

Cavan Public Participation Network

Financial Policy - Procedures - Controls

1. Organisation Information

Cavan Public Participation Network (CPPN) is a charity registered with the charity regulator, and is an eligible charity for the purposes of the Taxes Consolidation Act 1997 and has applied and is registered with Revenue.

2. Bank Account Details and Authorised Signatories

- a. The company bank account is located at the Bank of Ireland, Main Street, Cavan, Co Cavan.
- b. Should it be necessary to open a new bank account the CPPN Resource Worker will bring the matter to the attention of the Secretariat, who have responsibility for approving the opening of new accounts.
- c. There are 2 cheque signatories appointed by the Secretariat.
- d. The CPPN Resource Worker may schedule and authorise payments via online internet banking or a company credit card up to a maximum of 1,200 euro per transaction. Apart from monthly salary payments and Revenue payments, authorisation of payments over 1,200 euro must first be obtained from two appointed members of the Secretariat via internet banking or cheque signatory before payments can be processed. The CPPN Resource Worker will schedule payments for monthly salaries (including his/her own salary) in strict adherence to the salary amounts detailed in each staff member's annual contract for that year and month.
- e. The CPPN resource Worker must authorise payments for any Staff, volunteers or Intern expenses for less than 1,200 euro before payments can be processed. The Chair, Treasurer, or the other nominated signatory must authorise the quarterly expenses of the Resource Worker before payment can be processed.
- f. No staff member is allowed to become signatories on project accounts or with other agencies without prior approval of the Secretariat.

3. Annual Budget

- a. An Annual Budget will be prepared by the CPPN Resource Worker in liaison with The Secretariat and Local Authority in advance of each financial year, and will be approved

by the Secretariat.

- b. The Secretariat as a whole has responsibility to ensure spending is kept within the budget headings agreed by the Secretariat at the beginning of the year.
- c. The Secretariat will review and submit to the Local Authority the annual budget on a quarterly basis and make any necessary adjustments.

4. Authorisation Limits

- a. The amount of expenditure that the Resource Worker may spend from the agreed budget without authorisation is 1,200 euro except when paying the monthly salaries and PRSI via Revenue Online Service (ROS).
- b. Two members of the Secretariat must authorize any expenditure on any single item over 1,200 euro except the monthly salaries and PRSI via ROS.
- c. Any spending on items of capital expenditure of over 1,200 euro must be sanctioned by the Secretariat.
- d. The Secretariat may, from time to time, grant exceptions to these authorisation limits.

5. Accounting Records

- a. The accounting records comprise of the following and should be signed off at the end of each Secretariat meeting by at least 2 members of the Secretariat, one of whom should be the Treasurer:
 - 1. a summary of the annual and monthly budget, surplus/deficit compared to budget, payments out, lodgements and transfers for the bank account,
 - 2. Hard copies stored in filing cabinets of the following
 - i. Monthly Bank Statements for the account Reports
 - ii. Cheque Requisition Forms and Cheque Stubs for any cheques paid out
 - iii. Copies of Invoices received including Electronic Fund Transfer Reference Numbers
 - iv. Copies of lodgement receipts with invoice/ref no
 - v. Copies of Invoices sent.
- b. It is the responsibility of the Resource Worker and Secretariat to ensure payments remain within budget for the year and corrective action is taken if payments exceed the agreed

budget each quarter. Each Secretariat member should review the finances in advance of the Secretariat meetings.

- c. The CPPN Resource Worker and Secretariat are responsible for liaising with the company auditor and preparing books as required. The terms of engagement of the CPPN independent Auditors can only be approved at an Annual General Meeting or Emergency General Meeting. The current company auditor is KBG Accountants.

6. Financial Control

Income

Cash on Premises/Incoming Mail

Cash in excess of €500 should not be kept at the premises of the CPPN, therefore any money received should be banked on the same day.

Opening Incoming Mail

When the mail is opened, cash and cheques should be secured lockable receptacle should be used for the safekeeping of monies and the keys are to be held by the CPPN Resource Worker.

Receipt and Banking Income

All income received should be banked as soon as possible on the same day of receipt. Fees and cash payments should be kept in a lockable container until taken to the bank. When lodging to the bank, the CPPN Resource Worker will keep the lodgement receipt, detailing the origin of the cash.

Issuing of Invoices

Invoices should start at number 1 and continue on in number sequence. The code relating to type of income should also be referenced in the invoice number e.g. 1-401, 2-403. The list of the income codes for CPPN shall be recorded and reported upon.

The following points indicate the information with should be included in the invoice being issued by the CPPN:

- Date
- Name of Company/Person invoice is issued to
- Explanation of the service/item for which the invoice is being issued.
- Amount in Euros
- Invoice Number

A copy of each invoice should be held in a lever arch folder and should be ticked off when paid. In addition, a quarterly spreadsheet should be kept on file outlining invoices issued and when paid.

Invoices Sent or Payments In

All payments in should be tracked by creating an invoice and if requested a receipt to be issued to the payee.

7. Expenditure

Payment of Invoices - General Rules

Payments must be made, where possible on presentation of invoice

Invoice Processing

The CPPN Resource Worker must sign off on all invoices received by the CPPN. When invoices are received they must be scrutinized for accuracy and annotated accordingly. Where a delivery note is available it may be attached to the invoice. The Resource Worker will then sign the invoice as payable, adding the relevant date. When a cheque or banking online payment has been issued, its number and date paid must be recorded on the invoice.

Payment for Non Staff

In order to keep the CPPN's tax affairs in order the following should apply:

- The CPPN shall ensure that any contractor, supplier or 3rd party employed or paid in connection with the implementation of agreed actions or projects, and in receipt of payments in excess of €6,348.69 per annum, has a current C2 certificate or a tax clearance certificate from the Revenue Commissioners in respect of the current tax year. Such certificates will normally be deemed valid for 12 months.

- In cases where payments are made to registered charities, tax clearance procedures will be waived. Such charities should be asked for their CHY No.

Cheques

- Blank cheques will not be signed.
- It is policy to present the signatories with an original copy of the invoice, or with a cheque requisition form containing information on the cheque beneficiary, the purpose, and the amount of the cheque.
- Unused cheques must be kept secure and in-office.
- Cancelled cheques should be retained and recorded, so it is clear what happened to these cheques.
- Cheque numbers are used on invoices to avoid the problem of invoices being paid twice.

Credit Card

- All credit card transactions must be accompanied by a credit card requisition form containing information on the cheque beneficiary, the purpose, and the amount of the payment.
- The manager has authority to make credit card purchases up to 1,200 euro
- Credit card payments of over 1,200 euro must be authorised by two board members, one of whom to be from the finance sub-committee. Signatories should be presented with a summary of quotations outlining value for money and purpose of the specified purchase

8. Online Business Banking

- a. Certain transactions such as payment of staff salaries, transfers between bank accounts may be made using BOI Online Business Banking. The automated process requires specific security and passwords. The Treasurer and one other Secretariat member will have access to view online bank statements for the bank account.
- b. Payments or inter-account transfers greater than 1,200 euro, apart from monthly salary payments and Revenue payments, made using online banking will require one authorized

user to create the payment, and two authorised users to authorize the payment. The CPPN Resource Worker may however create and authorize payments according to the processes detailed in section 2 of this document.

- c. A cheque requisition form containing information on the beneficiary, the purpose and amount of the transaction must be signed and authorized in the usual way. The maximum amount for which CPPN Resource Worker can process electronic transactions without prior approval is 1,200 euro. Again as outlined elsewhere, the exception to this is the monthly payments for salaries and to the revenue commissioner where the limit is the full payment due.
- d. Transfers between individual CPPN bank accounts are not subject to a maximum amount.
- e. The CPPN Resource Worker and Secretariat to set up payments equal or greater than 1,200 euro before the 10th day of the month (or by next working day). The Secretariat shall authorise these payments by the 10th day of the month. Should the Secretariat not be in a position to authorise payments or wish to query payment(s) they should contact the Resource Worker by the 10th day or next working day at the latest. Monies equal or greater than 1,000 euro shall leave the bank account by the 22nd of each month or by next working day. Salaries should arrive in staff accounts no later than 25th of each month.
- f. If there is an administration error i.e. money being paid out of incorrect account, then the Resource Worker shall move this back provided it is less than 1,200 euro. If there is more than one adjustment and the combined total of those adjustments is greater than 1,200 euro then the Resource Worker must notify the Secretariat before the adjustments are made.
- g. The Resource Worker will ensure payments made to Collector General should be paid from the CPPN account.

9. Staff Expenses

Reimbursement of Claims

- a. The Expense Claim Form must be signed by the claimant and countersigned by the appropriate supervisor.
- b. Forms not properly authorized must be returned to the claimant.
- c. It must be possible to determine the mileage covered by each vehicle a claimant uses during the year, and this must be clearly shown on the year-end summary.

Claiming Expenses

- a. The expense form is completed and authorized by the Resource Worker, or in the case of the Resource Worker, by the Chair or a member of the secretariat. Receipts are attached to this form, where appropriate.
- b. Once the expenditure is authorized, the expenses will be paid within a two-week period.

10. Wages

- a. Wages are calculated using employees Tax Credit Certificates as approved by Revenue ROS. All adjustments to gross wages and tax-free allowances must be approved by the Finance Sub-Committee. All non-PAYE/PRSI deductions from gross wages such as pension contributions must be by signed, written authorization by the employee.
- b. Payments to pension schemes are paid as agreed to pension scheme provider.
- c. Wages are paid monthly. Payslips outlining payment and deductions are issued to all staff members. The Resource Worker maintains a monthly copy of payslips.

11. Pensions

CPPN does not make voluntary contributions to PRSA but will facilitate the transfer of the employee contribution into an appropriate PRSA allowing for any applicable reliefs.

CPPN will:

- Notify all employees of the availability of its designated PRSA provider.
- Allow the PRSA provider access to staff (subject to work requirements)
- Notify employees of their right to access a PRSA .
- Remit contributions to the PRSA provider within 21 days of the end of the month in which it is deducted.
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12. Loss of Cash from Petty Cash/Loss of Income

In the event that money cannot be accounted for, the following procedures will apply. The Resource Worker will double check that:

- The money is unaccounted for
- All petty cash receipts have been returned
- All entries on the reconciliation records are correct

Where an accounting discrepancy is confirmed, the Resource Worker will rectify the records, complete a report, and notify Secretariat at their next meeting.

Where it is confirmed that income has been lost through theft, the loss must be reported immediately to the Gardai – subject to the discretion of the Resource Worker in consultation with the Secretariat

A request to write off the amount lost must be made as soon as possible, (and not later than 6 weeks from the discovery of the loss) to the Secretariat. The Secretariat will give approval in writing for the write-off, and the amount should be entered as expenditure in the appropriate record against the words “Write Off”.

13. Additional Information

- a. The accounts of the CPPN will be submitted for audit at the end of each financial year.
- b. All accounts will be kept safely for the specified retention period.
- c. An asset register will be kept detailing the date and the cost of all fixed assets and their location, if appropriate.
- d. Quotes will be obtained from relevant suppliers and maintained on file for a period of 12 months.
- e. It is important that whoever is approving the expenditure is not the person seeking the funds.
- f. The CPPN Manager will on a quarterly basis submit financial reports to the Secretariat and Local Authority.
- g. The income and expenditure records of all accounts will be reconciled to the bank statement on a quarterly basis by Resource Worker

14. Announcements about the organisation’s financial performance

Signed off audited accounts will be made available upon request.

15. Retention of Documents

The following specifies the retention period for each form of document.

Personnel Information

3 years

Petty Cash	3 years
Analysis of Expenditure	3 years
Expenses Claim Form	3 years
Lodgement & Cash receipt summaries	3 years
Cheque Register and Cheque Requests	3 years
Incoming Invoices	3 years
Outgoing Invoices	3 years

16. Procurement Procedures

CPPN will apply the following procedures in relation to procurement:

- a. The guiding principle in the procurement of goods and services will be “value for money” giving due consideration to the quality of goods or services.
- b. On a regular basis and at a minimum of every three years, or at time of contract renewal (whichever is the lesser) services provided by individual suppliers will be reviewed. Where alternative sources of supply exist, quotes from the alternative supplier will be sought. This will apply particularly to telephone, information technology and professional services.
- c. For one-off requirements for goods, services or capital equipment of value greater than €1,500 at least three quotations will be sought.

In all cases, the objective will be to accept the lowest quotation. However, where issues of reliability of the supplier, quality of the delivery and previous track record arise, the lowest quote need not be accepted.

Where the lowest quote is not accepted, this fact and the reasons why will be recorded into the minutes at the next available Secretariat meeting.

In cases where alternatives are not applicable, every effort must be made to negotiate the lowest price for the quality of service required.