**ParkPlay**

**FINANCIAL POLICIES & PROCEDURES**

**CONTENTS**

0. About this document

1. Ordering goods and services

2. Payment authorisation and Purchase Ledger

3. Bank accounts, signatories and payments

4. Cash

5. Salaries, payroll and freelancers

6. Income

7. Books of account and records

8. Budget setting

9. Financial monitoring and audit

10. Role of The Treasurer

**0. About this document**

This document defines the financial policies, procedures and systems used by ParkPlay. Minor amendments or updates may be agreed and implemented by ParkPlay Management Team but major amendments must be approved by the Board of Trustees.

**1. Ordering goods and services**

All staff should be reminded that expenditure is committed when an order is placed and it is therefore important that all orders are placed properly and are within agreed budgets and delegated powers.

Budget holders can place orders for goods or services within their budget areas, subject only to cash-flow restraints. All orders of £1,000 or more must be authorised by the budget holder, except for specific areas of expenditure where written procedures have been agreed (e.g. capital expenditure). Under £1,000, the budget holder may delegate all ordering as appropriate.

Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedure as above, with the appropriate expenditure amount being the total committed expenditure over the period of the contract, or where the contract is open-ended, over the first 12 months of the contract. Larger contracts should not be entered into without adequate advice from a relevant professional adviser.

Orders of £1,000 or more must be placed in writing. Orders under £1,000 but over £100 should be in writing where practical. Suppliers must be requested to produce invoices. If payment is needed on or before delivery or no credit is given, a ‘pro-forma’ should be provided.

While claims for small items of expenditure may be made via petty cash (see section 4), supporting receipts must be obtained. Large cash payments are prohibited.

**2. Payment authorisation and Purchase Ledger**

All invoices must be authorised for payment. Checking of details may be delegated but should include checking invoices for accuracy in terms of figures and conformity with the order placed, that the goods or services have been received, and following up any problems.

A Purchase Ledger is operated and all invoices must be recorded onto it within two days before being passed to the budget holder for authorisation. Once authorised, suppliers will be paid within the appropriate timescale, generally within 14 days of invoice date unless there are specific supplier arrangements

**3. Bank accounts, signatories and payments**

ParkPlay’s bankers are Metro Bank.

Bank account signatories must only be drawn from senior staff and Trustees, and any new signatory must be approved by the Trustees before the bank is notified. All bank transfers or cheques over £100 require two signatories who must check that the expenditure has been appropriately authorised before making payment. Salary payments require the approval of the CEO and a Trustee.

Signatories cannot solely approve payments to themselves (for example for reimbursement of expenses). All such payments must also be approved by a Trustee.

All income must be paid into ParkPlay’s bank account as soon as possible and in any event not less than once a week.

The day-to-day limit for withdrawing cash for expenses is £250. If a larger cash float is required for a major event this must be approved by the CEO and a Trustee.

Bank accounts must be reconciled each month.

**4. Cash**

A small amount (<£250) of petty cash may be required from time to time. Anything over this should be paid by bank transfer or cheque wherever possible.

Petty cash will be maintained under an imprest system which has a balance limit of £250 and will be reconciled on a monthly basis. All petty cash will be signed for by the recipient and receipts will be issued for all cash returned.

Any cash received must be banked as soon as possible.

**5. Salaries, payroll and freelancers**

ParkPlay operates the PAYE system and makes annual returns to HMRC. All employees, whether permanent or temporary, must provide a P45, or sign a P46 or student exemption certificate, or give reasons why they can’t. All salary payments and expense reimbursements will be made by direct bank credit.

It is the nature of ParkPlay’s activities that a number of freelance consultants will likely be used from time to time. Freelance contractors will only be appointed when authorised in accordance with section 1 above and will be treated as self-employed for tax purposes.

Payments for additional work over and above contracted hours must be approved in writing by the CEO.

Salaries will be paid monthly direct to each employee’s bank account. The salary payment listings will be checked by the CEO.

Pay scales and new posts must be recommended by the CEO and approved by the Board of Trustees, who will also set the CEO’s remuneration.

Staff loans or advances against salary are prohibited.

The CEO (or finance team in due course as ParkPlay grows) is responsible for:

* paying each employee in accordance with the approved terms and conditions, and issuing payslips.
* operating the PAYE system, keeping the required records, issuing P45s and P60s, and communicating with HMRC as appropriate.
* making the correct deductions for Income Tax, NI, and any other appropriate deduction authorised by staff; ensuring that deductions are paid to the correct body, and necessary returns made.
* administering Statutory Sick Pay and Statutory Maternity Pay schemes.

**6. Income**

The majority of income received by ParkPlay is expected to be come from grants, commercial partnerships, sponsorship and philanthropy. sales of services and goods produced. In the future this may be supplemented by the sale of ParkPlay merchandise.

Any sale must be supported by a ParkPlay invoice and must comply with the latest VAT regulations as appropriate. All invoices must be sequentially numbered and include a comprehensive description of the goods or services supplied.

Outstanding invoices will be followed up at least monthly to ensure payment is received by ParkPlay.

Information about non-routine and all grant income must be passed to the CEO who is responsible for ensuring grant conditions are satisfied and that all such income is correctly recorded in the accounts.

**7. Books of account and records**

Proper accounting records must be kept at all times using the Xero accounting system.

At a minimum, the following records will be kept:

* appropriate control accounts
* monthly trial balances
* monthly management accounts, including brief commentary on results

Petty cash and bank accounts will be reconciled at least monthly, and VAT returns produced on the required quarterly cycle.

All income/expenditure information will be recorded within three days. All corrections and adjustments will be clearly noted in writing giving reasons for them, with supporting documentation where available.

Purchase Ledger and other payments will be filed with any supporting documentation. All petty cash vouchers, cheque stubs etc. will be retained for audit purposes thereafter.

All fixed assets costing more than £1,500 (or such other level as may from time to time be agreed by the Trustees) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial number where applicable, description and in due course details of disposal.

**8. Budget setting**

The CEO is responsible for ensuring that 12-monthly income and expenditure budgets are prepared in time for final approval by the Board of Trustees in December, before the start of the financial year under consideration. Approval of budgets is by recommendation of the CEO to the Board of Trustees.

The approved budget will be used as a base to construct a cash-flow forecast for the year, which will be updated quarterly and subject to review by the Trustees.

**9. Financial monitoring and audit**

As ParkPlay’s management team grows they will receive:

* weekly snapshots of cash and bank balances, total creditors and total debtors
* monthly reports of income and expenditure versus budget – within two weeks of month end

Detailed monthly payroll reports will be produced. Detailed cash-flow reports will be produced as appropriate.

ParkPlay’s financial year is from 1st January to 31st December. Annual accounts will be submitted for audit, as required under the Companies Act, charity regulations and grant conditions, prepared using the SORP for Charities and any other relevant accounting conventions. The CEO is responsible for ensuring a final draft is available for review by the Audit Committee by the end of April.

Formal approval of the audited accounts by the Board of Trustees will take place by the end of June at the latest.

**10. Role of The Treasurer *(extracted from the Charity Finance Yearbook)***

At the appropriate time ParkPlay will appoint a Treasurer with specific responsibilities to:

* Guide and advise the Board of Trustees in the approval of budgets, accounts and financial statements.
* Keep the Trustees informed about their financial duties and responsibilities
* Advise the Trustees on the financial implications of ParkPlay’s strategic plans and key assumptions included in management’s operational plan and annual budget
* Confirm that the financial resources of ParkPlay meet present and future needs
* Understand the accounting procedures and key internal controls, so as to be able assure the Trustees of ParkPlay’s financial integrity
* Ensure that the accounts are properly audited, that accepted recommendations of the auditors are implemented, and meet the auditor at least twice each year
* Formally present the accounts at the AGM, drawing attention to important points
* Monitor ParkPlay’s investment activity and ensure it is consistency with policies, aims, objectives and legal responsibilities