



"How To"

implement good

Financial Practice

for
Tenant &
Resident Associations

"Building Communities"

August 2004

No.3

Southwark Housing Department is currently undergoing a Best Value Review. This will result in major changes in the way the department is organised and managed. The current Neighbourhood structure will be changed to eight Management Areas. When this is in place the services currently available from the Housing Community Development Section will be available from Resident Involvement Teams based in each of the eight Areas, and information will be made available to all Tenant and Resident Associations on who to contact and how to do so. Until these changes take place please continue to contact Housing Community Development Section and your Neighbourhood Community Development Officer.

Housing Community Development Section

This pack was produced by the Housing Community Development Team

17-19 Bournemouth Road, London SE15 4UJ

Telephone: 020 7525 4025

Fax: 020 7525 4129

Updated August 2004

"How To"
implement good
Financial Practice
for
Tenant & Resident Associations (T&RAs)

Contents	Page
Introduction	5
PART 1	
An Overview	6
PART 2	
Accounts	7
Accountants & Auditors	7
Annual General Meetings (AGMs)	8
Bank Signatories	9
Budgeting	9
Committee Meetings	10
Council Access to Financial Records	10
Employing People	10
Equal Opportunity Fund	10
Expenses	11
Finances	11
Finance Policy	11
Funding	12
Fundraising	12
Insurance	14
Payments	15
Petty Cash	16
Reporting	15
Tenant Fund	16
Theft	16
Training	18
Treasurer	18
Youth Involvement	19

Contents	Page
APPENDICES	
What do the Officers and Committee do?	20
Financial Statements/Balance Sheet	21
Budgeting	22
Finance Policy	23
Questionnaire	24

INTRODUCTION

At the inaugural Tenants' Conference held in May 1999 one of the recommendations was to produce a "Troubleshooting Pack". This pack was designed for Tenant & Resident Associations (T&RAs) and produced in May 2000. As the pack was developed it became clear that the information did not cover certain issues or situations.

This pack is aimed at Tenant & Resident Association committee members to help them work in an effective, accountable and democratic way. It is hoped that the pack will be of assistance when your committee is dealing with financial matters.

Other packs produced by the Housing Community Development Team:

		<u>UPDATED</u>
"Troubleshooting pack for T&RAs"		August 2004
"How To" pack No.1	Annual General Meetings	August 2004
"How To" pack No.2	Increase Participation	August 2004
"How To" pack No.3	Financial Practice	August 2004

PART 1

An Overview

Tenant & Resident Associations (T&RAs) need to deal with money on a number of levels. When they form they are eligible for a starter grant of £200 and the T&RA can then apply to the Tenant Fund for funding each year. Associations are run by volunteers and it is important that people should not be out of pocket through volunteering. The Association will therefore need to purchase stationary and equipment to enable it to communicate with its membership and the council. The Association may wish to run trips or organise events on the estate for which they will require funding. A budget will need to be set.

When dealing with money there a few key principles and policies that need to be adopted.

- Do not deal with cash. Use cheques wherever possible.
- Have a financial report on every committee meeting agenda.
- Set a maximum level of expenditure that can be made without committee approval.
- Adopt and agree a code of practice that deals with financial issues (see *Appendices*).
- Ensure books are audited annually and presented to the Annual General Meeting for approval.
- Set a budget for the Association that is monitored over the year.
- Do not make cash advances to people, unless previously agreed by the committee. Obtain a signed receipt for any advances.

PART 2

A Accounts

For a T&RA to be recognised by Southwark Housing and funded from the Tenant Fund, it must keep accurate records of how it spends its money. Accounts must be audited, signed and dated by an independent auditor and clearly show the auditor's name and address. Audited accounts must be agreed at the Annual General Meeting or if not at a General Meeting. The Auditor can be a professional accountant, or an independent auditor who is not a member of your Tenants & Residents Association and is not eligible to be so, and must not be related to any committee members.

It is good practice to have a financial report at every committee meeting. This allows the committee to have a general overview of the state of the finances and allows for any financial forward planning necessary for the smooth running of the Association's business. Training on good practice is available.

Audited Accounts

To qualify for funding from Southwark Council each T&RA must have their accounts audited annually and presented at the Annual General Meeting (AGM) for acceptance by the Association. These accounts must be signed by the auditor and include the auditor's address.

Accounts must include all activities of the T&RA and its sub-groups. Sub-groups would include any group accountable to the Association, including Social and Bingo clubs. The accounts need to be clear and have the auditor's explanation of any discrepancies.

It was agreed at Tenant Council on 7th June 1999 that there is a minimum standard for audited accounts. This should be an income and expenditure account and a balance sheet. A draft of a Financial Statement – Income and Expenditure Account plus Balance Sheet – is attached as an *Appendix*.

See: Accountants & Auditors, Annual General Meetings, Finances, Theft, Training, Treasurer, and Appendices

A Accountants & Auditors

An auditor is a person eligible to inspect, correct and verify accounts. For T&RAs, the constitution states they must either be a qualified accountant or a non-member of the Association appointed by the membership at the AGM. Usually this is a competent person who does not live in the Association area, or is a qualified accountant.

Housing Community Development may be able to help with names of auditors. Please note that this does not mean that the people have been “vetted” or approved. Associations are free to choose whoever they wish to audit their accounts, providing the conditions within their constitution are met.

Please contact your Community Development Officer for further information.

See: Accounts, Treasurer

A Annual General Meetings (AGMs)

Audited accounts for T&RAs are required to ensure the business of the Association is carried out properly by the committee. Associations have the following, or similar, clause within their constitutions that relate to the production of audited accounts.

Under the clause relating to AGMs the following applies:

“At this meeting the committee shall present the audited accounts of the Association for the previous year. The officers, committee and *auditor* for the next year shall be elected.”

The responsibilities of the Treasurer are as follows:

“The Treasurer shall keep proper accounts of income and expenditure and report on them or deliver them up as required by the committee or General Meeting. Such accounts shall be audited by a qualified accountant or a non-member of the Association appointed by the membership at the AGM.”

Production of Audited Accounts

- Appoint an auditor at your Association’s AGM.
- About two months prior to the AGM get the books up-to-date and in order, to enable them to be audited.
- At least a month prior to the AGM, pass the books over to the auditor, informing them of the date of the AGM.
- Chase up the auditor about two weeks prior to the meeting.
- Obtain a statement signed by the auditor of the accounts and photocopy enough for each person likely to attend the AGM.
- The Treasurer should present the statement of accounts at the AGM and answer any questions from the floor.

- The meeting should then be asked to agree the statement of accounts. They need to be proposed, seconded, then voted on.
- The auditor responsible for the next year should be appointed.

B Bank Signatories

Bank signatories need to be agreed at the first committee meeting following the AGM. There should be a minimum of three signatories, two of who would sign each cheque. If signatories change, the outgoing signatory must sign a mandate from the bank and minutes from the committee meeting when changes were made should be made available to the bank. Signatories must never sign blank cheques for any reason whatsoever. This is a very dangerous practice, which could lead to abuse or allegations of fraud with serious consequences for all concerned.

B Budgeting

Budgeting is a method of forward control for the T&RA. The committee prepares a forecast based on the previous year's income and expenditure, which makes allowances for:

- Inflation.
- Actual or probable changes in the level of support expected.
- Alterations in expenditure i.e. higher energy costs or increased income through higher rental charges to users.

Having prepared a draft budget the committee needs to consider whether it is achievable and can meet the objectives and commitments the Association has made. If it is not achievable the committee needs to decide if it wishes or is able to raise extra income, or which of its objectives it is willing to cut for the year.

It is a requirement of funding in Southwark that a draft budget is set for the next year. It is good practice to present this to the membership at the AGM for agreement, and monitored at the next AGM.

Please contact your Community Development Officer for support or further information.

See: Appendix

C Committee Meetings

It is good practice to have an item on every committee agenda that gives an update of the current financial position of the Association.

This should include a statement of income and expenditure over the past month and the current balance in the bank or building society. The most recent bank or building society statement should be made available.

The Treasurer should also bring to the attention of the committee any outstanding bills or costs that are likely to be incurred.

C Council Access to Financial Records

On the 7th June 1999 Tenant Council agreed that council officers could gain access to the financial records of T&RAs as a condition of funding from the Tenant Fund, providing reasonable notice is given. This work is the responsibility of the Tenant Fund Monitoring Officer.

E Employing People

T&RAs sometimes wish to employ staff (to clean premises, run play schemes, and, for some, to run a bar). The rules and regulations regarding employing people are very complex and it is recommended that an Association seek proper advice before going ahead. If your organisation does employ staff, you must give all your workers a contract of employment, a job description, your organisation's equal opportunities statement and code of practice, and your organisation's disciplinary and grievances procedure.

Please contact your Community Development Officer for further information.

E Equal Opportunity Fund

T&RAs in Southwark are becoming increasingly aware that many groups and individuals in the community are prevented from attending or taking an active part in Association meetings. Two reasons for this are because of caring responsibilities and mobility difficulties.

The Tenant Fund Management Committee decided at its meeting on 22nd March 1993 to set up a fund to help T&RAs address some of these issues. A budget is set aside each year for this. The Equal Opportunity Fund would give grants to T&RAs to help toward the cost of the following:

Annual General Meetings

- Payments of all crèche fees and carers allowance if advertised on AGM notice to all residents. (This will be paid on production of notice and invoice to the Funding Monitoring Officer.)
- Payment of signer or interpreter.
- Provision of transport.

Minor Adaptations to Buildings to Improve Access

If providing minor adaptations to the hall would enable more people to attend meetings and your Association does not have the funds, you can apply to the Equal Opportunity Fund. If you wish to apply for other items, which you feel would encourage or enable more people to get involved in your T&RA, please apply. The Tenant Fund Management Committee will consider your application.

If you wish to apply please phone Housing Community Development Section on 020 7525 4025.

E Expenses

T&RA officers and committee members are voluntary (they do not get paid), but it is recognised that they should not end up out of pocket by volunteering. It is perfectly acceptable for an Association to pay expenses to representatives. It is common practice to pay telephone costs (cost of calls made on behalf of the T&RA). Travel expenses can be paid on production of receipts. Any other payments should be on their merits and on the production of receipts.

Please note that all payment of expenses must be agreed by the T&RA or have been decided as policy at a minuted committee meeting. It will also need to be recorded in the financial books by the Treasurer.

F Finance Policy

It is a good idea to adopt a finance policy statement that sets out what the T&RA's policy is with regard to finance matters. An example to is set out in the *Appendices*.

F Finances

It is important to regularly monitor T&RA accounts to ensure the committee is aware of the financial health of the Association and to act as a check on the finances. There

should be a regular item on all committee agendas entitled “Treasurer’s Report”. The Treasurer should provide a statement of the Association’s financial position, highlighting any committed expenditure and by circulating a copy of the latest bank statement.

The following are examples of good practice:

- T&RAs should not use cash except small amounts of petty cash.
- A petty cash float of up to £50 is probably sufficient.
- Cheques – **never** sign a blank cheque.
- Set a maximum limit for expenditure that can be agreed by the Treasurer or officers, for example £50. All other payments must be agreed at a full committee meeting.
- Treasurers should ensure they regularly update the income and expenditure records.

See: Theft, Treasurer

F Funding

Southwark has had a Tenant Fund since 1991. This funds T&RAs, borough-wide tenants’ organisations, equal opportunity development, training and resource provision.

If there are any queries regarding the Tenant Fund please contact the Tenant Fund Monitoring Officer on 020 7525 4096.

F Fundraising

T&RAs are often looking for extra funding to carry out projects they have identified. Associations can apply and receive funding for a variety of initiatives from the Tenant Fund. Alternative funders could be private companies or Trusts, e.g. The National Lottery or Southwark’s other grant programmes.

The following points may be useful when applying for financial assistance:

- Find out whom the likely donors in your region are by using directories of grant making trusts and companies. These are available in your local library; or use a computer-based directory.

- From each organisation you intend targeting, find out as much as you can on the policies and priorities for funding.
- Find out as much as you can on the best way of approaching each organisation. Talk to similar groups.

With private companies:

- Try to establish a relationship based on a local link. Perhaps people from your estate work there, or the company is on your doorstep. Use whatever contacts you can to form the basis of an introduction.
- Indirectly approach local companies via locally based business forums.
- Telephone the company before writing to them to ensure that all names, titles and the spellings are correct. If you are in any doubt it is advisable to ask for the managing director or general manager of that office.
- Be clear about how much money you are requesting and what the community will receive in return. Businesses like to know that their support is being publicised locally.
- Have a well-designed and nicely produced presentation pack ready for a meeting with the company. This could include a statement of aims, current financial situation, plans, achievements and any evaluation/review results.

In approaching private sector companies always check their track record on their treatment of employees and how they treat the local environment.

As well as cash, companies are increasingly interested in helping in other ways, such as use of rooms, free materials or goods, secondment of staff or offers of specialist information, such as financial management or practical skills such as book-keeping.

Companies often want a relationship with community organisations that they trust, involving different types of support. Please note this relationship needs to be on your own terms – don't be dominated by company demands.

(This section was adapted from "Gaining Ground, Support Pack for Community Groups", Catriona May and Steve Skinner, Community Development Foundation [1995].)

Further Information

The London Voluntary Services Council has a comprehensive library of funders that you can use, free of charge – London Voluntary Service Council, 356 Holloway Road, London N7 6PA. Telephone 020 7700 8107. Fax 020 7700 8108.
E-mail lvsc@lvsc.org.uk

Community Development Section Resources Centres have grants CDs for Community Groups: *Directory of Grant Making Trusts* and *A Guide to the Major Trusts*.

For youth projects, the Youth Service occasionally have one-off grants – Telephone 020 7525 3402. Fax 020 7525 3401

Community Involvement Development Unit (CIDU): CIDU works closely with local groups across Southwark, delivering projects to enable increased participation and involvement of residents, and providing support to local initiatives throughout the borough. Telephone 0800 052 2600. Email cida@southwark.gov.uk or visit the website at www.southwark.gov.uk/YourCouncil/GettingInvolved/CIDU

I Insurance

T&RAs who organise any activity for their members need Public Liability Insurance. This is especially important for Associations who hire out halls. All Associations who employ staff (cleaners, bar staff, etc) need additional Employer's Liability insurance. T&RAs need to check the insurance cover policy for volunteers with their insurance company. Some insurance policies cover this under Public Liability insurance, while others cover it under Employer's Liability insurance.

Public Liability Insurance

Anyone occupying property or pursuing any activity has a potential liability to pay damages to a person injured through a defect in the property or its furnishings, or through some act which causes an accident.

If an accident happens on the premises of an unincorporated body, or because of some negligence in carrying on its functions, it is not the community organisation which can be sued but one or two members who are selected to answer in a representative capacity and who are responsible for the payment of damages, however innocent they may be personally.

Most community organisations are unincorporated, which is why Public Liability Insurance, drafted to meet these particular legal necessities, is essential to protect officers and individual members from a possible liability to pay sums altogether beyond their means.

Insurance effected by a community organisation can sometimes include its affiliated organisations in its protection (or be extended to do so); otherwise each affiliated group should be advised to take out its own Public Liability Insurance.

Exceptions

All forms of insurance have some exceptions (the clauses which exclude certain risks from cover).

They are referred to here because the scope of the Public Liability Insurance is so wide that it is defined mainly by its exception of certain risks; which the insurer does not expect to find normally and so has not allowed for in calculating the premium.

An example is the exclusion of claims arising from the use of motor vehicles, which, everyone will know, is the subject of a different class of insurance; but there are other "unusual" risks, e.g. those connected with animals, which could be included in the indemnity by arrangement.

Read the exceptions to your policies when first you receive them, and whenever you are about to do something unusual, such as promoting a fete or carnival. If you are organising a procession of decorated cars or of elephants or anything else quite unexpected, tell your insurers in advance.

P Payments

All payments should be made by cheque from the T&RA bank account for each specific invoice. Any cash drawn out should be treated as petty cash. The use of cash should be treated as a last resort and not normal or good practice.

The committee should agree all items of expenditure. Exceptions are for standard bills such as gas, phone, insurance, etc. These can be paid and the committee should be informed at the next meeting.

It is vital that receipts are obtained and kept for all items of expenditure. Any cash money paid out should have a receipt issued by the Treasurer. The receipt will show the reason for the payment and at what committee meeting the payment was agreed.

P Petty Cash

Petty cash means just that – a small amount of cash available for the payments of small items or necessary travel, etc. As the petty cash is used up so it may be recorded as a transaction in the financial records. If an Association chooses to hold a petty cash float, this must be accounted for separately and reported on at the Annual General Meeting.

Receipts should be obtained for all expenses. If it is not possible to obtain a receipt a voucher may be used so that a record of petty cash paid out is available.

Cash withdrawals from the bank should be avoided, but if they are drawn then they must be treated as petty cash until the amount spent has been accounted for and any surplus returned to the bank account. This can then be reconciled with the Treasurer's original receipt.

R Reporting

It is good practice to have a financial report at every committee meeting. This allows the committee to have a general overview of the state of the finances and also allows for any forward financial planning necessary for the efficient running of the Association's business. Training on good practice is available.

See: Annual General Meetings, Committee Meetings

T Tenant Fund

At the beginning of each financial year a draft budget is prepared for council approval. When Southwark Council has approved this budget, usually in July, a form is sent out to all T&RAs to enable them to apply for their funding. This form asks for the information needed to ensure that Tenant & Resident Associations who are applying for Funding fulfil the criteria.

T Theft

There have been a few instances within the tenant movement where T&RAs have been faced with the misappropriation of funds from their accounts. Where this has happened, it was usually carried out by a signatory to the bank account or building society, it was often incredibly difficult to prove that theft had taken place and the money was rarely returned. In addition, the time and energy the T&RA spent on dealing with the issue was very distressing, non-productive and over-shadowed all other activities of the Association.

It is recognised that the best method of avoiding such a situation is through preventing the situation arising by adopting good practice in accounting. In terms of good practice and as one method of preventing fraud/theft, it is useful to have a financial report at every committee meeting. This report should also include cash reconciliation for the period.

The discovery of fraud or theft from funds may be discovered in a variety of ways. If any member of the committee has a concern they should inform the Chair immediately. The Chair should call a special meeting of the committee and inform and seek support and advice from the Community Development Officer.

Special Committee Meeting

This meeting should confine itself purely to the incident, and if the officer/member concerned is present they should be given a chance to explain/rectify the situation. The meeting should be looking to plan a clear way forward whether the perpetrator/s are present or not. The factors for consideration could be as follows:

- Determine what has happened and whether it is deliberate fraud/theft.
- Establish the amount involved.
- Establish the method of the fraud.
- Determine if there is any possibility of recovering the money.
- Decide whether or not to involve the Police.
- Set a date for a General Meeting of the T&RA.
- Plan for any future financial commitments.
- Review financial controls and standing orders.

General Meeting for Tenants and Resident Associations

At a General Meeting of the Association the following needs to be done:

- Inform the members of the situation and what options for action could be taken.
- Ensure that resolutions are proposed, seconded and voted on.
- Agree to report back to another General Meeting within a set timescale.

Action that may need to be taken

- Ensure that any bank accounts are now secure.
- Open new account/s if necessary and appropriate.
- Write to any debtors/suppliers with outstanding invoices.
- Inform any outstanding creditors of the situation and when they can expect to be paid.
- Amend financial controls as required.

Way forward if there is a desire to recover money

Depending on the amount involved, the Association could pursue one or more of the following:

- The perpetrator/s arrange to pay back the money.
- The matter is reported to the Police.
- Make use of a tracing agent.

- Make an application to the County Court.
- Request help from Southwark Council to investigate the matter.

There will be cost implications on some of the above approaches and the T&RA need to consider whether it is more sensible to write off the amount in question. The decision whether or not to write off the loss would to a great extent depend upon the amount stolen, and the possibility of recovering any of the funds.

T Training

Training on Treasurer's Skills and Good Financial Practice is available from Housing Community Development. Please contact the Tenants' Training Officer on 020 7525 4073 for further information on training.

T Treasurer

The role of the Treasurer is to be responsible for the proper handling of the T&RA's finances and account books. This does not mean that the Treasurer has to do everything to do with the finance. It is also does not mean that the Treasurer is the only one to keep track of the finances.

The work of the Treasurer

Planning – Work with the committee to do the financial planning such as budget preparation.

Getting Money – Work with the committee in preparation and submission of funding applications.

Spending Money – Set up and oversee methods of paying bills, banking money promptly, issuing receipts and controlling petty cash. Ensure all expenditure is agreed at a minuted committee meeting.

Recording money received and spent – Make records of all transactions by recording all income received and payments made.

Accounting for money spent – Make sure all finances are spent appropriately and within the budgeted heading; regularly check the books and give a financial report and bank statement to the committee at every meeting.

Preparing final accounts – Prepare an income and expenditure account and balance sheet. It is also very important that an independent auditor must audit the accounts. This must be ready and be presented at the Annual General Meeting.

Y Youth Involvement

Tenant & Resident Associations are finding it harder to include young people within their active membership. The reasons for this are not totally clear but it is recognised that the agenda for many T&RA committees is not the same as that for young people. In addition, when young people do get involved they are sometimes frustrated at the slowness of getting their interests on the agenda.

T&RAs need to think up ideas and initiatives that will interest young people. A considerable number of young people see childcare as an issue of concern either at work or at home. If an Association recognises childcare and activities for children/youth as a priority they may find that younger people and young parents will start to attend the meetings.

The Equal Opportunities grants available through the Tenant Fund encourages and supports T&RAs which wish to develop initiatives with young people. Grants in this programme could fit into the following categories:

- Initiatives which support youth becoming involved in the tenant consultation structure.
- Support in setting up a youth club, e.g. starter grant to purchase equipment, premises costs, etc.
- Funding for a one-off event which has a major theme of involving young people.
- Resourcing an initiative that would include predominantly young people, e.g. computer for homework club.
- Training for T&RA representatives in youth provision.

Grants of up to £500 can be agreed by the Chair of the Tenant Fund Management Committee in liaison with the Tenant Fund Monitoring Officer. The Tenant Fund Management Committee would consider applications over £500. Details on all applications would be submitted to the Tenant Fund Management Committee.

APPENDICES

What do the Officers and Committee do?

Chair

The Chair is elected to provide leadership for the committee and the Association; they ensure that the committee officers do their job and that the committee works together. They make sure that the committee works for the aims of the Association and that in doing so it does not become remote from the ordinary members.

Committee

The committee is a group of people elected at the AGM who agree to meet on a regular basis to further the objectives of the T&RA. They comprise officers of the Association and other members who will take on a variety of roles over the year, supporting the officers and contributing to the debate at the committee meetings. Various members can take on issues or responsibilities that particularly interest them, e.g. publicity, social activities, parties, block representatives, representatives at Area Housing Forums or the Southwark Group of Tenants Organisations, etc.

Secretary

The Secretary is responsible for the general administration and planning for the Association. They would set the agenda for meetings with the Chair, take minutes of meetings, and distribute previous minutes and agendas for upcoming meetings. They write letters on behalf of the Association and receive correspondence from a wide variety of sources and then report on this to the committee.

It can be an onerous job and for some Associations it is worthwhile sharing some of the tasks with other committee members, e.g. taking minutes.

Treasurer

The role of the Treasurer is to oversee all monetary transactions and make sure that they are in order. It does not mean that the Treasurer is the only person that should keep track of the finances.

The Treasurer works with the committee to carry out financial planning for the year. They work with the committee to prepare and submit any funding applications. They set up and oversee all payments and receive income to be banked, recording all transactions. They ensure all expenditure is agreed at a minuted committee meeting. They should prepare a financial report and bank statement to the committee at every meeting. At the end of the year they prepare the final account for auditing purposes.

Financial Statements

NAME of Tenant & Resident Association

Financial Statement for the year ended *Day / Month / Year*

Income & Expenditure Account

<u>Income</u>	2003/2004	2002/2003 Previous Year Actual Income
Tenant Fund allocation 200X / XX		
Bingo receipts		
Bar & Canteen receipts		
Hall hire		
Coach trips		
Telephone receipts		
Member subscriptions		
Fund raising		
Bank Interest		
(a) Total Income	_____	_____
<u>Expenditure</u>	2003/2004	2002/2003 Previous Year Actual Expenditure
Insurance for hall		
Heating costs		
Cleaning costs		
Coach trips		
Printing & Stationery		
Telephone		
Childcare		
Bar & Canteen expenses		
Bingo expenses		
Audit fee		
(b) Total expenditure	_____	_____
N.B. The above are only specimen headings.		

Balance Sheet

NAME of Tenant & Resident Association

Financial Statement for the year ended *Day / Month / Year*

Balance Sheet as at XX / XX / 200X

<u>Accumulated Funds:</u>	2003/2004	2002/2003 Previous Years Actual
Brought forward 2000/2001		
Deficit or Surplus of Total Income against Total Expenditure 2001/2002		
Total Funds at XX/XX/200X	_____	_____
		Previous Year Actual
Represented by		
Building Society/Bank Current Account		
Building Society/Bank Interest Account		
Cash in Hand		
	_____	_____
Auditor's Report		
This should be a brief statement of the financial state of the Association that highlights any inconsistencies or areas of concern. It should also, if appropriate, contain the following type of statement:		
I have audited these financial statements in accordance with standard auditing procedures.		
In my opinion the financial statements have been properly prepared and give a true and fair view of the state of affairs of the <i>NAME</i> Tenant & Resident Association at the XX/XX/200X and of its income and expenditure for the year (period) then ended.		
Signed & PRINT Full Name and Full Address		

Budgeting

**Draft Budget for Period
MONTH / YEAR to MONTH / YEAR
NAME of Tenant & Resident Association**

Estimated Income profile

	<u>2004/2005</u> <u>Projected Income</u>	<u>2003/2004</u> <u>Previous Year</u> <u>Actual Income</u> (see accounts)
Tenant Fund		
Hire of Hall		
Youth Club		
Bingo		
Specify other Income with a new row	_____	_____
(a) Total Income	_____	_____

Estimated Expenditure profile

	<u>2004/2005</u> <u>Projected Expenditure</u>	<u>2003/2004</u> <u>Previous Year</u> <u>Actual Expenditure</u> (see accounts)
Rent		
Electricity		
Gas		
Stationery		
Specify other Expenses with a new row	_____	_____
(b) Total Expenditure	_____	_____

Estimated balance sheet

Balance brought forward 2003/2004	
Excess of Income and Expenditure (a minus b) 2004/2005	_____
Total carry forward to 2004/2005	_____

Note the balance brought forward should be taken from audited accounts as presented to Annual General Meeting.

Finance Policy

The finance policy of NAME Tenant & Resident Association is as follows. This policy was agreed at the General Meeting of the Association held on XX/XX/XXXX

The Association's Bank/Building Society is_____

The signatories authorised to sign cheques are:

The Association's Auditor agreed at the Annual General Meeting held on XX/XX/XXXX is:

Name_____

Address_____

Telephone Number_____

The Association has the following policies relating to finance:

- All transactions will be by cheque wherever possible.
- There will be a financial report on every committee meeting agenda. This report will include the most recent bank statement reconciled with the cash book, a list of creditors and commitments and a list of income received since the last report.
- The committee needs to be made aware of all the Association's commitments, and decisions on whether to pay need to be discussed and minuted.
- The maximum level of expenditure that can be made without committee approval is £XX.
- Petty cash of no more than £XX will be maintained for very small items of expenditure, which will be reimbursed on production of a valid receipt.
- The Treasurer and the committee will ensure that the Association's accounts are audited and presented for consideration annually at the Annual General Meeting of the Association.

We hope this “How to...” pack has been of use to you and provided ideas on how to deal with some issues that come up. It should be noted that there is often not just one way to deal with a problem, so please use common sense. It would be helpful to know if this pack is effective in dealing with the issues it covers and whether there are other issues you would like covered in any future pack.

It would also be useful to know your views on the overall idea and presentation. Please complete the questionnaire attached and return in the pre-paid envelope provided. Thank you.

.....✂.....✂.....✂.....

“How to...” Implement Good Financial Practice

What I liked most about this pack:

What I liked least about this pack:

What I found most useful about this pack:

What I found least useful about this pack:

Our Association has used the following sections within the pack:

The following issues would be useful in any future pack:

Any other comments:

Your Name: _____ Date: _____

Association Name: _____

£	Budgeting	£	Auditors	£
Income & Expenditure	£	Fraud & Theft	£	Tenant Fund
£	Insurance	£	Balances	£
Fundraising	£	Employing People	£	Expenses
£	Accountants	£	Bank Signatories	£
Petty Cash	£	Treasurer	£	Annual General Meetings