**Guidance Note – Financial Record Keeping**

Each Community Council should ensure that where finance is involved all activity is recorded and checked regularly with robust procedures which take into account the move to online banking.

Community Councils should ensure that:-

* All expenditure made by the Community Council is discussed and agreed by the CC at a meeting and minuted in advance of the expenditure being incurred.
* At each meeting, the account balances and income and expenditure from all CC accounts should be provided to the Community Council. Where online banking is being used, the Treasurer should provide a screen shot of all CC bank accounts to show their balances and transactions since the last meeting.
* All income and expenditure goes through the bank account and is recorded either in a cash book or by using a spreadsheet application.
* The use of petty cash is avoided or limited as much as possible. Where necessary to use petty cash, vouchers should be signed by the person requesting the money and countersigned by the treasurer or other authorised signatory - this must not be the person who is requesting the expenditure. All receipts for items of expenditure should be retained and attached to the appropriate petty cash voucher.
* Where transactions are going to be carried out by an individual, the Community Council should have a check undertaken by another office bearer on a weekly basis
* Bank accounts are accessed by more than one, but no more than three individuals (preferably office bearers). These individuals should be identified and agreed by the Community Council and should not be changed without further agreement from the Community Council.
* Where cheques are still being used, they are countersigned at the time the cheque is being written.
* Where direct payments are being made to or from the bank account, the information provided within the bank statement is as detailed as possible i.e. use of reference space to detail what the expenditure was for.
* Any cash that is received should be banked and categorised appropriately within the accounts.
* All expenditure must have a receipted invoice and this should be provided to the independent examiner when checking the accounts. In the exceptional circumstances, where a receipt is not available, the person making the purchase should give the following information in writing; the nature of the expenditure, amount of expenditure and explanation of the circumstances. This should be authorised by the Chair of the Community Council committee.
* Reimbursement of travel expenses should only be available to persons on official Community Council business where this has been agreed by the Community Council. Claimants should submit a detailed record of dates, times, destination, reason for travel and mode of transport. Reimbursement of travel expenses (for example bus, taxi, train, parking fees etc.) should only be awarded if accompanied by an appropriate receipt.
* CCs should consider putting a maximum threshold on payment cards to limit the amount that can be spent by any individual.
* Leading up to an election, preparations are made to have the required signatures to make changes to the signatories on the bank accounts.

**Accounting Procedures - Annual Accounts**

The following paragraphs merely reinforce income and expenditure matters dealt with earlier in this guidance.

* An annual income and expenditure statement of all accounts including all income and expenditure must be prepared at the end of the Community Council’s financial year and must be independently verified.
* The independently verified accounts must be presented to the Community Council and as soon as practicable and agreed through the Annual General Meeting. A copy with the minute of the AGM showing the approval of accounts should be sent to the relevant Area Office of the Council. Once this has been done and checked, this will trigger the release of any Community Council grant.

**Accounting Procedures – Inventory**

The Community Council must maintain an inventory detailing all the assets of the Community Council. The inventory should be updated on an ongoing basis for additions and deletions. Depreciation can be noted.

**Community Council Statement of Accounts**

Income Expense Account For period of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |
| --- | --- | --- | --- |
|  | **£’s** |  | **£’s** |
| **Balance brought forward** |  |  |  |
|  |  |  |  |
| **Income** |  |  |  |
| Admin Grant | 0.00 |  |  |
| Discretionary Grant | 0.00 |  |  |
| Bank Interest | 0.00 |  |  |
|  |  |  | 0.00 |
| **Expenditure** |  |  |  |
| Additional Insurance | 0.00 |  |  |
| Accommodation Costs | 0.00 |  |  |
| Independent Verifier’s Fees | 0.00 |  |  |
| Subscriptions | 0.00 |  |  |
| Travel Expenses | 0.00 |  |  |
| Publication of Minutes & Agendas | 0.00 |  |  |
| Publication of Newsletters | 0.00 |  |  |
| Stationery | 0.00 |  |  |
| Photocopying | 0.00 |  |  |
| Postage Costs | 0.00 |  |  |
| Telephone Costs | 0.00 |  |  |
| Other Expenses | 0.00 |  |  |
| Other Expenditure | 0.00 |  |  |
|  |  |  | 0.00 |
|  |  |  |  |
| **Balance Surplus** |  |  | **0.00** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Represented by**: |  |  |  |
| Cash in Bank |  |  |  |
| Cash in Hand (Treasurer’s Float) |  |  |  |

**As prepared**:

**Verifier’s Details**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Designation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The above statement has been compiled from the available books and records and explanations.

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Verifier)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Chairperson)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Treasurer)

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_