budget and managing any significant variances. They are also responsible for providing sufficient explanation to the Finance Agent for management accounts purposes. The Maintenance Manager must ensure that all contractors hold up to date and valid insurance cover.
- 14.14 It must be recognised that circumstances may result in the project costs changing and exceeding the annual budget during the financial year.
- 14.15 Where it is expected that specific projects will exceed procurement policy limits the appropriate procedures as outlined in the Procurement Policy must be observed unless it is necessary to carry out the work immediately to prevent danger to life, limb or property.
- 14.16 Where over or underspends of 10% or more are identified or anticipated these should be reported to the Management Committee within the quarterly management accounts, unless the issues are urgent, then the next available Management Committee meeting.
- 14.17 All works expected to be greater than £1,000 require to be pre-inspected by the Maintenance Officer, who will approve in line with the Scheme of Financial Delegation.
- 14.18 When managing repair orders, staff will check:
- The repairs history of the address to ensure no duplicate works orders are generated
 - Invoice costs will be verified against the works order and the Contractor's schedule of hourly rates
- 14.19 The Maintenance Team will ensure that that works orders, including Major Works, are generated and authorised in line with the Scheme of Financial Delegation.
- 14.20 It is the responsibility of the Housing Officers, in line with the Scheme of Financial Delegation, to discuss with the Maintenance Officer all works relating to void repairs.
- 14.21 Maintenance staff will process invoices on a regular basis, authorised in line with the Scheme of Financial Delegation and returned to the Finance Team. The Maintenance staff will verify invoices as per 14.18 above.
- 14.22 The Finance Officer will provide the Maintenance Assistant with a monthly report detailing outstanding maintenance invoices. The Maintenance Assistant will

investigate the position of these invoices and provide the Finance Team with an update.

14.23 The Maintenance Assistant will provide the Finance Officer with a report detailing all outstanding works orders and estimated costs at the quarter end.

15. INSURANCE CLAIMS

15.1 The submission of all insurance claims is the responsibility of the Maintenance Officer. It is the responsibility of the Maintenance Officer to notify the Finance Officer of any potential insurance claims. The Maintenance Officer will notify the insurance company with the details. The insurance company will liaise directly with the Maintenance Officer or any owner to establish full details.

15.2 Whilst it is the responsibility of the Maintenance team to advise and liaise with the loss adjuster on property claims, the Finance Officer must be made aware, at the outset, of any material issues arising and be kept informed regarding progress.

15.3 It is the responsibility of the Maintenance team to code maintenance invoices in an appropriate manner to confirm, to Finance Officer, any invoices subject to a claim.

15.4 Copies of all claims should be retained in an electronic Insurance Claims folder, on the shared drive, which should contain a summary sheet detailing date of incident, date of claim, address, claim amount, payment received and date of receipt.

15.5 The Finance Officer should agree the balances outstanding at each quarter end with the trial balance control account for insurance claims. Any differences should be investigated and resolved promptly.

16. FACTORING

16.1 The Housing Manager through the budget process will notify the Finance Team annually of impending Service Charges. The Factoring Assistant will inform Owner Occupiers and Commercial Property Owners of such by letter.

16.2 It is the responsibility of the Maintenance Team to instruct Common Repair, Cyclical Repairs or Major Works in line with the Association's Factoring Policy.

16.3 The Factoring Assistant will issue invoices on annual a six monthly basis for Services Charges, Buildings Insurance, Cyclical Maintenance, Common Repairs and Management Charge. Invoices for any individual repairs and Major works will be issued on an ad hoc basis and on the instruction of the Maintenance Team. The Association will aim to recharge owners within 8 weeks of receiving the invoice from the Contractor.

16.4 The Finance Team will process all payments received in line with Section 4 above. The Housing Management team will be responsible for pursuing outstanding accounts, by telephone, letter or through legal action.

17. RECHARGE INVOICES

17.1 Rechargeable repair invoices shall be issued by the Maintenance team in line with the Association's Repairs Policy. The Association will aim to recharge tenants within 8 weeks of receiving the invoice from the Contractor.

18. COMPONENT ACCOUNTING

18.1 Programmes of work that will be capitalised will be determined annually within the annual budget, although priorities may change throughout the year, any changes must be agreed and approved by the Management Committee.

18.2 All information relating to the replacement and disposal of components must be given to the Finance Agent by the Maintenance team.

18.3 The Finance Agent is responsible for the administration of the Association's component accounting spreadsheet. This includes the recording of all assets, replacements, disposals and depreciation calculations. The Finance Agent is responsible for updating the spreadsheet at least once a quarter.

18.4 Journal entries must be posted quarterly for component replacements, disposals and the depreciation charge, once the database has been appropriately updated. The Finance Agent will be responsible for producing the journal voucher for processing.

18.5 Copy invoices for all replacements must be kept in the component accounting file within Finance team.

19. DONATIONS & LEGACIES

19.1 The Finance Agent will ensure that appropriate processes are in place for the accurate recording of all donations and legacies made to the Association.

19.2 To minimise risk the Finance Agent will maintain a register of all donations and legacies. Details of what the register should comprise are found in the Donations Policy.

19.3 Donations and Legacies will be accepted in certain circumstances. If a potential donor wishes to leave a legacy in a will to the Association. The Finance Agent will liaise, if possible, with the donor through an independent body or person – for example a solicitor, doctor, or family member.

19.4 If a donation is received, the following procedures apply:

- Only designated personnel of the Association will be permitted to receive donations;
- Upon receiving a donation the designated personnel will issue a receipt and put the cash/cheque donation in the Association's safe;

- The designated personnel will notify the Director (in her absence the Finance Agent);
 - A list of Designated Personnel is noted on Appendix 1
- 19.5 All monies received shall be recorded within the General pay-in book allowing two members of staff to lodge monies received at the bank.
- 19.6 Where there is a donation in kind, it is the responsibility of the Director and in their absence the Finance Agent to ensure that the donation complies with appropriate regulations (safety standards etc.).
- 19.7 The Director or Finance Agent is responsible for any disposal of the donation in kind, but only with the permission of the donor or the donor's executors.
- 19.8 Where a donation or legacy is from any of the following:
- employee,
 - Committee member,
 - contractor,
 - or a family member of any of them,

It is the responsibility of the Finance Agent to verify whether the donation or legacy complies with the Association's internal policies.

- 19.9 The Management Committee delegate authority to consider and make decisions in respect of applications for Donations as detailed below:
- Requests less than or equal to £200 – Director
 - Requests more than £200, but less than or equal to £300 – Director and either Chair or Vice Chair
 - Any requests greater than £300 will be subject to a review by Director and Chair or Vice Chair. Following review approval will be at the discretion of the Management Committee.
- 19.10 Where approval is granted for a request, a BACS/Cheque Request form should be completed and passed to a member of the Finance Team for processing for payment. This should be accompanied by any supporting documentation.
- 19.11 It is the responsibility of the Finance Agent to ensure that the Donations register is updated and monitored on a regular basis.
- 19.12 It is the responsibility of the Finance Agent to ensure that all donations and legacies should comply with the Association's Policies on Donations, Anti Bribery, Anti Money Laundering and Fraud and Corruption.

20. IRRECOVERABLE DEBTS

- 20.1 It is the responsibility of the Housing Manager and Finance Agent to regularly, at least quarterly, review various categories of accounts and identify those accounts where the recovery process has been exhausted and are therefore deemed to be un-collectable.

20.2 Debts regarded as being irrecoverable (uncollectable) are:

- debt cannot be pursued due to legal reasons (debt is prescribed due to age of debt, debtor is sequestrated/deceased with no estate);
- the debt is uneconomic to pursue (i.e. it is not considered cost effective and the debtor is no longer a correct customer);
- The customer has no forwarding address and attempts to trace them have proved fruitless.
- There is no realistic prospect of recovery for another reason and this is to be verified by the Finance Agent and Director.

It is the responsibility of the Housing Manager and Finance Agent to maintain full records of such transactions. These will be reviewed and agreed by the Finance Agent to test and confirm that the debts meet the write off policy requirements. A summary of write off cases will be submitted to the Management Committee for approval for write off on a quarterly basis.

20.3 The procedures for bad debts will cover rent, service charges, rechargeable repairs, factoring fees and parents' fees.

- Rechargeable repairs will be paid for in advance, where possible.
- All debts will be pursued and, if over £500, legal recourse will be used to effect recovery.
- Write-off lists for rents, service charges, rechargeable repairs, factoring fees and parents' fees will be submitted to the Management Committee for approval to write off.

Whilst the debt will be written off for active recovery and accounting purposes, should the debtor become known to the Association at a future date, we will re-instate the debt and re-commence recovery action in all cases.

20.4 It is the responsibility of the Finance Agent that all procedures are adhered to in line with the Association's Write Off Policy.

21. CLIENT CASH HANDLING – RETIREMENT HOUSING

21.1 It is the responsibility of the Retirement Housing tenants to manage their own financial affairs

E STAFF TRAINING

E.1 RHA will ensure that all staff who are required to undertake work in relation to this Policy receive appropriate and regular training.

F **EQUALITY AND DIVERSITY**

- F.1 Reidvale Housing Association is an equal opportunities organisation. We are committed to providing an environment of respect, understanding, encouraging diversity and eliminating discrimination. No person or group of persons applying for housing and housing services will be treated less favourably than any other persons or groups of persons because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

G **COMPLAINTS**

- G.1 Although we are committed to providing high levels of service, we accept that there may be occasions where a service user may not be satisfied with the service received from the Association. We value all complaints and use this information to help us improve our service. Any service user, complying with the procedure, but remaining dissatisfied with any aspect of the service they have received have the right to submit a complaint to the Association in accordance with the Complaints Handling Procedure.

H **GDPR**

- H.1 Reidvale Housing Association will treat your personal data in line with our obligations under the current General Data Protection Regulation and our Privacy Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Fair Processing Notice.

I **POLICY REVISION**

- I.1 The Association undertakes to carry out a comprehensive review of all aspects of this policy at least every three years. The review will take account of legislative changes, new policy guidance, best practice advice and the views of service users.

Authorised Signatories

BACS Payments	
Prepared by	Finance
Authorised by	Director- with any other Housing Manager- with any other Maintenance Manager- with any other Finance Officer (on an emergency basis)- with any other 2 Authorisers always required
Cheque Payments	
Prepared by	Finance
Authorised by	Bank Signatories Jill Cronin- with any other Eddie Marley- with any other Alastair Firth- with any other Helen Moore-with any other 2 Signatories always required.
Grant Offers-Stage 3	
Grant Claims	Maintenance Officer Finance Team

Contracts requiring signature must be signed in line with delegated authority granted by the Management Committee at the appropriate meeting.

If the Finance Officer is preparing the BACS, they are unable to authorise those payments (except in an emergency) to ensure there is a clear segregation of duties. An emergency would be classed as out with a normal payment run where the payment is time sensitive. If this were to occur this would be reported to the board at the first opportunity.

BACS Signatories are referred to in Section 8.

Designated Personnel

Finance Officer

Policy List

<u>Policy Title</u>	
Code of Conduct for Staff	Section 1
Code of Conduct for Governing Body Members	Section 1
Financial Regulations	Section 9
Attendance Management Policy	Section 11
Staff Expenses Policy	Section 11
Pensions Policy	Section 12
Committee Expenses Policy	Section 13
Procurement Policy	Section 3 & 14
Factoring	Section 16
Donations Policy	Section 19
Anti-Bribery Policy	Section 19
Anti-Money Laundering Policy	Section 19
Fraud & Corruption Policy	Section 19
Write Off Policy	Section 20
Client Cash Handling Policy	Section 21