

## Flax Bourton School Association (FBSA) Financial Operating Rules

In order to achieve its purpose, Flax Bourton School Association (FBSA) recognises that steps must be taken to ensure that all profit is collected, securely held and spent or given to appropriate people to spend on items or services that provide the pupils with educational and fun activities.

Key roles and their financial responsibilities are:

- **Chair** - ensure that the Treasurer and Committee are aware of their financial responsibilities and that they follow the operating rules below
- **Treasurer** - collection and timely banking of monies, timely payment of members' expenses, timely submission of the annual return to the Charities Commission, payment of annual insurance premium, payment of annual lotteries licence, payment of quarterly PTA-events website fees and payment to school for items agreed by the Committee and in exceptional circumstances the Chair.
- **Committee** - shared responsibility for the identification and organisation of appropriate fundraising activities and approval of school requests for expenditure. Individual responsibility in handling cash appropriately, submitting receipts for expenses in a timely manner and declaring conflict of interests.

### Purchases and expenses

The following controls will be applied when managing money raised by the FBSA:

- All donations to the school shall be approved by the Committee either at Committee meetings or via majority agreement by email in extraordinary circumstances.
- Expenses claims must be accompanied by relevant receipts. There will be no payment to Committee members of expense claims for petrol, telephone or childcare costs incurred when organising PTA events.
- All other purchases e.g. including stationery/postage costs will be paid when accompanied by receipts as long as they have been agreed in principle by the Chair/Committee.
- Committee members/parents who are helping at events are expected to pay the relevant ticket price for themselves/their children (*this does not apply to members of school teaching/support staff*)

### Handling Cash

There are extra rules for the handling of cash due to the difficulty of tracking transactions:

- A standard principle and especially for large events, such as the annual fireworks event, is that a minimum of two people will count cash.
- Money from events/fundraising activities will be kept in the school safe and will be banked within a week of the event.
- Money from events/fundraising activities should not be kept in Committee members' homes.

### Account Management

The FBSA maintains a current account and a business reserve account at NatWest. The bank accounts will be maintained according to the following rules:

- The bank mandate shall require two out of three or four signatories for each cheque.
- The Treasurer is authorised to operate the bank accounts and will retain passwords for electronic banking. Electronic banking will only allow viewing of transactions and statements plus movement of money between FBSA accounts.

- Movement between the current account and the business reserve account will be by the Treasurer following agreement from the Chair or other signatory.
- The Treasurer shall regularly review transactions into and out of the current account and shall investigate any discrepancies as soon as possible.

### **Accounts and Recording Transactions**

The Treasurer shall keep the accounts up to date in order to keep track of cash and bank balances, to produce accurate reports for the Committee and The Charities Commission:

- The Treasurer shall produce an income and expenditure statement and bank reconciliation for all Committee meetings plus breakdown of events as requested.
- The Treasurer will make arrangements for a simple audit/independent examination of the accounts at the end of the financial year. This should be a financially competent person or local accountant, who is not on the Committee or related to a Committee member.
- The Treasurer shall record the flow of money into and out of the FBSA:
  - All the money received by the FBSA must be recorded, no matter how small the amount may be. The full income figure should be recorded and not netted against any expenditure[1].
  - All payments made from the account or out of cash income must be recorded and the receipt should be produced before the payment is made.
  - Bills must be paid when they are due.
  - Donations to the school must be recorded and broken down into general headings so that everyone knows what the money was used for[2].

### **Insurance**

PTA-UK's subscription linked insurance provides its members with cover against fraud or dishonesty by any member of the Committee, including the Treasurer.

It is a condition of the current policy that cheques bear two signatures and an independent annual examination or audit of the accounts is carried out by someone other than a Committee member or their relatives.

It is the responsibility of the Committee as a whole to ensure that the above is adhered to. The Treasurer must also ensure that a reasonable standard of care and supervision of the FBSA's monetary affairs is implemented. For limits covered please refer to the current PTA-UK Insurance summary <http://www.pta.org.uk/Member-Benefits/Insurance>.

[1] It may be useful to break down income sources within an event in order to look at profitability of each part of the event

[2] The Treasurer should request proof from the school, in the form of an invoice or a signed certificate, as confirmation that the money has been spent on the items for which it was raised.

Sally James  
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