



FINANCIAL PROCEDURES

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Formally Approved by The Board on 29 April 2025

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 Board members. All members of staff and Board 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 Board members.
- 1.4 These procedures shall be reviewed and updated as necessary on an annual basis by the -Finance & Corporate Services Manager in conjunction with the leadership team and any amendments shall be considered and approved by the Board.
- 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 & Corporate Services Manager and an agreement reached that ensures the way records are kept is appropriate for audit purposes.
- 1.6 In addition, consultation with the Finance & Corporate Services Manager and Chief Executive 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 & Corporate Services Manager and Chief Executive 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 Board 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 Teams within the Association. The Finance & Corporate Services Manager 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 & Corporate Services Manager 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 & Corporate Services Manager 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, 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 Managers budget holders. Budget holders are expected to formally explain variances to the Finance & Corporate Services Manager to allow the preparation of the quarterly management accounts and related Board 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 Chief Executive / Finance & Corporate Services Manager immediately and a report submitted to the Board 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 Board 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:-

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|---|---------------------|
| Budget request issued to Manager budget holders | 01 October |
| Budget Information Submitted to Finance & Corporate Services Manager | October |
| Leadership Team meet to discuss draft budget | November |
| Draft Budget to Audit & Risk Sub Committee then the Board | November – February |
| Tenant Consultation on Rent Increase proposal | December |
| Rent increase proposal to the Board | January |
| Final Budget updated to reflect any changes and rent increase decision and formal approval by the Board | 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 & Corporate Services Manager shall have the responsibility for ensuring the monitoring and submission of financial information to the Audit & Risk Sub Committee and the Board including: budgets, quarterly management accounts, annual accounts, covenant monitoring and revision of long term projections.

- 4.3 All Managers and Board 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 & Corporate Services Manager 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.

The cheque is then placed in the secure payment drop box, located beside the Associations safe.

- b. Finance Team will electronically pay the cheque into the Association's Rent, Factoring, DOSCG or current bank account.

- 5.5 All monies received shall be reconciled by one of the Finance team and recorded within the relevant pay-in books (Rent/Factoring/General/DOSCG) allowing two members of staff to lodge all monies received at the bank.

- 5.7 Customer Services staff and Finance staff are authorised to accept electronic payments. This requires to be administered through the Allpay Hub 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 relevant member of staff acting within the limits set by the Scheme of Financial Delegation in the Financial Regulations.
- 6.2 When non-maintenance goods are ordered through the Homemaster system supporting documentation, often a confirmation e-mail, will be attached to the electronic purchase order. When the invoice is received this will be matched with the appropriate purchase order to checked to see if it agrees.
- 6.3 Invoices received by post shall be date stamped by the relevant staff member and passed to the Finance Team or Asset team who will log the details on the purchase ledger system prior to distribution to the relevant department for authorisation.
- 6.4 A copy of all invoices received by email will be processed onto the Homemaster system by the relevant member of staff (Customer Services for all maintenance and repairs invoices or Finance Team for all non-maintenance invoices) for processing and authorisation.
- 6.5 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 to authorise the invoice for payment.

The Scheme of Financial Delegation for authorising invoices is noted in the Scheme of Delegation.

- 6.6 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.
- 6.7 Any member of the Customer Services staff team can process a maintenance order, in line with the delegated authority as set out in the Financial Regulations.
- 6.8 A list of approved suppliers is in place and shall be revised annually and approved by the Board . Additions to the list will be approved by The Board on a monthly basis. Goods and services should be ordered from the approved suppliers wherever possible. Approval from the Chief Executive should be sought where a non-approved supplier is to be utilised.
- 6.9 On at least a quarterly basis a member of the Finance team shall review all unmatched non-maintenance purchase orders to determine if these are still live.
- 6.10 On at least a quarterly basis the Customer Services Assistant shall review all unmatched maintenance orders to determine if these are still live.

- 6.11 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.
- 6.12 The Finance team will review all invoices approved for payment 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 posted in a timely manner by the Finance team.
- 7.2 The journal sheets are prepared for each journal posted.
- 7.3 Journal sheets and their supporting documentation shall be retained in an electronic file.
- 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 & Corporate Services Manager.
- 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 & Corporate Services Manager 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 / Finance & Corporate Services Manager | By 31 March |
| Task | Owner | Timeline |
| Trial balance on all accounts prepared | Finance Agent / Finance & Corporate Services Manager | Mid-April |
| All account adjustments (accruals, pre payments etc.) input and full reconciliations complete | Finance Agent / Finance & Corporate Services Manager | By mid-May |
| Draft Report and Financial Statements prepared | Finance Agent / Finance & Corporate Services Manager | By June |
| Draft Report and Financial Statements discussion at Leadership Team | Finance Agent / Finance & Corporate Services Manager | By mid-June |
| External Audit visit | External Auditors | Complete by end June |
| Audited Report and Financial Statements and Management letter to Audit & Risk Sub Board for full review | Finance Agent / Finance & Corporate Services Manager | August |

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|---|--|-----------------|
| Audited Report and Financial Statements and Management letter to The Board for approval | Finance Agent / Finance & Corporate Services Manager | August |
| Report and Financial Statements and External Auditors Report laid before the Annual General Meeting | Finance Agent / Finance & Corporate Services Manager | September |
| Audited Financial Statements Return to the Scottish Housing Regulator | Finance Agent / Finance & Corporate Services Manager | 30 September |
| Task | Owner | Timeline |
| Audited Financial Statements to Lenders | Finance Agent / Finance & Corporate Services Manager | September |
| Audited Financial Statements to Financial Conduct Authority | Finance Agent / Finance & Corporate Services Manager | October |
| Audited Financial Statements to OSCR | Finance Agent / Finance & Corporate Services Manager | December |

9. CHEQUES/BACS PAYMENTS

- 9.1 The Association pays its suppliers on 15th of each month, or the working day prior to 15th should that date fall on a weekend or bank holiday and on the last working day of each month. Ad hoc payment runs will be processed for overhead invoices, utility invoices and Interim Certificates. This will be performed by either the Finance & Corporate Services Assistant or the Finance & Corporate Services 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 are all appropriately authorised in accordance with the Financial Regulations.
- 9.3 The person making the payment will request electronic authorisation from 2 members of leadership team and will then save the purchase ledger payment report and BACS Confirmation Report to the shared folder.
- 9.4 Although cheques are rarely used, there are some occasions when this is required for example Petty Cash.
- 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 |
| BOS | Factoring a/c | 10112965 | 80-13-15 |
| NBS | Deposit a/c | 90152779 | |
| Unity Bank | Loan a/c | 20442664 | 60-83-01 |
| Flagstone | Deposit a/c | 04884728 | 40-32-32 |

It is the responsibility of the Board to authorise the opening and closing of Bank and Building Society Accounts. The Finance & Corporate Services Manager and Finance team are responsible for the holding of the Association's 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. Invoices received by 1st of the month will be paid on 15th of the month, or the Friday prior should it fall on a weekend. Invoices received 1st – 15th month will be paid on the last working day of the month.

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 Chief Executive or the Finance & Corporate Services Manager.

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 £20,000. The card is in the name of the Finance & Corporate Services Manager.

10.2 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 £20,000 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 Chief Executive.

10.4 Any transactions in the use of the credit card must be in line with the Scheme of Financial Delegation. A purchase order will be generated along with supporting documentation and filed in the Credit Card folder for subsequent matching with the statements-

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 Board 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 Administrator, and in their absence the Assistant Finance & Corporate Services 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 Board 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 nominal ledger by either the Finance Services Officer or the Assistant Finance Services Officer.
- 11.10 Any differences upon reconciling the petty cash should be reported in the first instance to the Association's Finance Services Officer for further investigation. If this remains unresolved it should be reported to the Finance & Corporate Services Manager who will report this to the Chief Executive 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 and Corporate Services Officer for posting.

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

- 11.12 Petty Cash at Nairn Street & Shaftesbury Street Sheltered Housing Complexes is the responsibility of the Support Assistant and in their absence, the staff member covering. The standard limit for petty cash is

£50. 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 their 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 Board 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 Chief Executive in advance. Overtime will be noted on a monthly timesheet and authorised by the Chief Executive.
- 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 7 days require completion of a self-certification sickness form.
- 12.6 All sickness absences of over 7 days require a Statement of Fitness for Work from the employees' GP to cover ongoing absence.
- 12.7 The Finance Services Officer/ Assistant Finance Services Officer will review the Sickness Absence Register on a monthly basis, to ensure all absences from work arising from sickness, are applicable for the purposes of paying statutory sick pay.
- 12.8 Salary processing is carried out by the Assistant Finance Services Officer, or in their absence by the Finance Services 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 Assistant Finance Services Officer, they will be reviewed alongside the Finance Services Officer for accuracy. The Chief Executive 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 Chief Executive, 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 Assistant Finance Services Officer will log onto internet banking and process the payments accordingly.
- 12.12 If the salary payment run is being prepared by the Finance & Corporate Services Manager they will be unable to authorise for payment.
- 12.13 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.
- 12.14 The Finance team are responsible for submission of all PAYE returns and Pension contributions in accordance with statutory timetables.
- 12.15 Any changes in employment terms must be approved by the Chief Executive 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.
- 12.16 Any voluntary deductions from pay must be supported by written authorisation given by the employee.
- 12.17 Other than in respect of any special December holiday arrangements (see 12.12 above) early payment of salaries will be approved by the Chief Executive.
- 12.18 Any settlement agreements must be approved by the Board subject to a business case to support payments made.

13. PENSIONS

- 13.1 The Association currently contributes to one pension scheme, Defined Contributions on behalf of employees.
- 13.2 All matters in relation to Pensions is outlined in the Associations Pensions Policy.
- 13.3 The Association currently operates a salary sacrifice scheme for pension contributions. Staff have the option to opt into the scheme.

14. AUDITS

- 14.1 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 Finance & Corporate Services Manager and Care Services Manager.
- 14.2 An audit of Dalmuir Out of School Care Group petty cash will be carried out by the Co-ordinator and verified by the Care Services Manager. The audit will consist of verification of cash held and transactions processed.

15. BOARD EXPENSES

- 15.1 All claims for reimbursement of expenses must be accompanied by an expense claim form signed by the individual requesting payment and countersigned by the Association's Chief Executive.
- 15.2 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.
- 15.3 Whilst it is preferred that payment is by BACS or cheque, it is recognised that payments via petty cash may be required.
- 15.4 Payment of expenses shall be made in accordance with the Board Expenses policy.

16. MAINTENANCE & REPAIRS

- 16.1 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.
- 16.2 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.
- 16.3 Budget Holders will liaise with the Finance & Corporate Services Manager 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.
- 16.4 Projections of cyclical maintenance/major repair works will be compiled by the Asset Officers/Customer Services 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.
- 16.5 Where changes are required to the 30-year investment plan because of investment/financial needs these will be brought to the Board for explanation and approval as soon as they have been identified by the Customer Services Manager.
- 16.6 There may be circumstances when the Board 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.
- 16.7 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.
- 16.8 At the commencement of each financial year the Customer Services Manager will prepare the list of approved contractors and check for the following is in place for Board approval:
 - Trade
 - Hourly rate

- VAT registered
 - Valid insurance documents
 - Equal opportunities and Health & Safety compliance
 - Related parties' information
- 16.9 The maintenance team shall notify the finance department of a new supplier, using the Supplier Notification Form. The Finance Services Officer will contact the supplier to verify all details. The information is processed onto the Purchase Ledger System and the original copy kept in an electronic file in the Finance Department.
- 16.10 It is the responsibility of the Customer Services 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
- 16.11 It is the responsibility of the Customer Services Manager to verify retention costs at year end and confirm to the Finance Services Officer.
- 16.12 It is the responsibility of the Customer Services Manager at year end, to inform the Finance Services Officer of any outstanding major works costs.
- 16.13 The Customer Services 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 & Corporate Services Manager for management accounts purposes. The Customer Services Manager must ensure that all contractors hold up to date and valid insurance cover.
- 16.14 It must be recognised that circumstances may result in the project costs changing and exceeding the annual budget during the financial year.
- 16.15 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.
- 16.16 Where over or underspends of 10% or more are identified or anticipated these should be reported to the Board within the quarterly management accounts, unless the issues are urgent, then the next available Board meeting.
- 16.17 All works expected to be greater than £1,000 require to be pre-inspected by the Asset Officer, who will approve in line with the Scheme of Financial Delegation.
- 16.18 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

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

16.20 The Customer Services Manager will authorise all Repairs & Maintenance works orders if works have been approved within the Annual Budget. In the absence of the Customer Services Manager, another member of Leadership Team can authorise in their absence.

Should the work being required not be included within the Annual Budget, the works order must be authorised by the Chief Executive or in line with the Scheme of Delegation in their absence.

The Chief Executive will therefore authorise the invoices for works carried out.

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

16.22 Customer 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 Customer Services staff will verify invoices as per 15.18 above.

16.23 The Finance Services Assistant will provide the Customer Services Assistant with a monthly report detailing outstanding maintenance invoices. The Customer Services Assistant will investigate the position of these invoices and provide the Finance team with an update.

16.24 The Customer Services Assistant will provide the Finance Services Officer with a report detailing all outstanding works orders and estimated costs at the quarter end. The report will be verified by the Senior Customer Services Officer for accuracy before sending.

16.25 The Customer Services Assistant should review outstanding works orders on a monthly basis and remove any works orders that have not been completed that are over 3 months old.

17. INSURANCE CLAIMS

17.1 The submission of insurance claims (excluding owner occupiers) is the responsibility of the Finance Officer. It is the responsibility of the Asset Officer to notify the Finance Services Officer of any potential insurance claims. The Finance Services Officer will then notify the insurance company with the details. The insurance company will liaise directly with the Asset Officer or any owner to establish full details.

17.2 Whilst it is the responsibility of the Asset 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.

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

17.4 Details of all claims are provided by the Insurance Broker on a monthly basis and should be retained in an electronic Insurance Claims folder, on the shared drive.

17.5 The Finance Services 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.

18. FACTORING

- 18.1 The Finance & Corporate Services 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 the changes.
- 18.2 It is the responsibility of the Asset team to instruct Common Repair, Cyclical Repairs or Major Works in line with the Association's Factoring Policy.
- 18.3 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 a quarterly basis. The Association will aim to recharge owners within 12 weeks of receiving the invoice from the Contractor.
- 18.4 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.

19. RECHARGE INVOICES

- 19.1 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 12 weeks of receiving the invoice from the Contractor.
- 19.2 Dalmuir Out of School Care Group user invoices shall be processed by the Finance Team in accordance with details in The Parents Charter. The Finance team will be responsible for pursuing outstanding accounts, by telephone, letter or through legal action.
- 19.3 The Finance team will process all payments received in line with Section 5 above.
- 19.4 The Customer Services team will be responsible for pursuing Rechargeable Repair outstanding accounts, by telephone, letter or through legal action.

20. FUNDRAISING

- 20.1 Dalmuir Out of School Care Group are responsible for fundraising to support the Group's activities.

21. COMPONENT ACCOUNTING

- 21.1 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 Board.
- 21.2 All information relating to the replacement and disposal of components must be given to the Finance & Corporate Services Manager by the Asset team.
- 21.3 The Finance & Corporate Services Manager is responsible for the administration of the Association's component accounting spreadsheet. This includes the recording of all assets, replacements, disposals

and depreciation calculations. Assistant Finance Services Officer is responsible for updating the spreadsheet at least once a quarter.

21.4 Journal entries must be posted annually for, disposals and the depreciation charge. Finance Agent /Finance & Corporate Services Manager will be responsible for producing the journal voucher for processing.

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

22. DONATIONS & LEGACIES

22.1 The Finance & Corporate Services Manager will ensure that appropriate processes are in place for the accurate recording of all donations and legacies made to the Association.

22.2 To minimise risk the Finance & Corporate Services Manager will maintain a register of all donations and legacies. Details of what the register should comprise are found in the Donations Policy.

22.3 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 & Corporate Services Manager will liaise, if possible, with the donor through an independent body or person – for example a solicitor, doctor, or family member.

22.4 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 Chief Executive (in their absence the Finance & Corporate Services Manager);
- A list of Designated Personnel is noted on Appendix 1

22.5 All monies received shall be recorded within the General pay-in book allowing two members of staff to lodge monies received at the bank.

22.6 If a donation is received at DOSCG, the following procedures apply:

- The DOSCG Co-ordinator will issue a receipt and put the cash/cheque donation in the safe;
- As soon as possible, they should notify the Chief Executive (in their absence the Finance & Corporate Services Manager

22.7 Where there is a donation in kind, it is the responsibility of the Chief Executive and in their absence the Finance & Corporate Services Manager to ensure that the donation complies with appropriate regulations (safety standards etc).

22.8 The Chief Executive or Finance & Corporate Services Manager is responsible for any disposal of the donation in kind, but only with the permission of the donor or the donor's executors.

22.9 Where a donation or legacy is from any of the following:

- employee,

- Board member,
- contractor,
- or a family member of any of them,

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

- 22.10 The Board delegate authority to consider and make decisions in respect of applications for Donations in line with the Donations Policy.
- 22.11 Where approval is granted for a request the Chief Executive should notify, the Finance Team for processing for payment. This should be accompanied by any supporting documentation.
- 22.12 It is the responsibility of the Finance & Corporate Services Manager to ensure that the Donations register is updated and monitored on a regular basis.
- 22.13 It is the responsibility of the Finance & Corporate Services Manager 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.

23. IRRECOVERABLE DEBTS

- 23.1 It is the responsibility of the Customer Services Manager and Finance & Corporate Services Manager 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.
- 23.2 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 & Corporate Services Manager and Chief Executive.

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

- 23.3 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 Board 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.

- 23.4 It is the responsibility of the Finance & Corporate Services Manager that all procedures are adhered to in line with the Association's Write Off Policy.

Appendix 1

Authorised Signatories

| | |
|-----------------------------|--|
| BACS Payments | |
| Prepared by | Finance |
| Authorised by | Chief Executive, Customer Services Manager, Care Services Manager, Finance & Corporate Services Manager (any 2 of 4) |
| Cheque Payments | |
| Prepared by | Finance |
| Authorised by | Chief Executive Customer Services Manager, Care Services Manager, Finance & Corporate Services Manager (any 2 of 4) |
| Grant Offers-Stage 3 | |
| Grant Claims | Asset Officer/Finance Team |

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

If the Finance & Corporate Services Manager 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.

Designated Personnel

Finance & Corporate Services Manager
 Finance Officer

Appendix 2

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 10 |
| Attendance Management Policy | Section 12 |
| Staff Expenses Policy | Section 12 |
| Pensions Policy | Section 13 |
| Board Expenses Policy | Section 15 |
| Procurement Policy | Section 3 & 16 |
| Factoring | Section 18 |
| Donations Policy | Section 22 |
| Anti Bribery Policy | Section 22 |
| Anti Money Laundering Policy | Section 22 |
| Fraud & Corruption Policy | Section 22 |
| Write Off Policy | Section 23 |