

## Avon Dassett Community Benefit Society Internal Regulations

### Table of Contents

<b>1) Introduction</b> .....	<b>2</b>
<b>2) Financial Management</b> .....	<b>3</b>
<b>a) Banking Arrangements and Cheques</b> .....	<b>3</b>
<b>b) Payment Of Accounts</b> .....	<b>3</b>
<b>c) Payment of Salaries</b> .....	<b>3</b>
<b>d) Loans and Investments</b> .....	<b>4</b>
<b>e) Income</b> .....	<b>4</b>
<b>f) Orders For Work, Goods and Services</b> .....	<b>5</b>
<b>g) Contracts</b> .....	<b>5</b>
<b>h) Payments Under Contracts For Building Or Other Construction Works</b> .....	<b>6</b>
<b>i) Stock and Equipment</b> .....	<b>7</b>
<b>j) Assets, Properties and Estates</b> .....	<b>7</b>
<b>3) Insurance</b> .....	<b>8</b>

## **1) Introduction**

Avon Dassett Community Benefit Society Limited (the “Society”) has formally adopted the Model Rules for Community Ownership as sponsored by the Plunkett Foundation. These model rules have been approved by the Financial Conduct Authority (the “FCA”) and once formally adopted by the Society form the basis for registration with the FCA as a Mutual Benefit Society as well as the rules by which the Society is governed.

These internal regulations are designed to provide clarity where required and also to provide the infrastructure for the conduct of the affairs of the Society.

These regulations govern the conduct of all aspects of the internal management of the Society and may only be amended or varied by agreement at the Annual Members Meeting. The Management Committee is responsible in law for ensuring that it’s financial management is adequate and effective and that the Society has a sound system of financial control which facilitates the effective exercise of the Society’s functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. Where these regulations are of a financial nature they are designed to demonstrate how the Society meets these responsibilities.

It shall be the duty of the Management Committee to review these Internal Regulations of the Society from time to time. The Treasurer and Secretary shall make arrangements to monitor changes in legislation or proper practices and shall advise the Management Committee of any requirement for a consequential amendment to these Internal Regulations.

## **2) Financial Management.**

### **a) Banking Arrangements and Cheques**

- 1) The Society's banking arrangements, including the Bank Mandate, shall be made by the Treasurer and approved by the Management Committee. They shall be regularly reviewed for efficiency.
- 2) The Society will agree a panel of signatories appropriate for the operation of the Society's banking activities. All cheques drawn on the Society's banking accounts will be signed by 2 authorised signatories of which one must be either the Chairman, Vice Chairman, Treasurer or Secretary.
- 3) Payments may also be authorized by Internet Banking transfer, standing order or direct debit.

### **b) Payment Of Accounts**

- 1) All payments must be made by cheque, Internet Banking or other order drawn on the Council's bankers.
- 2) All invoices for payment shall be examined, verified and certified by the Treasurer. The Treasurer shall satisfy himself/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 3) The Treasurer shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The Treasurer shall take all steps to settle all invoices submitted, and which are in order, at the next available Management Committee Meeting.
- 4) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Management Committee, where the Treasurer certifies that there is no dispute or other reason to delay payment, the Treasurer may take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Management Committee.
- 5) If thought appropriate by the Society, payment for utility supplies (energy, telephone and water) may be made by variable Direct Debit provided that the instructions are signed by authorised signatories of which one must be either the Chairman, Vice Chairman, Treasurer or Secretary. The approval of the use of a variable Direct Debit shall be renewed annually by the Management Committee.

### **c) Payment of Salaries**

- 1) As an employer, the Society shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by the Management Committee.
- 2) Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, may be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to and ratified by the next available Management Committee meeting.

## **d) Loans and Investments**

- 1) All loans and investments shall be negotiated in the name of the Society and shall be for a set period in accordance with Society policy.
- 2) The Management Committee council shall consider the need for an Investment and Reserves Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Policy shall be reviewed at least annually.
- 3) All investments of money under the control of the Society shall be in the name of the Society.
- 4) All borrowings shall be effected in the name of the Society, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Management Committee as to terms and purpose. The terms and conditions of borrowings shall be reviewed at least annually.
- 5) All investment certificates and other documents relating thereto shall be retained in the custody of the Treasurer.

## **e) Income**

- 1) The collection of all sums due to the Society shall be the responsibility of and under the supervision of the Treasurer.
- 2) Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Society, notified to the Treasurer and the Treasurer shall be responsible for the collection of all accounts due to the Society.
- 3) The Management Committee will review all fees and charges annually, following a report of the Treasurer.
- 4) Any sums found to be irrecoverable and any bad debts shall be reported to the Management Committee and shall be written off in the year.

- 5) All sums received on behalf of the Society shall be banked intact as directed by the Treasurer. In all cases, all receipts shall be deposited with the Society's bankers with such frequency as the Treasurer considers necessary.
- 6) The origin of each receipt shall be entered on the paying-in slip.
- 7) Personal cheques shall not be cashed out of money held on behalf of the Society.
- 8) The Treasurer shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9) Where any significant sums of cash are regularly received by the Society, the Treasurer shall take such steps as are agreed by the Society to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **f) Orders For Work, Goods and Services**

- 1) An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 2) Order books shall be controlled by the Treasurer.
- 3) The Management Committee is responsible for obtaining value for money at all times and shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining quotations or estimates from appropriate suppliers in accordance with section "j" below.
- 4) The Treasurer shall verify the lawful nature of any proposed purchase before the issue of any order.

## **g) Contracts**

- 1) Procedures as to contracts are laid down as follows:
  - (a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below:
    - (i) for the supply of gas, electricity, water, sewerage and telephone services;
    - (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
    - (iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
    - (iv) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Society;

- (v) for additional audit work of the external Auditor up to an estimated value of £250 (in excess of this sum the Treasurer shall act after consultation with the Chairman and Vice Chairman of Society);
  - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (b) Where it is intended to enter into a contract:
- (i) exceeding £30,000 (thirty thousand pounds) in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Treasurer shall invite tenders from at least three firms.
  - (ii) not exceeding £30,000 (thirty thousand pounds) but more than £2,500 (two thousand five hundred pounds) in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Treasurer shall invite tenders from at least two firms.
  - (iii) for less than £2,500 (two thousand five hundred pounds) in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Treasurer shall invite tenders from at least one firm.
- (c) In exceptional circumstances when applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the specific agreement of the Management Committee will be sought.
- (d) Invitations to tender shall state the general nature of the intended contract and the Treasurer shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Treasurer in the ordinary course of post.
- (e) If less than three tenders are received for contracts above £60,000 (sixty thousand pounds) or if all the tenders are identical the Management Committee may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (f) The Society shall not be obliged to accept the lowest or any tender, quote or estimate.

## **h) Payments Under Contracts For Building Or Other Construction Works**

- (1) Payments on account of the contract sum shall be made within the time specified in the contract by the Treasurer upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- (2) Where contracts provide for payment by instalments the Treasurer shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Management Committee.

- (3) Any variation to a contract or addition to or omission from a contract must be approved by the Management Committee Society. The Treasurer will confirm the variation to the Contractor in writing.

## **i) Stock and Equipment**

- 1) The Treasurer shall be responsible for the care and custody of all stock and equipment owned by the Society.
- 2) Delivery Notes shall be obtained in respect of all goods received into stock or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 3) Stocks shall be kept at the minimum levels consistent with operational requirements.
- 4) The Treasurer shall be responsible for periodic checks of stocks and stores at least annually.

## **j) Assets, Properties and Estates**

The Treasurer and Secretary shall make appropriate arrangements for the custody of all title deeds of properties owned by the Society. The Treasurer and Secretary shall ensure a record is maintained of all properties owned by the Society, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.

No property shall be sold, leased or otherwise disposed of without the authority of the Management Committee, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.

The Treasurer shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified annually.

### **3) Insurance**

The Treasurer will regularly review with the Secretary all aspects of Society risks, properties or vehicles which require to be insured and of any alterations/ changes affecting existing insurances.

The Treasurer shall keep a record of all insurances effected by the Society and the property and risks covered thereby and annually review it.

The Treasurer will be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Management Committee at the next available meeting.

All appropriate employees of the Society shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Society.