



# Policy: Financial Procedures

<b>Title of Policy:</b>	<b>Financial Procedures</b>
<b>Date of Adoption or Last Review:</b>	January 2019
<b>Lead Officer:</b>	Barry Allan, Finance & Corporate Services Manager
<b>Date of Next Review:</b>	January 2022
<b>Scottish Social Housing Charter Outcomes &amp; Standards:</b>	Not applicable
<b>Regulatory Standards of Governance and Financial Management:</b>	Regulatory standard 3 requires RSLs to manage resources to ensure its financial well-being and economic effectiveness. RS 3.1. The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.

**MUIRHOUSE HOUSING ASSOCIATION LIMITED**  
**Financial Procedures**

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## 1. INTRODUCTION

- 1.1 In order to facilitate the efficient and effective operation of the Association in matters relating to finance and also to 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 particular 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 (FCSM) in conjunction with the Chief Executive (CE) and approved by the Board.
- 1.5 The Association must ensure that, where records of a financial nature are kept out with the Finance Section, consultation is held with the FCSM and an agreement reached that ensures the manner in which records are kept is appropriate for audit purposes.
- 1.6 In addition, consultation with the CE/ FCSM 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 CE/ FCSM 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 (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 (for staff) / Code of Conduct (for Board).
- 1.10 All procedures equally apply to Muirhouse Homes Limited, as per Financial Procedures, unless specifically noted otherwise.

## **2. BUDGET PROCESS**

- 2.1 In setting the budget of the Association annually, a budget statement should be prepared to detail the rationale and workings behind the budget. This will be retained by the FCSM and used throughout the year to support effective budgetary control. 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 sections 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 sections within the Association. The FCSM shall issue a formal and detailed budget information request in October of each financial year to budget holders. The CE has responsibility for ensuring the supply of information to the FCSM within agreed timescales.
- 2.4 Budget holders have been determined across the Association as set out in 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 code; and providing detailed information to the Finance Team with regards any significant variances.
- 2.5 The Board shall consider a draft budget for the year in December of each year, also approving the indicative annual rent increase at that point, and then approving the final budget document in February of each year. The final budget document approved for the year must contain the budget statements with the 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, all staff members may be required to complete time allocation sheets from time to time as required by the FCSM.
- 2.7 On final approval of the annual budget, a copy shall be sent to external auditors and all funders.
- 2.8 Budget variance reports shall be issued monthly to budget holders. Budget holders are expected to formally explain variances to the FCSM to allow the preparation of the quarterly management accounts and related Board report.
- 2.9 All 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 CE immediately and a report will be submitted to the Board for approval.

- 2.10 Management accounts will be prepared on a monthly basis and shall compare the estimated and actual income and expenditure for the period to date. Any material variances must be highlighted and explained to Board with the covering report issued within the management accounts on a quarterly basis.
- 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.

***Budget Setting Timetable:-***

Budget submission request issued to Budget Holders from FCSM	October
Budget submissions to FCSM & draft budget presented to CE for review	October
Audit & Risk Committee consider draft budget and make recommendations to the Board	November
Board consider and approve draft budget for consultation	December
Tenant Consultation on rent increase proposed in draft budget	January
Final Budget updated to reflect any changes and rent increase decision and formal approval by the Board	February

**3. PROCUREMENT**

- 3.1 Senior Staff and the Asset Management Officer will be responsible for the annual Procurement Strategy Plan which itemises the proposed works to be carried out in the next financial year, analysed between departments and headings
- 3.2 Approval of the Budget for the financial year by the Board will constitute authority for Senior Staff to proceed with the work set out in accordance with the Authorising Expenditure guidelines in the Financial Regulations.
- 3.3 Ordering of work will be in line with the Association’s Procurement Policy.
- 3.4 In exceptional circumstances, appropriate Senior Staff may order the necessary work without utilising the Public Contracts Scotland route only where emergency action is required to protect the Association’s housing stock, to avoid a risk to life or in order to secure time limited grant funding bids. Any instances will be reported immediately to the CE and to the Chair; and tabled at the next Board meeting.

### **3.5 TENDERING PROCESS**

3.6 The tendering process is governed by the Association's Procurement Policy following EU and Scottish procurement legislation and including compliance with mandatory requirements.

3.7 Subject to special rules imposed by the regulatory bodies including OJEU, the Association's Procurement policy involving competition are applicable.

### **3.8 APPROVAL OF CONTRACTORS, CONSULTANTS AND SUPPLIERS**

3.9 The Association will maintain a list of current Contractors, Consultants and Suppliers.

3.10 Contractors may be invited to apply for inclusion in the current list as follows:

- Invitation by the Association;
- Advertisement by the Association;
- Direct application to the Association.

3.11 Senior Staff will report to the Board or Audit Committee as appropriate on all tenders received and make a recommendation for Acceptance. Senior Staff is responsible for maintaining an electronic register of all contracts with relevant details.

### **3.12 Contract Variations**

3.13 Senior Staff may authorise contract variation where they or the consultant employed by the Association judges that the variation is necessary, up to the cumulative value of 10% of the agreed contract value, to a maximum of £20,000. Variations above this limit must be reported to the CE and Board for authorisation of the increased expenditure, highlighting any likely implications on the Budget for the Financial Year.

## **4. LOAN AGREEMENT COMPLIANCE**

4.1 In order to ensure the proper monitoring of compliance with the terms of Loan agreements with lenders the following clauses and their contents must be noted:-

- Information
- Covenants
- Valuations
- Default

4.2 The FCSM shall have responsibility for ensuring the monitoring and submission of financial information to the CE, Board and Audit & Risk Committee including: budgets, monthly/quarterly management accounts, annual accounts, covenant monitoring and revisions of long-term projections.

- 4.3 All Senior Staff and Board members of the Association have a duty of responsibility regarding full awareness and adherence to the terms of and conditions of all Loan Agreements with all lenders.

## **5. RECEIPT OF MONIES**

- 5.1 The FCSM will ensure that appropriate processes are in place for the timely and accurate recording of all monies due to the Association through the raising of sales invoices. These should generally be raised by the Finance & Corporate Services Assistant (FCSA) and checked for accuracy by the FCSM prior to being issued.
- 5.2 Credit notes should be initiated by an approved budget holder and authorised in line with the scheme of delegated authority. No credit notes should be created by the Finance Team without suitable authorisation being in place. The FCSA shall create the credit note, which should be authorised by the FCSM prior to issue.
- 5.3 Any cheques received together with the remittance vouchers should be passed to the FCSA who should enter the details onto the appropriate ledger prior to banking. Amounts received should be matched to the corresponding sales invoice in a timely manner.
- 5.4 Receipt of rent, deposits, rechargeable repairs and other sources of income at the office counter should always be issued a receipt. A receipt book will be held by the Housing Services Team. All Housing Services staff and FCSA will be fully trained in the procedures for receipting payments received.
- 5.5 The tear off receipt should be passed to the payee with the receipt stub being retained in the receipt book.
- 5.6 Any and all such sums received should be passed to the FCSA immediately after posting any rent payments to the tenants rent account and enter appropriate details onto the pay in workbook. The FCSA should check the cash received matches the receipt (initialling the back of the receipt).
- 5.7 All cash received should be securely stored in the safe prior to banking.
- 5.8 Banking should be performed by the FCSA or by the FCSM where necessary. Funds of a material amount, defined as amounts over £2,000, must normally be lodged on day of receipt prior to close of banking business. Funds held within the safe should be banked at least fortnightly, and prior to expected total cash reaching £2,500. No more than £3,000 should be in the safe at one time. No more than £2,500 cash should be taken to the bank at one time as per the Association's Insurance Policy. Prior to any cash being banked the cash sum requires to be matched with the pay in book total, usually by the FCSA.

- 5.9 A secondary check must be performed, usually by the FCSM. This should involve a check to confirm that the pay in workbook total matches sums lodged in the bank account as noted on the bank statements. Any discrepancies should be reported to the CE immediately.
- 5.10 All Housing Services and Finance staff are trained and authorised to accept electronic payments. This requires to be done through the Association's Allpay Website. All trained staff have their own username and password to access this system. The FCSA and Housing Services Leader are the administrators and if passwords require a re-set, they would be responsible for carrying this out.
- 5.11 Cash should not be left unattended. If no member of the finance team is available to take receipted cash, this should be passed to an authorised member of staff to put in the safe. If a cash payment is taken and no members of Finance/senior staff are available to secure this, the person that took the payment should keep in a locked drawer until the Finance team return.

## **6. INVOICES/ORDERS**

- 6.1 The Association shall operate a Purchase Ordering system. The purchase order of all non-maintenance goods, services and other relevant items shall be made by the FCSA following a completed purchase order request to purchase from an authorised staff member.
- 6.2 The FCSA shall process appropriately all authorised purchase requests, other than Asset Management and record details of the order (including date, supplier, an expected cost, nature of the purchase and staff member requesting the purchase) in the purchase order records.
- 6.3 All invoices received, other than Asset Management, shall be date stamped by Reception and passed to the FCSA who shall stamp each invoice with the grid stamp prior to distribution to the relevant person for checking and authorising.
- 6.4 On satisfactory receipt of the goods or services, the relevant budget holder will update the FCSA to record this on the purchase order.
- 6.5 On receipt of the invoice, this will be matched to the Purchase Order by the FCSA who will then sign off the 'invoice checked and agreed'. The 'payment authorised' section of the grid stamp should be certified by the relevant budget holder and returned to the FCSA for payment.
- 6.6 On a monthly basis, the FCSM shall accrue relevant costs as appropriate.
- 6.7 All Asset Management invoices shall be supported by a repair order issued on Omniledger. Invoices received in respect of repair related expenditure, require to be entered into Omniledger Invoice Register, which will match up with the details of the Repair order and be authorised and approved for payment in line with the Financial Regulations.

- 6.8 Only those with appropriate delegated authority as set out in the Financial Regulations have the authority to request purchase orders or issue maintenance orders, within their set thresholds.
- 6.9 A list of current suppliers is in place and shall be revised annually. Goods and services should be ordered from known suppliers wherever possible. Approval should be sought from the CE or FCSM where a new supplier is to be utilised.
- 6.10 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 and application of the correct VAT rate. Each purchase invoice will be allocated a unique reference number, which is system generated by Omniledger.
- 6.11 The FCSA will review all invoices approved for payment by budget holders as required to ensure they are supported by an appropriately approved and goods matched purchase order and there are no discrepancies between the purchase order and the purchase invoice.
- 6.12 Where supplier statements are received, supplier statement reconciliation will be carried out on at least a monthly basis, along with an aged creditors listing to identify any overdue invoices.
- 6.13 In exceptional circumstances, where work is authorised and commissioned by the Board, a senior member of staff shall normally certify that relevant work has been carried out by signing the "Invoice checked and agreed" section of the grid stamp. The "payment authorised" section of the grid stamp shall be signed by the delegated Board member.

## **7. GENERAL LEDGER**

- 7.1 Monthly journals shall be posted in a timely manner by the FCSA. These shall be verified by Finance and Corporate Services Manager.
- 7.2 Details of all Journals made can be viewed at all times within Omniledger
- 7.3 Bank postings are made on a regular, at least monthly basis to reflect receipts and payments, including those paid via standing order and direct debit, and inter account banktransfers.
- 7.4 A formal month end process is in place, with an agreed timetable, in addition to the year end process to close down the ledger, after the final accounts have been agreed.

## **8. CHEQUE/BACS PAYMENTS**

- 8.1 A payment run shall be performed on a fortnightly basis by the FCSA. A listing of all invoices due for payment shall be produced by preferred payment method (BACS, cheque, etc.). Wherever possible suppliers will be paid by BACS, however a cheque payment can be made as an exception.

- 8.2 The payment listing along with all relevant purchase invoices shall be passed to the FCSM/ CE to review and authorise. The BACS listing shall be retained on file to evidence this authorisation.
- 8.3 Payment shall be made via online banking by the FCSA and a BACS authorisation report issued to the FCSM/ CE who will counter authorise the report via online banking. A final BACS report should then be printed off via online banking which should match the original BACS report.
- 8.4 If a cheque is required, it shall be presented for signature together with authorised invoices for inspection. All cheques must require two signatures, with no more than one staff member signing each cheque.
- 8.5 Purchase invoices shall be stamped as paid when this process is complete to ensure no invoice can be paid twice. The authorised BACS listing and purchase invoices will be held electronically on the secure finance drive.
- 8.6 Cheques should be issued to the payee together with a remittance advice. BACS payees should receive a remittance. This will be emailed assuming where we hold email addresses on file.
- 8.7 Cheques issued should run in numerical order.
- 8.8 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.
- 8.9 The Association currently operates its day-to-day banking facilities with The Royal Bank of Scotland for all BACS and cheque payments.
- 8.10 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.
- 8.11 In the event of the Association being notified of a change of bank details, the FCSA will be responsible for ensuring that the request is legitimate. The FCSA must always phone the creditor using existing contact details, rather than any provided at time of notification. Change request must be fully verified verbally and in writing before any payment is made to a new account. Any discrepancies will be reported immediately to the CE or a member of Senior Staff.

## **9. CREDIT CARD**

- 9.1 The Association has a MasterCard with Royal Bank of Scotland held in the name of the CE.
- 9.2 The credit card is held for use in limited circumstances and any item which can be purchased through the Invoices/Orders system described at section 6 above should be. All items purchased should be for business purposes only. Purchases on the credit card will be reviewed on a monthly basis by the FCSM to identify where this principle has not been adhered to.
- 9.3 The credit card shall have a threshold of £5,000. This shall be reviewed on a six monthly basis and adjusted if considered necessary. Changes to the credit card limit must be justified to and approved by the Board.
- 9.4 The credit card shall be held within the Association's offices, within the safe when not in use. It shall only be removed overnight if the CE's travelling for business purposes. The safe register must be completed whenever the credit card is removed.
- 9.5 Before a payment is made with the card a credit card payment (CCP) form must be completed with as much information as possible. This must include justification of the purchase for business use, and why the normal purchasing procedures cannot be used (e.g. for expediency). These should be reviewed and scrutinised by the FCSM at least monthly. Any discrepancies should be raised with the CE and if a suitable explanation is not provided, this should be reported to the Chairperson immediately.
- 9.6 If the purchase is for a prize or raffle, the prize and raffles register held by the Corporate Services Team Leader must be completed. Any prize/raffle or consultation winners will also be updated on the Register.
- 9.7 When a purchase has been made, the CCP form should be updated for any additional relevant information and the receipt attached. The CCP form with receipt should then be passed to the FCSA to be filed in the Finance credit card file within the correct month.
- 9.8 When the monthly credit card statement is received, it must be date stamped. The FCSA will ensure that each transaction on the statement has the correct form and receipt. Where there is a transaction on the statement that does not have the correct form and receipt this must be queried and resolved immediately.
- 9.9 When the monthly credit card statement is received all charges must be reviewed, queried (where required) and authorised by the FCSM prior to the relevant direct debit date.

## **10. PETTY CASH**

- 10.1 All petty cash cheques should be requested by the FCSA and signed by two authorised signatories. The petty cash levels shall be maintained at no more than £500 at any one time. Payments from Petty Cash are where it is not possible to follow the Invoices/Orders process set out in Section 5 above.
- 10.2 The expected petty cash usage is for the following items:
- Gas/Electricity top ups limited to a maximum of £30 per household
  - Reimbursement of sundry expenses limited to a maximum of £50
  - Sundry office supplies, such as tea/coffee/milk
  - Other items deemed as acceptable for reimbursement by petty cash by the CE or FCSM
- 10.3 All petty cash disbursements must be accompanied by a petty cash purchase form signed by the parties receiving payment and the FCSM/ FCSA or Housing Services Leader and the receipt. The petty cash purchase form must contain details of what the expense relates to and must be dated as at time of payment.
- 10.4 At no time should the petty cash fund be used by any Staff/ Board member for purposes other than expenditure wholly and necessarily incurred on official business.
- 10.5 The person responsible for the handling of petty cash and associated records is the FCSA. They have sole responsibility for cash disbursements, but when absent this would be the FCSM or Housing Services Leader.
- 10.6 It is essential that the petty cash box remains in the safe unless cash deposits/disbursements are being made. Only the CE, FCSM, Housing Services Leader and FCSA have access to the safe.
- 10.7 The petty cash levels shall be reconciled to the petty cash records on a weekly basis by the FCSA. Any variances shall be investigated in a timely manner, and reported to the FCSM.
- 10.8 Petty cash transactions shall be posted through Omniledger on a weekly basis as a Cash Payment. Each transaction to be given a unique number, which will be recorded on the petty cash voucher.
- 10.9 The FCSA shall, on a monthly basis, reconcile the petty cash balance to the petty cash book, and to the petty cash nominal code on Omniledger. Any variances shall be investigated and rectified in a timely manner. The FCSM will review this reconciliation and certify its accuracy, evidencing this through signature of the reconciliation. Certified petty cash reconciliations shall be retained in electronic format on within the secure Finance drive.
- 10.10 Although not encouraged, if for any reason money is paid into petty cash e.g. postage used for personal mail, a petty cash paid-in form should be completed, with the original receipt or back up as evidence of the payment in. This should be signed by the person paying in and also authorised by CE or FCSM.

## **11. SALARIES/EXPENSES**

- 11.1 The CE is responsible for the HR records of the Association. It is the responsibility of the FCSM/ CE to ensure that all relevant information with regards payroll is provided to the Payroll Agent at least a week prior to the payroll processing date. This should include approved starters and leavers forms, and approved salary changes.
- 11.2 Salary and wage increases arising from staff promotions or pay awards must be approved by the Board 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 personnel files.
- 11.3 Any request for overtime should be approved by CE in advance and any claim should be accompanied by an overtime form signed by the individual requesting payment and authorised by the CE.
- 11.4 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 in where possible.
- 11.5 All sickness absences of over 7 working days require a fit note from the employees GP to cover ongoing absence.
- 11.6 All sickness absences of less than 7 working days require completion of a self-certification sickness form.
- 11.7 For the purposes of statutory sick pay the FCSM must be made aware of all absences from work arising from sickness.
- 11.8 Salary processing is carried out by external payroll agents. Monthly payroll information is provided to the agents, (which should include; overtime, sickness or any contractual changes) by the FCSM as authorised by the CE. The relevant information shall be input by the FCSM or CE with reference to relevant documentation (i.e. starters/leavers forms, overtime forms, expenses forms). Once approved, the spreadsheet will be sent to the payroll agent by the FCSM.
- 11.9 The payroll agents will supply the BACs payments listings and individual payslips to the FCSM who should check these for accuracy. Once satisfied, the BACs listing, payslips and payroll information spreadsheet should be passed to the CE (or in his/ her absence the Chairperson) for review and approval.
- 11.10 The CE shall authorise the BACs via the payroll agents encrypted software to process the payroll payment via the payroll agents.

- 11.11 The payroll reports provided by the payroll agents and the approved payroll information spreadsheet will be retained on file, in accordance with the Data Protection and Retention Policy. This can be stored electronically on the secure Finance drive.
- 11.12 Salary payments are due on 27th of each month and shall be processed two days prior to this to ensure adherence with the timetable. The payment period in December will vary in line with holiday dates.
- 11.13 External payroll agent is responsible for submission of all PAYE returns and Pension Contributions in accordance with statutory timetables; this information is provided by the payroll agent.
- 11.14 Any changes in employment terms must be approved in line with the scheme of delegation in the contained in the Financial Regulations and must be conveyed to the staff member in writing and a copy of the letter held within the personnel files.
- 11.15 Any voluntary deductions from pay must be supported by written authorisation given by the employee.

## **12. BOARD EXPENSES**

- 12.1 All claims for reimbursement of expenses must be accompanied by an expenses claim form signed by the individual requesting payment and countersigned by the CE.
- 12.2 Receipts must be obtained and attached with any claim made, if the claim is for loss of earnings, a letter from the employer should be obtained.
- 12.3 Whilst it is preferred that payment is by BACs or cheque, it is recognised that payments via petty cash may be required.
- 12.4 No cheque signatory may sign a cheque payable to themselves.
- 12.5 Where payment is made to a 3rd party in respect of childminding expenses, proof of payment must be provided.
- 12.6 All expenses paid will be available for inspection by the CE and Board members.
- 12.7 Payment of expenses shall be made in accordance with the Board Expenses policy.

## **13. MAINTENANCE/REPAIRS**

- 13.1 The annual budget setting process will allocate the level of funds available for day to day, cyclical and major repair maintenance works.

- 13.2 At the commencement of each financial year the Asset Management Officer will prepare a list of current contractors for Board approval which will state the following (NB, As these generally only change 3 yearly it is enough to state there has been no change and only prepare a report where someone has been added or a company's details have changed in any of the categories) :-
- Trade
  - Hourly rate
  - VAT registered
  - Valid insurance documents
  - Equal opportunities and Health & Safety compliance
  - Schedule 7 details equivalent
- 13.3 Asset Management Officer and Finance 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 in collaboration with the FCSM to monitor actual spend on each project and identify any significant under or over spend.
- 13.4 The Asset Management Team 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 Team for management accounts purposes. The Asset Management Officer must ensure that all contractors hold up to date and valid insurance cover.
- 13.5 It must be recognised that circumstances may result in the annual budget allocation being amended during the course of the financial year.
- 13.6 Where it is expected that specific repair 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 in order to prevent danger to life, limb or property.
- 13.7 Projections of cyclical maintenance/major repair works must be compiled under the control of the CE and Asset Management Team. Currently the Association have a 30 year planned maintenance programme, which will be reviewed annually in order to allow incorporation of the financial effects into the revised long term financial projections.
- 13.8 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.

## **14. RE-CHARGEABLE REPAIRS**

- 14.1 The Repairs & Maintenance Policy explains what constitutes a rechargeable repair. The Repairs and Maintenance Procedures discusses how rechargeable repairs will be managed.

- 14.2 Procedures relating to the recording and receipt of funds for rechargeable repairs activity are noted within the receipt of monies financial procedure in Section 4.
- 14.3 At each month end the Housing Services Leader shall produce a full reconciliation of individual recharge repair balances. This shall include individual opening balances, accounts issued, sums paid, any adjustments and closing balance. This shall be reviewed and agreed as factually accurate by the FCSA and evidence of this retained on file.
- 14.4 The FCSA shall agree the Account balance with the month end trial balance figure. Any differences must be investigated and resolved promptly. Arrears will be pursued by the relevant Housing Officer.
- 14.5 Each Housing Officer has the responsibility for the issue of timeous recharge repair accounts for their customers where applicable.

## **15. INSURANCE CLAIMS**

- 15.1 The submission of all insurance claims is the responsibility of the FCSM. Claims must be submitted within 30 days of the incident occurring.
- 15.2 Whilst it is the responsibility of the Asset Management Officer supported by technical advice to advise and liaise with the loss adjuster on property claims, the FCSM must be made aware, at the outset, of any material issues and be kept informed regarding progress.
- 15.3 It is the responsibility of the Asset Management Officer to code maintenance invoices in an appropriate manner in order to confirm to the Finance Team any invoices subject to a claim.
- 15.4 Copies of all claims should be retained in an Insurance Claims folder which should contain a summary sheet detailing date of incident, date of claim, address, claim amount, payment received and date of receipt. Responsibility for this task lies with the Finance Team.
- 15.5 The FCSA should agree the balances outstanding at each month end with the trial balance control account for insurance claims. Any differences should be investigated and resolved promptly. Each reconciliation must be reviewed by the FCSM and evidence of this retained on file.

## **16. COMPONENT ACCOUNTING**

- 16.1 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 Management Board.

- 16.2 All information of replacements/disposals must be provided by the Asset Management Officer to the FCSM. This includes the date of renewal/disposal and amounts.
- 16.3 The Finance team administer an Omniledger Module of all assets, replacements, disposals and depreciation calculations. Copy invoices are retained electronically. The FCSA is responsible for maintaining the component records, updating it at least once a month. The FCSM should ensure the accuracy of changes made on at least a quarterly basis.
- 16.4 Component replacements, disposals and the depreciation charge are made through the Component Ledger within Omniledger. The FCSA will be responsible for producing reports for the FCSM for review and verification.



## STAFF MEMBERS

<b>Signature</b>		<b>Print</b>	<b>Date</b>
<b>Signature</b>		<b>Print</b>	<b>Date</b>
<b>Signature</b>		<b>Print</b>	<b>Date</b>