

## Simple Financial Procedures Policy for a small group or association

The Executive Committee (the Executive) is the group of people that are responsible for the running of your organisation.

Developing and adopting a written Financial Procedures Policy (the Policy) is a valuable practice to demonstrate good governance. Financial policies clarify the roles, authority, and responsibilities for essential activities and decisions. In the absence of an approved policy, assumptions may be made that may not be accurate or helpful.

The Executive is responsible for the financial management of all activities. The Treasurer is authorised to act on the Executive's behalf.

The following characteristics are good signs that your group or association is providing the necessary oversight in the management of your financial transactions.

### Bank Account

- The Executive will cause for a bank account (or credit union) account to be opened in the name of the group with statements and all relevant financial information to be sent c/o the Treasurers home address.
- Three signatures will be required on the bank account with one of the three being the Treasurer.
- Two of the three signatures are required for all financial transactions, withdrawals and cheque payments on behalf of the group, with one always being the Treasurer.

### Receipts

- Money received will be recorded in a Receipts Book.
- Any cheques received will be photocopied and recorded in the Receipts Book.
- All entries in the Receipts Book will be signed off by the Treasurer and one other member of the Executive.
- Any money received by the group will be acknowledged by means of an official receipt.
- Once a week, the money recorded in the Receipts Book will be totalled and lodged to the bank.

### Payments

- Payments will be made by cheque or via banking online.
- Cash must not be used for any payment.
- Where possible, an invoice should be secured from the service provider.
- Payments will be made no later than 30 days from date of invoice, or earlier if required.

### Cash Advances

- Any cash given to members of the Executive by way of an advance for conducting group business, will be signed for by the treasurer and the recipient.

- Money returned from cash advances will be recorded and signed off by both parties.

### Accounts

- The Treasurer will prepare an Income & Expenditure report for each monthly / bi-monthly meeting of the Executive.
- The Treasurer will prepare a Bank Reconciliation for each monthly / bi-monthly meeting of the Executive.
- The Treasurer will prepare annual accounts for presentation at the Annual General Meeting. The Treasurer may seek professional help from a Bookkeeper or Accountant if so required.
- The Treasurer has responsibility for seeing that money received is allocated in accordance with any restrictions placed on its use by the donor.
- All financial receipts and records will be kept for a period of six years.

### Annual Budget

- The Executive, with the support of the Treasurer, will prepare an annual Income & Expenditure budget for approval by the Executive which will guide and inform the group's financial transactions.

### Expenditure Limits

- The Treasurer is authorised to approve single expenditure to a maximum limit of €500.
- Expenditure of €501 and higher requires approval of the Executive.

### Expenses

- Members of the Executive will be reimbursed for reasonable expenses incurred in the performance of their role as a member of the Executive.
- All expenses must be approved in advance by the Executive.
- Reimbursement of expenses will require the submission of associated receipts for the expenditure incurred.
- Mileage will not be paid but a contribution may be given towards petrol / diesel costs.

### Fundraising

- The group will engage in fundraising activities which will be approved by the Executive.
- The Executive must approve any fundraising activities by individuals or groups external to the organisation that wish to fundraise on our behalf.

### Loans

The Executive will actively work to ensure that the group does not need to avail of a loan from a financial institution. If such a situation were to occur, the procedures are as follows:

- The Executive may approve a loan amount up to €2,500.
- Loan amounts above €2,500 will require approval by the membership at an Extraordinary General Meeting.



## Employees

The group is volunteer based but may find the need to hire a part time person to fulfil certain duties. Should that situation arise, the procedures are as follows:

- The group will need to register with Revenue as an employer.
- The Executive may approve a salary amount up to €3,000 per annum including employers PRSI contribution.
- Salary amounts above €3,000 will require approval by the membership at an Extraordinary General Meeting

## Contracts

- Any contracts with Third Parties must be approved by the Executive.

## Date

This Financial Procedures Policy was adopted by the Executive on **DATE**

Signed on behalf of the Executive by:

### Chairperson

### Secretary

**Name:** (block capitals) \_\_\_\_\_

**Name:** (block capitals) \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

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

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