

FERGUSLIE PARK HOUSING ASSOCIATION

FINANCIAL PROCEDURES



Ferguslie Park
Housing Association

Date Approved by the Management Board	April 2020 Signed:	Chairperson
Date of Next Review	APRIL 2021	

FERGUSLIE PARK HOUSING ASSOCIATION LTD
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 the finance, and 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 in conjunction with the management team and any amendments shall be considered and approved by the Board of Management.
- 1.5 The Association must ensure that, where records of a financial nature are kept outside the finance section, consultation is held with the Finance & Corporate Services Manager 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 Finance & Corporate Services Manager and Chief Executive and 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 Finance & Corporate Services Manager and Chief Executive and be notified immediately by all staff members, under their employment obligations to protect the interests of the Association, 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's (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 or Code of Conduct (for Board and staff Members).
- 1.10 A month end checklist will be completed within 3 weeks of the period end by the Finance team.

2. BUDGET PROCESS

- 2.1 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 Finance & Corporate Services Manager shall issue a formal and detailed budget information request in October of each financial year to budget holders. The Chief Executive has responsibility for co-ordinating the supply of information to the Finance & Corporate Services Manager within agreed timescales.
- 2.4 Budget holders have been determined across the Association. 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 codes, and providing detailed information to the Finance & Corporate Services Manager with regards any significant variances.
- 2.5 The Board of Management shall consider a draft budget for the year in January 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 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, senior staff members may be required to complete time allocation sheets as directed.
- 2.7 On completion of the annual budget a copy shall be sent to the external auditor and all funders.
- 2.8 Budget variance reports shall be issued quarterly to Senior Staff and budget holders. Budget holders are expected to formally explain variances to the Finance & Corporate Services Manager to allow the preparation of the quarterly management accounts and related Board report.
- 2.9 All Senior Staff and 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 Chief Executive immediately and a report submitted to the Board for approval.
- 2.10 Management accounts will be prepared on a quarterly 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 the Board with the covering report issued within the management accounts.
- 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. In the event of a material adverse change in expected outcomes a revised annual budget may be required to be prepared.

Budget Setting Timetable:-

Budget Request issued to Senior Staff and Budget Holders	October
Budget Information Submitted to Finance & Corporate Services Manager	November
Executive Team meet to discuss draft budget	December
Draft Budget to Board of Management	January
Tenant Consultation	Dec/Feb
Final Budget updated to reflect any changes and rent increase decision and formal approval by the Board of Management	February

3. TENDERING PROCEDURE

- 3.1 All matters in connection with the above will be undertaken in line with the Association's Procurement Manual

4. LOAN AGREEMENT COMPLIANCE

- 4.1 In order to ensure the proper monitoring of compliance of the Association's loan agreements with its lender (Royal Bank of Scotland) the following clauses and their contents must be noted:-

- Information
- Covenants
- Valuations
- Default

- 4.2 The Association's Finance & Corporate Services Manager shall have the responsibility for ensuring the monitoring and submission of financial information to the Chief Executive and the Board of Management including: budgets, quarterly management accounts, annual accounts, covenant monitoring and revision 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 and conditions of all Loan Agreements with its lender.

5. RECEIPT OF MONIES

- 5.1 The Finance & Corporate Services Manager will ensure that appropriate processes are in place for the timely and accurate recording of all monies due to the Association.

- 5.2 To minimise risk, the Association does not accept cash payments directly into the office under any circumstances.

- 5.3 If a tenant does ask to pay cash into the office the following procedures apply:

- a. The tenant is given the office Allpay card and instructed to go to the Post Office (located within the Tannahill Centre) to make the payment.
- b. The tenant then returns to the office with the Allpay card and the Post Office receipt and provides both to the staff member at reception.
- c. The staff member will copy the receipt from the Post Office and write the tenant number on the copy. The original receipt will be given to the tenant.
- d. The copy receipt will be given to Finance.
- e. Housing staff will order a new Allpay card to be sent out to the tenant.

- 5.4 If a tenant pays personally by cheque at the office or a cheque is received in the post, the following procedures apply:

- a. The receptionist will pass the cheque to Finance Section who will check that the cheque is correctly made out.
- b. Finance Section will pay the cheque into the Association's rent bank account.

- 5.5 Banking shall be undertaken by one of the finance team where funds received are £1,000 or over.

5.6 Housing staff are trained and authorised to accept electronic payments and this requires to be done through the Association's Allpay website. All trained staff have their own username and password to access this system.

6. INVOICES/ORDERS

6.1 The Association operates a Purchase Ordering system via SDM. The purchase order of all non-maintenance goods, services and other relevant items shall be made by the Corporate Services Assistant, usually acting under the instructions of a member of the management team, but also from other staff acting within the limits set by the Financial Regulations.

6.2 When non-maintenance goods are ordered in this manner a copy of the SDM purchase order, together with supporting documentation, often a confirmation e-mail, will be given to the finance team. When the goods are delivered, any delivery note is also given to the finance team to hold with the purchase order pending receipt of the invoice. When the invoice is received this will be matched with the appropriate purchase order and delivery note and checked to see if it agrees with the delivery note.

6.3 Invoices received shall be date stamped by the relevant Assistant and passed to the finance team who shall stamp each invoice with the grid stamp and log the details on the SDM purchase ledger prior to distribution to the relevant department for checking and authorisation.

6.4 On receipt of non-maintenance invoices, the finance team will pass the purchase order and invoice on to the relevant budget holder who, if satisfied that the invoice is correct should authorise the invoice for payment.

6.5 All maintenance orders shall be supported by a works line issued on SDM. Invoices received in respect of repair related expenditure shall be matched with a copy of the maintenance order and be authorised and approved for payment in line with the Financial Regulations.

6.6 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 limits.

6.7 Contractors and suppliers used by the Association shall be appointed in line with the Association's Procurement Policy.

6.8 On at least a monthly basis the Finance Officer shall review all unmatched or un-invoiced purchase orders and make enquiries of relevant staff as to the status of the order.

6.9 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.

6.10 The Finance team will review all invoices approved for payment by budget holders as required to ensure they are supported by an appropriately approved purchase order and there are no discrepancies between the purchase order and the purchase invoice.

- 6.11 Where supplier statements are received, a supplier statement reconciliation will be carried out on at least a monthly basis along with an aged creditor listing to identify any overdue invoices.

7. GENERAL LEDGER

- 7.1 Required journals shall be written up and posted in a timely manner by the Finance team.
- 7.2 The journal sheets are prepared for each journal posted and evidence of, who prepared, reviewed and posted each journal should be noted on the journal document. Journal sheets must be supported by appropriate documentation. Journals cannot be prepared, reviewed and posted by the same person.
- 7.3 Journal sheets and their supporting documentation shall be retained on file within the Finance team. The journals file will be reviewed at least once a quarter by the Finance & Corporate Services Manager.
- 7.4 Cash book 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 bank transfers.
- 7.5 Suspense accounts are investigated and cleared in a timely manner, and at least once a month.
- 7.6 Monthly reviews or reconciliations will be carried out on all balance sheet accounts and shall be reviewed by the Finance & Corporate Services Manager.
- 7.7 A formal month end process is in place, with an agreed timetable, to close down the ledger for the previous month. All month-end reconciliations are signed-off by the appropriate staff member.

8. CHEQUES/BACS PAYMENTS

- 8.1 The Association pays its suppliers on a two-weekly basis. This will be performed by either the Finance Officer or the Finance Assistant. Where possible the payment should be made by BACS transfer but where this is not possible payment may be made by cheque.
- 8.2 The person performing the payment will first review the SDM purchase ledger to identify all invoices due to be paid before the next payment run. They will also ensure that all identified invoices have been returned to Finance and are all appropriately authorised in accordance with the Financial Regulations.
- 8.3 The person making the payment will print off the SDM purchase ledger payment report, an Excel spreadsheet detailing all the invoices to be paid, the bank's BACS payment sheet and all of the invoices (appropriately authorised) to be paid as part of that run. Given that at this stage all the invoices have already been authorised the requirement in presenting the above documents is for the payment itself to be authorised. This will be done in line with the Association's cheque / BACS mandate with the bank. The individual authorising the payment should sign the payment report and the BACS payment sheet in order to certify that both documents contain the same payment details.

- 8.4 If a payment is required to be made by a cheque then a cheque payment request is completed together with supporting documentation. At this stage the invoice is already authorised and the payment and cheque is presented for the payment itself to be authorised. The cheque payment request should be signed by the individual authorising payment in order to confirm that the payment request form matches the supporting documentation and payment can therefore be made.
- 8.5 Cheques should be issued to the payee together with a remittance advice taken from SDM confirming payment details. BACS payees should receive a remittance; this will be emailed by the finance team.
- 8.6 Cheques issued should run in numerical order.
- 8.7 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.
- 8.8 The Association currently operates the following bank accounts:

Bank	Bank A/c Name
BOS	Rent a/c
BOS	Current a/c
BOS	E a/c
BOS	32-day notice account
RBS	Current a/c for repaying loans
Nationwide	Instant access account

- 8.9 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 of invoice date/date receiving invoice.
- 8.10 In the event of the Association being notified of a change of bank details, the Finance Team will be responsible for ensuring that the request is legitimate. The Finance Officer will phone the creditor using existing contact details, rather than any provided at time of notification. An email confirmation should be obtained confirming any change. Change request will therefore have been verified verbally and in writing. Any discrepancies will be reported immediately to the Chief Executive, or the Finance & Corporate Services Manager.

9. CREDIT CARD

- 9.1 The Association has a MasterCard account with the Bank of Scotland. There is one held by the Chief Executive. The card has a maximum spend limit of £7,500.
- 9.2 The credit card is held for use in limited circumstances and may include on line purchases where this is the only available method of purchase. Any item which can be purchased through the Invoices/Orders system described at section 6 above should be purchased in line with this procedure. All items purchased by credit card should be for business purposes. Purchases on the credit card will be reviewed at least quarterly by

the Finance & Corporate Services Manager to identify whether this principle has been adhered to.

- 9.3 The credit card limit of £3,750 shall be reviewed on an annual basis and adjusted if considered necessary. Changes to the credit card limit must be justified to and approved by the Board of Management.
- 9.4 The credit card shall be held within the Association's offices, within the safe. It shall only be removed overnight if the Chief Executive requires the card for travelling for business purposes or evening meetings.
- 9.5 The credit card has a Payment Record Sheet which is kept with the appropriate card in the safe. Whenever use of the card is requested the individual must explain to the cardholder the purpose of its use and must be able to provide back-up for the transaction. If satisfied the cardholder will make the payment and the cardholder will sign the Payment Record Sheet. Supporting documentation must be provided and given to Finance team for subsequent matching with the statements.
- 9.6 When the monthly credit card statement is received, all transactions will be matched with the Payment Record Sheet. Where there is a transaction on the statement that does not match the Payment Record Sheet this must be queried immediately with the credit card holder and if unresolved reported to the Finance & Corporate Services Manager in the first instance. The Finance & Corporate Services Manager will investigate the matter and if still unresolved report the matter to the Chief Executive or Chairperson as deemed appropriate.
- 9.7 Any bank charges appearing on the statement will be verified by the Finance team for accuracy.
- 9.8 There should be no circumstances under which the credit card is used in error and for any other purpose than in relation to business for the Association. Any such occurrence must be formally reported to the Board of Management and disciplinary action may be taken.

10. PETTY CASH

- 10.1 The petty cash tin will be the responsibility of the Finance Officer, and in their absence the Finance Assistant. When not in use the petty cash tin will be locked and kept in the safe which is also locked when not in use. It will be the responsibility of the person maintaining the petty cash to review the level of cash in the tin and to arrange at an appropriate time for it to be topped up. The maximum limit for petty cash is £300.
- 10.2 All requests to reimburse the petty cash should be made through a cheque request form, with the cheque signed by two authorised signatories in accordance with the cheque signing procedures.
- 10.3 The use of petty cash should be restricted normally to small sundry items which cannot be purchased through the normal invoicing procedures. Examples of such items would be:
 - a. Gas/Electricity top ups limited to a maximum of £25 per household.
 - b. Reimbursement of small sundry expenses such as tea, milk and newspapers, up to a maximum of £25.
 - c. Reimbursement of sundry travel expenses where it is not practical to claim them through the payroll, up to a maximum of £25.

- d. Other small sundry expenses up to a limit of £25.
- 10.4 At no time should the petty cash tin be used by any staff or Board member for purposes other than expenditure wholly and necessarily incurred on Association business.
- 10.5 The person claiming the petty cash expense must provide a receipt for the item purchased.
- 10.6 The person responsible for the petty cash will complete a petty cash voucher for each claim, which will correspond to the receipt. They will then count out the cash in the presence of the person making the claim, who will also check it. Once the amount has been paid both persons will sign the petty cash voucher which will then be filed in the petty cash vouchers file with the receipt attached.
- 10.7 The person responsible for the petty cash maintains a petty cash book on Excel which is updated at the point of each transaction, thus ensuring that the balance of the cash in the tin should agree with the spreadsheet at any point in time.
- 10.8 At the end of each week the balance of cash in the petty cash tin is reconciled to the petty cash book. If both Finance staff are present then this is double checked by the other. When the cash reconciliation has been carried out this should be noted on the spreadsheet.
- 10.9 At the end of each month the petty cash spreadsheet will be totalled and posted to the SDM nominal by either the Finance Officer or the Finance Assistant.
- 10.10 The Association's Finance & Corporate Services Manager will periodically, and at least quarterly, review the petty cash payments.
- 10.11 Any differences upon reconciling the petty cash should be reported in the first instance to the Association's Finance & Corporate Services Manager for further investigation. If this remains unresolved the Finance & Corporate Services Manager will report this to the Chief Executive and if appropriate to the Board of Management.

11. SALARIES/EXPENSES

- 11.1 The Chief Executive is responsible for the HR records of the Association. It is the responsibility of the Chief Executive to ensure that all relevant information with regards payroll is provided to the Finance team 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 of Management (or authorised subcommittee) 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 Overtime is not normally paid to Ferguslie Park HA employees, but it may be necessary in exceptional circumstances to authorise overtime for employees. Any such request for overtime must be approved by the Chief Executive or in advance and any claim should be accompanied by an overtime form signed by the individual requesting payment and authorised by the Chief Executive.

- 11.4 Any request for reimbursement of expenses/mileage costs should be accompanied by an expense 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 5 working days require a fit note from the employees' GP to cover ongoing absence.
- 11.6 All sickness absences of less than 5 working days require completion of a self-certification sickness form.
- 11.7 For the purposes of statutory sick pay the finance team must be made aware of all absences from work arising from sickness.
- 11.8 Salary processing is carried out by the Finance Officer, or in their absence by the Finance Assistant. Staff will be reminded one week in advance of the deadline to submit all claims for travel expenses, overtime, subsistence etc. If staff fail to submit claims on time, these will not be paid until the following month.
- 11.9 Once the salaries have been prepared by Finance Officer they will be reviewed for accuracy by the Finance & Corporate Services Manager, who will sign and date Sheet 1 of the Sage payroll summary to confirm this has been done. Once any queries have been resolved the payroll is ready for processing.
- 11.10 The Finance team will next prepare all the appropriate BACS Request forms for authorisation. All BACS request forms will be supported by appropriate salary documentation. It is this BACS Request form that effectively authorises the payment of the salaries. BACS Request forms for any salary related payments must be authorised by the Chief Executive or in their absence by an Office Bearer.
- 11.11 Once the BACS Request forms have been authorised, the Finance Officer will prepare the bank's BACS Payment forms which can then be signed by any two of the Association's bank signatories.
- 11.12 Salary payments are due on the 28th of each month (or the last working day prior to this), and shall be processed at least two days prior to this to ensure adherence with the timetable. In practice, salaries should normally be accessible to staff by the 26th of each month. The payment period in December will vary in line with agreed holiday arrangements.
- 11.13 The Finance team are responsible for submission of all PAYE returns and Pension contributions in accordance with statutory timetables.
- 11.14 Any changes in employment terms must be approved by the Board of Management, 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.
- 11.16 Other than in respect of any special December holiday arrangements (see 11.12 above) early payment of salaries will not be permitted.
- 11.17 Any settlement agreement payments must be made in accordance with the protocol for entering into settlement agreements.

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 Association's Chief Executive.
- 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, subject to the petty cash upper limits.
- 12.4 No cheque signatory may approve a payment or sign a cheque payable to themselves.
- 12.5 All expenses paid will be available for inspection by the Chief Executive and Board members.
- 12.6 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 The allocation of funds will exclude any salary costs, recoverable costs and overhead allocation and will refer solely to monies available for repairs by outside contractors and the purchase of materials.
- 13.3 The Finance & Corporate Services Manager will liaise with the Head of Operations prior to the commencement of the financial year for the purposes of agreeing an annual maintenance/repairs budget. This will be prepared in line with the Association's budget setting procedures.
- 13.5 The 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 to monitor actual spend on each project and to identify any significant under or over spend.
- 13.6 The Head of Operations 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 & Corporate Services Manager for management accounts purposes. The Head of Operations must ensure that all contractors hold up to date and valid insurance cover.
- 13.7 It must be recognised that circumstances may result in the annual budget allocation being amended during the course of the financial year.
- 13.8 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.
- 13.9 Projections of cyclical maintenance/major repair works must be compiled under the control of the Head of Operations. 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.

- 13.10 There may be circumstances when the Board of Management 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. INSURANCE CLAIMS

- 14.1 The submission of all property insurance claims is the responsibility of the Operations team. All other claims will be dealt with by the Finance Officer. Claims must be submitted within 30 days of the incident occurring.
- 14.2 Whilst it is the responsibility of the Operations team to advise and liaise with the loss adjuster on property claims, the Finance Officer must be made aware, at the outset, of any material issues arising and be kept informed regarding progress.
- 14.3 It is the responsibility of the Operations team to code maintenance invoices in an appropriate manner in order to confirm, to Finance Officer, any invoices subject to a claim.
- 14.4 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.
- 14.5 The Finance team should agree the balances outstanding at each quarter end with the trial balance control account for insurance claims. Any differences should be investigated and resolved promptly.

15. RECHARGE INVOICES

- 15.1 Rechargeable repair invoices shall be issued by the finance team in line with the Association's Repairs Policy.
- 15.2 Inter group invoices shall be issued by the finance team in accordance with details of the Shared Services Agreement between FPHA and NTC.

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 Board of Management.
- 16.2 All information relating to the replacement and disposal of components must be given to the Finance & Corporate Services Manager by the Operations team.
- 16.3 The Finance & Corporate Services Manager is responsible for the administration of the Association's component accounting spreadsheet. This includes the recording of all assets, replacements, disposals and depreciation calculations. The Finance & Corporate Services Manager is responsible for updating the spreadsheet.

16.4 Journal entries must be posted quarterly for component replacements, disposals and the depreciation charge, to inform both the quarterly and annual accounts. The Finance & Corporate Services Manager will be responsible for preparing the journal for processing.

16.5 Copy invoices for all component replacements are kept in the component accounting electronic folder for each financial year.

17. VAT

17.1 VAT returns must be submitted every quarter and all back up and invoices kept in a VAT file by the Finance team. The Finance Officer shall prepare all VAT returns. The Finance & Corporate Services Manager shall review the returns in line with supporting documentation and approve them for submission to HMRC.

17.2 It is the responsibility of the Finance & Corporate Services Manager to review on an ongoing basis the Association's VAT position to ensure that it is complying within HMRC rules and to ensure that the most effective VAT arrangements are in place for the Association. Specialist VAT advice may be sought where appropriate.

17.3 In considering new projects the Association shall ensure that appropriate VAT advice is sought.

18. RENT REFUNDS

18.1 Rent statements shall be issued to tenants at least on a six-monthly basis. Balances shall be reviewed annually in order to determine any refunds due to tenants which are due and which have not been initiated by tenants in the interim period.

18.2 Any refunds due must be evidenced to and approved by the Head of Operations who shall forward a payment request to finance for processing.

18.3 All refunds shall be paid directly to the tenant's bank account.

18.4 Where this is not possible any cheques made payable to cash (to be held by finance until collection) must be collected at the Association's offices by the tenant who must produce photographic evidence of their identification. In addition, a Collection of Cheque Receipt Form must be signed by the tenant, a member of the finance team and the housing staff member who is handing over the cheque.

18.5 Tenants must be advised as soon as a cheque payable to cash is ready for collection and the SDM system should record the date that the tenant is advised, the date of collection and any reasons for any delay in collection.

18.6 In the case of any elderly or sick tenant who is unable to collect the cheque at the office then two staff will arrange to hand deliver the payment and continue to follow the checks noted above.

Please sign below that you have read and understood the Financial Procedures:

NAME	POSITION	SIGNATURE	DATE