



Dalmuir Park
Housing Association

DALMUIR PARK HOUSING
ASSOCIATION LIMITED

FINANCIAL PROCEDURES

DALMUIR PARK HOUSING ASSOCIATION LTD

Financial Procedures

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Formally Approved by Management Committee on 21/03/2018

Review Date **March 2021**

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 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 section, 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 sections 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 Audit & 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, section heads 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 section head 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 Section Heads 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 section head budget holders	October
Budget Information Submitted to Finance Agent	November
Management Team meet to discuss draft budget	December
Draft Budget to Audit & Risk Sub Committee then Management Committee	January
Tenant Consultation on Rent Increase proposal	December
Rent increase proposal to 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. LOAN AGREEMENT COMPLIANCE

- 4.1 In order to ensure the proper monitoring of compliance of the Association's loan agreements with its lenders, the following clauses and their contents must be noted: -

- Information
- Covenants
- Valuations
- Default

- 4.2 The Association's Finance Agent shall have the responsibility for ensuring the monitoring and submission of financial information to the Audit & Risk Sub Committee and the Management Committee including: budgets, quarterly management accounts, annual accounts, covenant monitoring and revision of long term projections.

- 4.3 All Section Heads and Committee members of the Association have a duty of responsibility regarding full awareness and adherence to the terms and conditions of all Loan Agreements with its lender.

5. RECEIPT OF MONIES

- 5.1 The Finance Agent will ensure that appropriate processes are in place for the timely and accurate recording of all monies due to the Association.

- 5.2 To minimise risk the Association will attempt to limit the level of cash payments made directly into the office.

- 5.3 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).

- 5.4 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 is then passed to a member of the Finance Team, who will log it in the payment book, located in the relevant cash collection boxes held in the Association's safe.
- c. Finance Section will pay the cheque into the Association's rent/DOSCG/current bank account.

- 5.5 If a cheque is received in the post, the following procedures apply:
- a. The record of receiving the cheque will be entered into the mail book and signed.
 - b. Reception staff will check that the cheque is correctly made out and then pass the cheque to the Finance Section who will countersign the mail book to confirm receipt of the cheque.
 - c. Finance Section will pay the cheque into the relevant bank account.
- 5.6 All monies received shall be reconciled by one of the finance team and recorded within the relevant pay-in books (Rent/General/DOSCG) allowing two members of staff to lodge all monies received at the bank.
- 5.7 Housing and Finance staff are authorised to accept electronic payments. This requires to be administered through the Associations Allpay/Callpay website. All trained staff have their own username and password to access this system and will never share passwords.
- 5.8 It is the responsibility of the Finance Team to process rent, factoring, DOSCG and any other payments received into the appropriate ledgers daily.

6. INVOICES/ORDERS

- 6.1 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 Corporate Services Team usually acting under the instructions of a member of the management team, but also from other staff acting within the limits set by the Scheme of Financial Delegation in the Financial Regulations.
- 6.2 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 goods are delivered, any delivery note shall be attached to the purchase order pending receipt of the invoice. When the invoice is received this will be matched with the appropriate purchase order and delivery note and checked to see if it agrees.
- 6.3 Invoices received shall be date stamped by the relevant staff member and passed to the finance team who will log the details on the purchase ledger system prior to distribution to the relevant department for checking and authorisation.
- 6.4 On receipt of non-maintenance invoices, the finance team will log the invoice onto the purchase ledger system and pass to the relevant budget holder who will attach the purchase order and if satisfied that the invoice is correct should authorise the invoice for payment.

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>
Property Services Assistant – Gd3	up to £250
Property Services Assistant – Gd5	up to £500
Finance Officer	up to £500
Senior Finance Officer	up to £1,000
Corporate Services Officer	up to £1,000
Housing Officers	up to £1,000
Housing /Property Manager	up to £5,000 (legal fees)
Property Services Officer	up to £5,000
Housing /Property Manager	up to £10,000 (Repairs & Maintenance)
Director/Statutory Manager	up to £10,000 (General)
Director	Over £10,000 (Repairs & Maintenance)

- 6.5 All maintenance orders shall be supported by a works order issued on Kypera 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.
- 6.6 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.
- 6.7 A list of approved suppliers is in place and shall be revised annually and approved by the Management Committee. 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.
- 6.8 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.
- 6.9 On at least a quarterly basis the Property Services Assistant shall review all unmatched maintenance orders and make enquiries as to the status of the order.
- 6.10 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.
- 6.11 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.

7. NOMINAL LEDGER

- 7.1 Required journals shall be written up and posted in a timely manner by the Finance team.

- 7.2 The journal sheets are prepared for each journal posted. Who prepared and posted each journal should be noted on the journal document.
- 7.3 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.
- 7.4 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.
- 7.5 Suspense accounts are investigated and cleared on a quarterly basis.
- 7.6 Monthly reviews or reconciliations will be carried out on all balance sheet accounts and shall be reviewed by the Finance Agent.
- 7.7 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.
- 7.8 The month end checklist will be completed within 3 weeks of the period end by the Finance team.

8. REPORT AND FINANCIAL STATEMENTS

- 8.1 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/ Senior Finance Officer	By 31 March
Trial balance on all accounts prepared	Finance Agent/ Senior Finance Officer	Mid-April
All account adjustments (accruals, pre payments etc.) input and full reconciliations complete	Finance Agent/ Senior Finance Officer	By mid-May
Draft Report and Financial Statements prepared	Finance Agent/ Senior Finance Officer	By June

Draft Report and Financial Statements discussion at Management Team	Finance Agent/ Senior Finance Officer	By mid-June
External Audit visit	External Auditors	Complete by end June
Audited Report and Financial Statements and Management letter to Audit & Risk Sub Committee for full review	Finance Agent/ Senior Finance Officer	August
Audited Report and Financial Statements and Management letter to Management Committee for approval	Finance Agent/ Senior Finance Officer	August
Report and Financial Statements and External Auditors Report laid before the Annual General Meeting	Finance Agent/ Senior Finance Officer and External Auditor	September
Audited Financial Statements Return to the Scottish Housing Regulator	Finance Agent/ Senior Finance Officer	30 September
Audited Financial Statements to Lenders	Finance Agent/ Senior Finance Officer	September
Audited Financial Statements to Financial Conduct Authority	Finance Agent/ Senior Finance Officer	October

9. CHEQUES/BACS PAYMENTS

- 9.1 The Association pays its suppliers monthly. Ad hoc payment runs will be processed for overhead invoices, utility invoices and Interim Certificates. This will be performed by either the Finance Assistant or the Finance Officer. Payments will be made by BACS transfer but where this is not possible payment will be made by cheque.
- 9.2 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 have been returned to Finance and are all appropriately authorised in accordance with the Financial Regulations.
- 9.3 The person making the payment will print off the purchase ledger payment report, BACS Authorisation Report, and attach to all the invoices (appropriately authorised) to be paid as part of that run. Given that at this stage all the invoices have already been authorised the requirement in presenting the above documents is for the payment itself to be authorised. This will be done in line with the Association's cheque / BACS mandate with the bank (see Appendix 1). The individual authorising the payment should sign the payment report and the BACS payment sheet to certify that both documents contain the same payment details.

Where the Senior Finance Officer is preparing the payment run, they are unable to authorise the BACS run for payment

- 9.4 Cheques should be issued to the payee together with a remittance advice taken from Kypera Financials confirming payment details. BACS payees should receive a remittance; this will be posted by the finance team.
- 9.5 Cheques issued should run in numerical order.
- 9.6 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.
- 9.7 The Association currently operates the following bank accounts:

Bank	Bank A/c Name	Account Number	Sort Code
BOS	Rent a/c	00134921	80-13-15
BOS	Current a/c	00134913	80-13-15
BOS	HOBS a/c	01414401	80-13-15
BOS	DOSCG a/c	06000887	80-13-15

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.

- 9.8 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.

9.9 In the event of an amendment to any supplier bank account being notified by e-mail the finance team shall contact the payee directly and request written confirmation of the change on company headed paper. No payments will be made until amendment is verified. Any discrepancies will be reported immediately to the Director or the Finance Agent.

10. CREDIT CARD

10.1 The Association has a MasterCard with the Bank of Scotland, which is held in the safe in the Association's offices. The card has a maximum spend limit of £10,000. The card is in the name of the Senior Finance Officer.

10.2 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.

10.3 The credit card limit of £10,000 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.

10.4 Only the Senior 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.

10.5 When the monthly credit card statement is received, all transactions will be matched with the purchase orders/supporting documentation.

10.6 Any bank charges appearing on the statement will be verified by the Finance team for accuracy.

10.7 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.

10.8 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.

10.9 The balance on the statement will be cleared each month, by direct debit, to ensure no interest charges are incurred.

11. PETTY CASH

- 11.1 The petty cash will be the responsibility of the Finance Assistant, and in their absence 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.
- 11.2 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.
- 11.3 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.
- 11.4 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.
- 11.5 The person claiming the petty cash expense must provide a receipt for the item purchased.
- 11.6 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.
- 11.7 The person responsible for the petty cash maintains a petty cash book on Excel which is updated at the point of each transaction, thus ensuring that the balance of the cash in the box should agree with the spreadsheet.
- 11.8 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.
- 11.9 At the end of each month the petty cash spreadsheet will be totalled and posted to the Kypera Financials nominal by either the Senior Finance Officer or the Finance Officer.
- 11.10 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.
- 11.11 Petty Cash at Dalmuir Out of School Care Group is the responsibility of the Co-ordinator and in their absence, the staff member covering. The standard limit for petty cash is £250. Staff

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.

At the end of each month the petty cash spreadsheet will be totalled and verified by another member of staff before sending to the Finance Officer for posting.

On occasion, requests for petty cash top up should be made to the Finance Officer, who will process the request.

- 11.12 Petty Cash at Nairn Street & Shaftesbury Street Sheltered Housing Complexes is the responsibility of the Warden and in their absence, the staff member covering. The standard limit for petty cash is £25. Petty cash is used for small sundry items. Staff will complete a petty cash voucher for each claim, which will correspond to the receipt.

The staff member will sign the petty cash voucher which will then be filed in the petty cash vouchers file with the receipt attached. The vouchers will be verified by the Finance Team at the time of a request for petty cash top up.

At the end of each month the petty cash spreadsheet will be totalled and verified.

12. SALARIES/EXPENSES

- 12.1 The Corporate Services Officer is responsible for the HR records of the Association. It is the responsibility of the Corporate Services Officer or in her absence the Corporate Services Assistant 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.
- 12.2 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 personnel files.
- 12.3 Overtime will be paid in line with the Association's Attendance Management Policy. A request for overtime must be approved by the Director in advance. Overtime will be noted on a monthly timesheet and authorised by the Director.
- 12.4 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.
- 12.5 All sickness absences of less than 5 working days require completion of a self-certification sickness form.
- 12.6 All sickness absences of over 5 working days require a Statement of Fitness for Work from the employees' GP to cover ongoing absence.

- 12.7 The Corporate Services Officer or in their absence, the Corporate Services Assistant, will provide the Senior Finance Officer/Finance Officer 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.
- 12.8 Salary processing is carried out by the Senior Finance Officer, or in their absence by the Finance Officer. The deadline to submit all claims for travel expenses, overtime, subsistence etc is 15th of the month. 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.
- 12.9 Once the salaries have been prepared by Senior Finance Officer, they will be reviewed alongside the Finance Officer for accuracy. The Finance Agent or in their absence, another authorised signatory, will sign and date Sheet 1 and Sheet 2 of the Sage payroll summary to confirm this has been done.
- 12.10 The Finance team will next prepare all the appropriate BACS Payment form for authorisation. This is authorised by the Finance Agent, or in their absence another authorised signatory, along with a bank authorising password. All BACS payment forms will be supported by appropriate salary reports from Sage.
- 12.11 Once the BACS Payment forms have been authorised the Senior Finance Officer will fax the payment form to the bank for processing.
- 12.12 Salary payments are due on the 28th 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.
- 12.13 The Finance team are responsible for submission of all PAYE returns and Pension contributions in accordance with statutory timetables.
- 12.14 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.
- 12.15 Any voluntary deductions from pay must be supported by written authorisation given by the employee.
- 12.16 Other than in respect of any special December holiday arrangements (see 12.12 above) early payment of salaries will not be permitted.
- 12.17 Any settlement agreements must be approved by the Management Committee subject to a business case to support payments made.

13. AUDITS

- 13.1 An audit of Sheltered Housing Tenants Funds and the petty cash will be carried out by two members of the Finance Team on an annual basis. The audit will consist of verification of cash held, transactions processed and bank balance. A brief post-audit report will be submitted to the Audit & Risk Sub Committee.

13.2 An audit of Dalmuir Out of School Care Group petty cash will be carried out by two members of the Finance Team on an annual basis. The audit will consist of verification of cash held and transactions processed. A brief post-audit report will be submitted to the Audit & Risk Sub Committee.

14. COMMITTEE EXPENSES

14.1 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.

14.2 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.

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

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

15. MAINTENANCE & REPAIRS

15.1 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.

15.2 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.

15.3 The Housing/Property Manager 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.

15.4 Projections of cyclical maintenance/major repair works will be compiled by the Housing/Property 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.

15.5 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 Housing/Property Manager.

15.6 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.

15.7 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 over spend.

- 15.8 At the commencement of each financial year the Housing/Property 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
- 15.9 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.
- 15.10 It is the responsibility of the Housing/Property 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
- 15.11 It is the responsibility of the Housing/Property Manager to verify retention costs at year end and confirm to the Finance Officer.
- 15.12 It is the responsibility of the Housing/Property Manager at year end, to inform the Finance Officer of any outstanding major works costs.
- 15.13 The Housing/Property 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 Housing/Property Manager must ensure that all contractors hold up to date and valid insurance cover.
- 15.14 It must be recognised that circumstances may result in the project costs changing and exceeding the annual budget during the financial year.
- 15.15 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.
- 15.16 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.

15.17 All works expected to be greater than £1,000 require to be pre-inspected by the Property Services Officer, who will approve in line with the Scheme of Financial Delegation.

15.18 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

15.19 The Property Services Team will ensure that that works orders, including Major Works, are generated and authorised in line with the Scheme of Financial Delegation.

15.20 It is the responsibility of the Housing Officers, in line with the Scheme of Financial Delegation, to discuss with the Property Services Officer all works relating to void repairs.

15.21 Property Services staff will process invoices on a regular basis, authorised in line with the Scheme of Financial Delegation and returned to the Finance Team. The Property Services staff will verify invoices as per 15.18 above.

15.22 The Finance Assistant will provide the Property Services Assistant with a monthly report detailing outstanding maintenance invoices. The Property Services Assistant will investigate the position of these invoices and provide the Finance Team with an update.

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

16. INSURANCE CLAIMS

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

16.2 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.

16.3 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.

16.4 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.

16.5 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.

17. FACTORING

- 17.1 The Housing/Property Manager through the budget process will notify the Finance Team annually of impending Service Charges. The Finance Team will inform Owner Occupiers and Commercial Property Owners of such by letter.
- 17.2 It is the responsibility of the Property Team to instruct Common Repair, Cyclical Repairs or Major Works in line with the Association's Factoring Policy.
- 17.3 The Finance Team will issue invoices on an annual basis for Services Charges, Buildings Insurance and Management Charge. Invoices for Common Repairs, Cyclical 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.
- 17.4 The Finance Team will process all payments received in line with Section 5 above. The team will be responsible for pursuing outstanding accounts, by telephone, letter or through legal action.

18. RECHARGE INVOICES

- 18.1 Rechargeable repair invoices shall be issued by the Finance 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.
- 18.2 Office Accommodation invoices shall be issued by the Finance team in accordance with details of the Licence Agreement.
- 18.3 Dalmuir Out of School Care Group user invoices shall be processed by the Finance team in accordance with details in The Parents Charter.

19. FUNDRAISING

- 19.1 Letters requesting donations to support the Association's Wider Role Activities are sent to Contractors, Consultants and Suppliers in December of each year. The Finance Team are responsible for ensuring letters are issued in a timely manner.
- 19.2 Dalmuir Out of School Care Group are responsible for fundraising to support the Group's activities.

20. COMPONENT ACCOUNTING

- 20.1 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.
- 20.2 All information relating to the replacement and disposal of components must be given to the Finance Agent by the Maintenance team.

- 20.3 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.
- 20.4 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.
- 20.5 Copy invoices for all replacements must be kept in the component accounting file within Finance team.

Appendix 1

Authorised Signatories

BACS Payments	
Prepared by	Finance
Authorised by	Director, Housing/Property Manager, Care Services Manager, Senior Finance Officer (any 2 of 4)
Cheque Payments	
Prepared by	Finance
Authorised by	Director, Housing/Property Manager, Care Services Manager, Senior Finance Officer (any 2 of 4)
Grant Offers-Stage 3	
Grant Claims	Property Services Officer/Finance Team

A current sample signatory list is held by Finance Team.

A copy of all sample signatory forms issued to third parties must be retained by the Finance Team.

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

If the Senior Finance Officer is preparing the BACS/Cheque payment run, they are unable to authorise those payments to ensure there is a clear segregation of duties.

BACS Signatories are referred to in Section 9.

Policy List

Policy Title	
Code of Conduct for Staff	Section 1
Code of Conduct for Governing Body Members	Section 1
Financial Regulations	Section 10
Attendance Management Policy	Section 12
Staff Expenses Policy	Section 12
Committee Expenses Policy	Section 14
Procurement Policy	Section 3 & 15
Factoring	Section 17