

Society of Brownfield Risk Assessment

FINANCIAL PROCEDURES

**Version 4.0
March 2017**

CONTENTS

	Page No
1.0 Introduction	1
2.0 Financial Basis of SoBRA	1
3.0 General Accounting	1
4.0 Banking	2
5.0 Payments	2
6.0 Billing	3
7.0 Transfer of Office	4

1.0 Introduction

SoBRA's constitution requires that the practical procedures used to control and manage the Society's financial aspects are detailed in this stand alone Financial Procedures document.

This report, which is the Society's first set of Financial Procedures, was drafted by SoBRA's Treasurer, Ed Henshaw, following discussions with the executive on 27 January 2010 and after further consultation with the executive was adopted on 24 March 2010. Minor updates and amendments were made and adopted at the AGM on 17 December 2013. Further minor updates were made and approved by the Executive Committee in March/April 2017.

The Financial Procedures provides a set of rules for both the Treasurer and the Society's executive members to follow which aims to ensure that SoBRA's finances are managed in a secure, accountable and sustainable manner. The constitution allows for these procedures to be updated, as and when practicalities require, allowing the Society's financial regulations to remain current and relevant; however, full executive approval is required for any such changes.

2.0 Financial Basis of SoBRA

SoBRA is a not-for-profit society whose purpose and aims are given in the Society's constitution. At the time of first drafting, SoBRA had only recently been established and it was agreed that it would not apply for charitable status. Furthermore, it is considered that the Society does not need to be VAT registered given the estimated turnover.

3.0 General Accounting

Financial Year – SoBRA's Financial Year will run from 1 October to 30 September. This period was chosen to allow time for a set of accounts to be prepared and approved prior to the Society's AGM which is expected to take place in December of each year.

Accounting System – A simple excel-based system will be used by the Treasurer to allow the auditor and successors to easily access data without needing specialist software. This accounting system will log in chronological order, all in and outgoings. For each transaction, the name of the organisation or individual, the value of the transaction and the category into which it falls will be recorded. This system will show a real time balance which can be used to reconcile against bank statements. To support the main accounts spreadsheet, an invoicing and purchasing log will be kept, as detailed in Sections 5 and 6, together with other relevant documentation, where necessary.

Financial Reports – A finalised summary of the annual accounts will be presented at the Society's AGM in December of each year. This summary will comprise:

- A balance sheet showing income and expenditure split into relevant categories
- A list of assets if appropriate
- Details of any outstanding liabilities or monies owed

- SoBRA's overall profit and loss based on the above
- The Treasurer's statement
- The Auditor's statement (see Auditing of Accounts below)

The AGM Financial Report will be made available to members one week prior to the meeting via e-mail. During the AGM, the Treasurer will present the report and take questions from general membership. Each year, the AGM Financial Report will require adoption by a show of hands.

At each executive meeting, the Treasurer will provide a summary of the Society's current financial situation including total income and expenditure for the period between executive meetings, and the current balance.

Auditing of Accounts– The AGM Financial Report will need to be signed off by an independent auditor who will have been selected at the previous year's AGM under normal circumstances or as soon as possible thereafter (during the first year of SoBRA, the executive committee will appoint an auditor part way through the year).

The Auditor, who should have relevant experience, must not have been a member of the executive during the year for which the accounts are being audited. The auditor will be given access to the Society's financial records, including in and out logs, bank statements and supporting documentation to aid in this process. The Auditor will be required to provide a statement for the AGM which can be circulated with the AGM Financial Report, one week prior to the meeting.

4.0 Banking

In July 2013, the executive of SoBRA confirmed that the Society's account would be switched from NatWest bank to Lloyds bank. The designated account name is Society of Brownfield Risk Assessment and the Kenilworth branch will be used as the initial point of reference. The incumbent treasurer's postal address will be used for any banking correspondence and statements. However, cheque books, paying-in books, cards and correspondence will be in the full name of the society.

SoBRA's executive has agreed that, for practical reasons, a counter signature safeguard will not be used for cheque. The Society has therefore given authorisation for the Treasurer to be the primary signatory of the Society's cheque. However, internal safeguards are provided as detailed in Section 5.0.

Cheque books, paying-in books, cards, correspondence and statements are the responsibility of the incumbent Treasurer who must take reasonable steps to ensure that they remain secure.

To aid in security and transparency, SoBRA will run a cashless system.

5.0 Payments

During the course of the Financial Year, SoBRA will need to make payments to support its activities. To ensure such payments are conducted in an accountable and transparent manner, the following procedures will apply to transactions of the following values:

All Payments & Financial Commitments – It is imperative that no executive or general member makes any commitment of financial expenditure whatsoever, or any decision which has a financial liability, without prior consultation with the Treasurer. Financial requests exceeding £3000 should be considered via a competitive tendering exercise to ensure best value is obtained for SoBRA.

Under £50 – Approval by the Treasurer only is required. This excludes multiple items under £50 which are connected to one event or project etc.

£50 to £200 – Approval by the Treasurer and one other executive member will be required.

£200 to £500 – Approval by the Treasurer and two additional executive members will be required.

£500 or more – This would require special authorisation by the full executive.

Cumulative Expenditure – For an event, exercise or project, the individual items would be summed to determine the authorisation limit.

Payment Record System – It should be noted that the above system focuses on a SoBRA applicant obtaining prior authorisation before committing to expenditure.

To aid in this, the Treasurer will make available a standardised Financial Commitment Authorisation form for members to detail the proposed expenditure. The form will then be passed around the appropriate number of executive members for authorisation by the Treasurer either at Executive Committee meetings or via e-mail to add electronic signatures. Once completed, the form will allow the applicant member to proceed and the Treasurer to make payment when required.

Financial Commitment Authorisation forms will be kept as part of SoBRA financial records and will be recorded in a purchasing log which the Treasurer will be responsible for maintaining. Under normal circumstances, purchase orders will not be raised, but as an alternative, the purchasing log and Financial Commitment Authorisation forms will be used as an internal record. However, if required by an external supplier, the Treasurer can raise an order.

Where relevant, members requesting authorisation for expenditure are also responsible for supplying the Treasurer with receipts and invoices.

6.0 Billing

The procedures for SoBRA billing are as follows:

Membership – Membership fees will be set at the AGM for the forthcoming year and will be proposed by the Treasurer. From April 2017, membership fees will be £25 unless registration from a government body where membership will be kept at £10. From 2012, with the introduction of on-line management of membership fees, payment of membership fees by cheque has a £5 surcharge to encourage on-line usage.

To simplify the billing process, the membership will run on a fixed 12 month basis commencing on date of joining.

Individual billing/invoicing will not take place for annual membership fee renewals. Instead an on-line system has been introduced that allows payment by PayPal (or credit card).

Settled membership renewals will be recorded automatically by SoBRA's online membership database.

Individual invoices and numbers will not be raised and issued unless by exception, with the membership invoicing log forming SoBRA's financial record.

Events Invoicing – Any member organising any event or training session etc must ensure that they have fully consulted with the Treasurer prior to the event to verify that it is financially viable. Where a joint event is taking place, a clear understanding of financial responsibility should be established and SoBRA's Treasurer must be consulted. Organising members must also ensure that any attendees are aware of the costs and billing arrangements in advance.

In general, SoBRA will require individuals attending any such event to make payment in advance either by the Society's on-line payment system, by cheque sent to the Treasurer, or electronic BACS transfer, in which case a notification remittance must be e-mailed to the Treasurer which should contain the reference number used on the BACS transaction. **No cash payment is to be taken on the day.**

The Treasurer will keep a payments log for each event, which will be based on an up to date list of attendees, as supplied by the SoBRA member organising an event. In general, invoices will only be raised and issued on request, with the events invoicing log forming the financial record.

Organising members and the Treasurer should also agree in advance the policy regarding people who do not attend and those requiring a refund. This policy should be conveyed to the attendees.

Non-payment of Bills – Where annual renewals have not been paid by the due date, an automatic e-mail reminder is sent. If payment is not received the membership lapses.

Individuals will not be permitted to participate in events unless payment has been made in advance or a suitable alternative arrangement has been agreed in writing by the Treasurer

Expenses – SoBRA has an expenses Policy for members of the Executive committee who attend committee meetings and have travel costs. For those working in the Public Sector who cannot obtain re-imburement from their employer, then the Society will fund the travel costs. Where committee members are employed within the Private Sector, they can claim up to 50% of their travel costs from the Society.

Executive committee members making an expenses claim should fill in an Executive Committee Expenses form which should be provided with evidence and receipts to the Treasurer. These will be kept as part of SoBRA financial records and will be recorded in a purchasing log which the Treasurer will be responsible for maintaining.

7.0 Transfer of Office

On completion of the Treasurer's term of office, the Treasurer will pass on all SoBRA's paper and electronic financial records together with banking documentation

to the newly appointed Treasurer. The outgoing Treasurer will also be responsible for aiding the new Treasurer in amending banking authorisation and contact details.