

## **MSU Finance, Business Practice and Procedure**

This document will be subject to constant review to take account of changing personnel, technology and legislation, by the General Manager.

The responsibility and authority for implementing these procedures rests with the MSU Administration Office.

### **1. Ordering supplies and services**

All MSU staff need to be aware that expenditure is committed when an order is placed on behalf of MSU when the payment is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets and delegated powers.

All orders must be completed on a dedicated MSU purchase order form with at least one copy lodged with MSU administration office. All orders in excess of £100 must be approved by the General Manager and all orders above £1000 must be countersigned by a sabbatical officer.

Any lease, hire purchase agreement or other contract involving on-going expenditure will be subject to the same authorisation procedure as above, with any agreement lasting outside a sabbatical term of office being forwarded to the Trustee Board.

While claims for small items of expenditure may be made via petty cash adequate supporting documentation, preferably receipts must be obtained. All claims will be submitted on a dedicated MSU claim form. Large items requiring cash payment must be checked with the Administration Office. 3 working days' notice is required to prepare cash before the arrangement is confirmed.

### **2. Payment authorisation and Purchase Ledger**

All invoices must be authorised for payment by matching with the appropriate officially signed order, any significant discrepancy between the two will be raised with the General Manager. In the case of goods received, evidence of delivery will be required. The

Administration Office must be informed if there are queries delaying authorisation or if payment is to be withheld for any reason.

A Purchase Ledger is operated by the Administration Office. All incoming invoices must be addressed to the Administration Manager. Invoices will be recorded on to the Purchase Ledger whenever possible within three working days, unless there are coding problems. Once authorised as above, suppliers will be paid within the appropriate timescale. This is generally 30 days of invoice, unless there are exceptional cash-flow difficulties or specific supplier arrangements.

### **3. Cheque writing and signing**

Signatories will only be drawn from senior staff and sabbatical officers, and any new signatory must be approved by the Trustees before the bank is notified. All cheques will require two signatories. Whenever possible this should be one senior staff member and one sabbatical Officer.

Signatories will not sign cheques which are payable to themselves, or blank cheques. Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed.

### **4. Handling of cash**

Petty cash will be topped up on the 'imprest' system, where the amount spent is reimbursed. It is intended for small items, up to £50. Anything over this should be paid by bacs where possible. The imprest has a balance limit of £250. The petty cash balance will be reconciled when re-storing the imprest balance, or monthly if this is more frequent.

All cash collected from the Administration Office will be signed for, and receipts will be issued for all cash returned. Specific extra cash floats (for tills at events etc.) should be arranged with the Administration Office. The event cashier will sign for the float and is responsible for ensuring cash and receipts are stored in the cashier office safe and returned as soon as possible after the event etc. In the case of an offsite event all arrangements will be made with the venue Manager. All monies will be collected from the venues soon as

possible after the event by two people - in normal working hours. In no circumstance will monies be removed from a venue in the early hours of the morning.

All income will be counted in the presence of at least two members of staff and any discrepancy between the, actual amount and till receipts, reported to the General Manager and recorded. Significant or regular discrepancies will be subject to investigation.

All cash deposited with Administration Office will be recorded on a clubs and societies income form, counted in the presence of the depositor and a receipt issued.

Cash will be kept locked in the Administration Office safe wherever possible. Appropriate arrangements will be made for till security. In no case will cash be stored in the sabbatical office.

## **5. Salaries and payroll**

MSU is required to operate the PAYE system, and make annual returns to HMRC. All people working directly for MSU or its payroll whether permanent or temporary, must provide a P45, or complete a Starter Checklist. All payments will be made by cash or direct bank credit.

Salary payment will usually be made via the NatWest Autopay service, direct to employees' bank account. The salary payment listings will be checked by the Financial Controller. Salaries will be paid on the 20th of the month, or nearest working day, apart from in December, when it will be the 16th.

Pay scales and new posts/re-structuring are approved by the Trustee Board and are revised by March for implementation in August. This would normally follow the same arrangements made for Plymouth Marjon University employees. Staff loans are not permitted. The Administration Office is responsible for paying each employee in accordance with the approved terms and conditions and issuing payslips.

- Operating the PAYE system, keeping the required records, issuing P45's and P60's, and communicating with HMRC as appropriate.

- Making the correct deductions for Income Tax, NI, court orders and any other appropriate deduction authorised by staff; ensuring that deductions are paid to the correct body, and necessary returns made.
- Administering the Statutory Sick Pay and Statutory Maternity Pay
- Administering the pension provision.

## **6. Income**

All invoices should be raised on an MSU dedicated invoice. VAT invoices need to meet HM Customs and Excise requirements, and must include the VAT registration number, VAT rate and VAT amount. All invoices will be sequentially numbered.

Information about non-routine and all grant income must be passed to Administration with the cheque or remittance advice. This will be filed for reference and used to ensure such income is correctly recorded in the accounts and grant conditions etc. noted. Lack of documentation will lead to such items being 'held on suspense'.

Post opening, other than personally specified. (And control of cheques and cash in) will be the sole responsibility of the Administration Office.

## **7. Bank accounts**

MSU bankers are:

- National Westminster Bank plc, A Branch – Current General Fund, Trade Account, Commercial Account and Third Party Holding Account.

All income will be paid into the current accounts as soon as possible, not less than once a week or immediately if the amount exceeds £3000. The makeup of each banking deposit will be clearly recorded, for later computer entry.

## **8. Books of account and records**

Proper accounting records will be kept. The accounts system is based around computer facilities, using Sage and Excel, but manual/paper records will also be used if appropriate.

All bank statements will be reconciled with Sage recorded at least once a week.

At a minimum, the following records will be kept:

- Appropriate control accounts (i.e. bank control, petty cash control, VAT control).
- Salary control account.
- Quarterly trial balances.

Petty cash and bank accounts will be reconciled at least monthly, and VAT returns produced on the required quarterly cycle.

All vouchers entered into the computer system will be clearly initialled by the person entering it, along with date and accounts reference. All income/expenditure information will be recorded whenever possible within three days. All corrections and adjustments will be clearly noted in a written 'Journal' giving reasons for them, with supporting documentation where available.

Purchase Ledger, other cheque/bacs payments and banking sheets will be filed in the appropriate reference order, with any supporting documentation. All petty cash vouchers, cheque stubs etc. will be retained for audit and for statutory purposes thereafter.

All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the trustees) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal.

## **9. Financial monitoring and audit**

The Administration Office

- Weekly snapshots of cash in hand, total creditors and total debtors.
- Weekly graph of cash in hand.

Detailed cash-flow reports will be produced as appropriate.

MSU's financial year is from 1<sup>st</sup> August to July 31<sup>st</sup>. Annual accounts will be submitted for Examination as required under the Companies Act, charity regulations and grant conditions, prepared per SORP for Charities and any other relevant accounting conventions. Final draft should be ready for and passed by Board of Trustees in March, with completed accounts signed at the June meeting.

## **10. Budget**

An annual budget will be prepared each February by the General Manager and the sabbatical officers. This will be forwarded to Plymouth Marjon University and approved by MSU Trustee Board.

## **11. Role of Treasurer**

The official treasurer of MSU is the Deputy President however they may choose to delegate this role to the General Manager.

The Treasurer works in close co-operation with, and provides support and advice to, the Financial Controller. Specific responsibilities are to:

- Guide and advise the Trustee Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of MSU's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of MSU meet present and future needs.

- Understand the accounting procedures and key internal controls, so as to be able assure the Board of MSU's financial integrity.
- Ensure that the accounts are properly prepared, that accepted recommendations of the auditors are implemented, and meet the auditor at least once a year.
- Formally present the accounts at the AGM, drawing attention to important issues.
- Will review finances thoroughly at its monthly meetings.

## **12. Role of Board of Trustees**

The committee is responsible for:

- Approving the budget for the year.
- Approving signatories to the bank accounts.
- Appointments of staff where not delegated to the General Manager.
- Receiving reports from the Management Team on areas of concern.
- Approving exceptional items of expenditure.
- Monitoring the financial position based on monthly reports, with advice from the General Manager.
- Approving the annual accounts, auditors report and appointment.

### **List of dedicated MSU Finance control documents**

Claim and Expenses Form

Credit and Income Form

Purchase Orders

Invoices

Mileage Allowance/Expenses

Clubs & Societies Claims & Expenses Form

Clubs & Societies Credit & Income Form

Clubs & Societies receipts

Clubs & Societies Purchase Orders

Clubs & Societies Invoices

