

# National Back Exchange

## Standing Financial Instructions



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Reviewed: June 2020  
Version: 1.1

## FOREWORD

These Standing Financial Instructions (SFIs) are based on the Code of Accountability for NHS Boards (published by the Department of Health in April 1994, EL (94)40 Revised July 2004). The Code requires Boards to ensure that there are management arrangements in place to enable responsibility to be clearly delegated to senior executives, effectively setting the business rules which all officers must follow when taking action on behalf of the Association.

These National Back Exchange SFI's recognise the Chairman, Treasurer and Secretary as the "accountable" officers to the Trustees, with a measure of delegation given to other Executive members and the Associations Employees. These instructions are applicable to the Membership; Employees; Volunteers; Family Members; Suppliers, Purchasers and Business Partners.

## CONTENTS

### Section 1 – Accounts

- 1.1 Accountants
- 1.2 Appointment of Accountants
- 1.3 Annual Accounts
- 1.4 Record Keeping

### Section 2 – Accounting Procedures

- 2.1 Invoicing
- 2.2 Invoice payments and payment methods
- 2.3 Expenses and payment methods
- 2.4 Stock and Asset Control
- 2.5 Lavenham fulfilment
- 2.6 Authorisation of Expenditure Authorisation of Unplanned Expenditure
- 2.7 Foreseeable expenses
- 2.8 Debit Cards
- 2.9 Barclaycard PDQ

### Section 3 – Business Activity

- 3.1 Business Planning
- 3.2 Budget Targets
- 3.3 Conference Budgetary Control
- 3.4 Other Projects
- 3.5 Recording Mechanism
- 3.6 Financial Reserves
- 3.7 Bank Accounts
- 3.8 Insurance Cover

### Section 4 – Tendering Policy & Procedure



- 4.1 Responsible Officer
- 4.2 Authorisation Levels
- 4.3 Invitations
- 4.4 Receipt, Custody & Recording
- 4.5 Opening Tenders
- 4.6 Admissibility and Acceptance
- 4.7 Notification
- 4.8 Timescale

Section 5 – Employees

- 5.1 Payroll
- 5.2 Annual Review
- 5.3 Expenses
- 5.4 Contracts of Employment
- 5.5 Contracted Hours
- 5.6 Overtime and admin support
- 5.7 Pensions



## 1. ACCOUNTS

- 1.1 The “terms of engagement” with the Associations accountants will be reviewed annually by the Treasurer and agreed by the Executive Committee. The accountancy will be excluded from the authorisation levels below.
- 1.2 A proposal for adoption of accountants will be submitted annually to the membership at AGM.
- 1.3 Annual accounts will be produced and circulated 28 days prior to AGM. A verbal account will also be presented at AGM.
- 1.4 Annual accounts and records will be retained for a period of not less than 7 years. The accounts will be backed-up daily automatically into cloud storage, this also applies to year end accounts
- 1.5 The Treasurer will arrange for the delivery of the books to the approved accountants at the end of the second week of May to allow for previous year run off and timely accounting procedures.

## 2. ACCOUNTING PROCEDURES

- 2.1 All invoices will be generated by the Office Administrator with payment terms of 30 days. Suppliers will be sent a reminder for non-payment after 30 days. A formal collection letter will be sent after 60 days with a debt collection letter being sent after 120 days. Any debt not paid after 130 days will be brought to the attention of the Executive Committee for discussion and action.
- 2.2 All invoices for payment will be sent to the Administration Office for processing. Each invoice will be dated, checked against supplied services / goods, and if correct payment will be made to the supplier within 30 days of the invoice date. Any discrepancies must be addressed with the supplier within five (5) working days. Payments will be made by electronic transfer from the Association’s bank to the recipient bank and exemption to this direction will be at the Treasurer’s discretion. Once processed, authority for electronic payment will be obtained from the Treasurer or Chairman and this authority must be obtained by email unless countersigned on the invoice. Any discrepancies will be addressed with the supplier within five (5) working days. Once processed, the invoice and cheque will be sent to the Treasurer or Chairman for re-checking and counter signature. Invoices will be filed and payment recorded on the accounts database under the appropriate budget line.
- 2.3 Expenses will be paid in accordance with the Expenses Policy against a duly authorised expenses form submitted within three (3) months of the expense claim. Claims for a specific financial year must be submitted by 31<sup>st</sup> of March of that year. All expense forms will be processed by the Office Administrator and will be dated and checked against the expense incurred. Any discrepancies will be addressed with the claimant within five (5) working days. No expenses will be paid unless accompanied by receipt or proof of travel (requiring an Executive signature). Lost receipts may be honoured at the discretion of the Treasurer or Chairman and a note made for reconciliation in



the annual accounts. Payments will be made by electronic transfer from the Association's bank to the recipient's bank. Once processed, authority for electronic payment will be obtained from the Treasurer or Chairman and this authority must be obtained by email unless countersigned on the invoice. Expenses forms will be filed and payment recorded on the accounts database under the appropriate budget line. Honoraria and expenses for specific events will be approved prior to these events by agreement of the executive.

- 2.4 Stock control will be the responsibility of the Office Administrator. Stock accounting will be updated against day sheets and income levels and stock value will be reported upon in the annual accounts. The purchase of stock as a disposable asset will be authorised by the Executive Committee. The value of stock will not exceed £3,000 unless part of a promotional programme justified against a robust business case. Stock is valued according to the principle of the lower of cost and net realisable value. Stock will be counted at the start and end of any marketing venture by two nominated officers. Stock & Assets will be adequately insured for loss, damage and theft provided it is cost effective. This decision will be made by the Treasurer and presented to Executive Committee for ratification. Assets will be recorded at cost and depreciated at a rate of 25% of cost per annum.
- 2.5 Lavenham will be responsible for fulfilment of book orders via the BART system and will be managed by the office Administrator and Treasurer.
- 2.6 Authorisation of expenditure will wherever practicable take place through quorum permission from the Executive Committee and be recorded in the Executive minutes with any expenditure approved by the Executive Committee over £20,000 being brought to the attention of the Trustees. It should be the recommendation of the Trustees that any expenditure / liability incurred that is in excess of 30% of the annual budget be brought to the attention of the membership as a whole.
- 2.7 For reasons of practicality it is however necessary to have measures in place to manage unplanned expenditure in a timely and efficient manner. Any single episode of unplanned expenditure will require the authorisation of two (2) Executive Officers, one being the authorising officer (see below) and the other being either the Treasurer or Chairman. To safeguard NBE funds the authorising officers cannot be both the Treasurer and Chairman alone and the maximum level of expenditure will be £1,500.

<b>Budget Line</b>	<b>Authorising Officer</b>	<b>Budget Limit Authorisation</b>
Executive Meeting	Chair / Vice / Secretary	£1,000



Executive meeting lunch	Secretary	£70
Business Planning Weekend	Secretary	£1,500
PRO	PRO	£200

2.8 A debit card is in place for the NBE administrative overheads and will be held by the Office Administrator. However, where practicable, invoices will be requested and paid through the normal process as the debit card must not be used as a substitute for the normal systems detailed within these SFI's. Individual items of expenditure in one episode of purchase will be limited to those listed below and in addition will always be subject to the Expenses and Travel Policy. The advantages of the postal franking machine are enhanced when it is loaded with substantial funds at intervals. The Office Administrator is authorised to load the machine at intervals to obtain this advantage and will inform the executive when this is done (\*).

The Chair and Treasurer may hold NBE debit cards for use in their roles but will where possible abide by expenses and standing financial instructions. The cards must not to be used for non NBE purchases.

Item	Administrator
Postage & Stamps (Franking machine)	£2000 with executive approval (*)
Stationery	£250
Refreshments	£50
Office Sundries (as authorised by Executive)	£100
Misc	£25

2.9 The Barclaycard PDQ is a device which allows for the receipt of payments to the National Back Exchange for goods and services. With it payments will be received and banked in a timely manner which will improve accounting and transparency. The device which is fully mobile will be used for credit / debit card transactions at Linden Barnes, Conference and other events where there is an NBE presence. The Treasurer, Secretary, Chairman and the Office Administrators will be the holders of the access codes. The Office Administrators and other designated officers will be trained in the use of the equipment to facilitate transactions at Linden Barnes and external events. The equipment when not in use will be kept secure at Linden Barnes or at any such external events and the access codes will be kept separately. At those events



the Office Administrators will be responsible for the device and will be supported to this end by access to secure storage. Surcharges for the use of Visa and Debit card transactions will be passed onto the membership.

### **3. BUSINESS ACTIVITY**

- 3.1 An annual business plan with both short and longer term objectives will be published and made available to affiliated groups via the NBE website. The business plan will include budget targets proposed by the Treasurer and agreed by the Executive Committee.
- 3.2 An annual budget will be set according to expenditure trends and strategic objectives as agreed at the business planning meeting. Budget lines will be established for accounting and monitoring purposes and reported upon quarterly by the Treasurer to the Executive Committee.
- 3.3 Budget targets against Conference related income / expenditure will be set by the Treasurer, in consultation with the Conference Coordinator and agreed by the Executive Committee. These will be reported upon quarterly by the Treasurer to the Executive Committee.
- 3.4 All business projects presented to the Executive Committee will be fully costed by the project leader prior to approval by the Executive Committee.
- 3.5 The accounts will be maintained by the Office Administrator, “day- sheets” will be produced for all financial activities and reconciled for accuracy by the Treasurer against the NBE bank statements. Variances to the budget will be highlighted and justified or corrected by the Treasurer as appropriate.
- 3.6 The Association will retain a capital reserve on deposit of 18 months operating funds (£100,000). Authorisation to change this threshold and utilise reserves will have the agreement of the Trustees. The current account balance should not fall below £15,000. In addition, the current account will not be in credit to the detriment of return on capital.
- 3.7 The NBE bank accounts will be maintained and monitored through monthly statements reconciled to invoices, receipts and payments. The signatories to the account will be authorised annually by the membership at the AGM. Changes to the account, either opening, transfer, or closing must be with the agreement of the Executive Committee.
- 3.8 The choice of insurance broker and level of cover, excesses borne, claims procedures shall be reviewed by the Executive committee on the advice of the Treasurer. Adequate insurance will be maintained for contents, stock & assets, Employers Liability, Conference and Third Party Insurance. Buildings insurance will be addressed through the office rental agreement.



## 4. TENDERING POLICY & PROCEDURE

- 4.1. The Treasurer is responsible for commissioning agreements for the provision of services and goods in accordance with the business plan. All contracts will identify payment terms and conditions, responsibilities, and performance indicators.
- 4.2. Tenders will be canvassed for the following levels of expenditure:
- £5,000 and below – Authorisation by Executive Team
  - £5,000 - £10,000 – Minimum of three quotes
  - £10,000 - £20,000 – Tender canvas from minimum of three suppliers
  - £20,000 and above – Full tender with authorisation from the trustees
- 4.3. The Association will compile a list of firms / individuals from whom a tender will be invited, and approach them directly and / or arrange for publication of the tender on the NBE website. Invitations to tender will only be considered if:
- Submitted to the Treasurer via email, in a PDF format, bearing the words 'Tender' followed by the subject to which it relates.
  - They embody standard Contract Conditions as applicable.
  - A written undertaking not to engage in collusive tendering or other restrictive practice is given.
- 4.4 All tenders shall be addressed to the Chairman. The Chairman will designate the Treasurer to receive tenders and be responsible for their endorsement and safe custody until the time appointed for opening.
- 4.5 As soon as practicable after the date / time stated as the latest date / time for the receipt of tenders. The tenders will be opened by the Chairman, Treasurer or Secretary. A record shall be maintained to show:
- I. The names of the firms / individuals invited.
  - II. The names of and number of firms / individuals who submitted tenders.
  - III. The total price(s) tendered.
  - IV. The closing date and time.
  - V. The date and time of opening.
  - VI. All the names of the persons present at the opening.
- 4.6 In considering which tender to accept (if any) the designated officers will have regard to whether value for money will be obtained and whether the number of tenders received provided adequate competition. In cases of doubt they will consult the Trustees. Tenders received after the due time / date will be considered only if the Chairman or nominated officer decides that there are exceptional circumstances which will be documented. Incomplete tenders will not be considered. Where the examination of tenders reveals errors which would affect the tender figure, the tender provider will be given details of the error and afforded the opportunity of confirming or withdrawing their offer. Necessary discussions with a tender provider, in order to elucidate technical points etc, need not disqualify the tender. Where only one tender is received the Association must consider a wider audience to safeguard members' assets. The Executive shall, as far as practicable, ensure that the price to be



paid is fair and reasonable. All tenders will be treated as confidential and retained for inspection for a minimum of 7 years.

- 4.7 All successful / unsuccessful tender providers will be notified in writing by the Chairman as soon as practicable once a decision has been made.
- 4.8 The timescale for receipt of tenders following invitation will be 35 days.

## **5. EMPLOYEES**

- 5.1 Payroll will be managed by the Association's accountants. Following calculation of the monthly NI and PAYE contributions the required paying-in slip for HMRC will be forwarded to the Treasurer for information and authority to pay. Payment to HMRC must be paid promptly in order to avoid surcharge. Any discrepancies will be addressed by the Treasurer and reasonable measures taken to rectify any problems as soon as reasonably practicable. Payments will be made by monthly electronic transfer.
- 5.2 Employee salaries will be reviewed on an annual basis and where a salary increase is deemed appropriate the increase must be agreed by the Executive Committee and recorded in the Executive Minutes. Any authorised increase will be actioned by the Treasurer for payment in the June payroll.
- 5.3 Any additional authorised expenses will be paid at the time of claim and will follow the accounting procedures in 2.3 above.
- 5.4 The Chairman will ensure that all employees are issued with a contract of employment, and sanction any variations to, or termination of contract of employment.
- 5.5 The designated Executive committee member is responsible for day to day management of the office including working within contracted hours and reporting of sickness absence and return to work. Both aspects should be reported promptly to the Treasurer for action by the accountants as required.
- 5.6 Overtime will not be paid, additional hours worked must be authorised before they are worked, by two members of the executive. Administration support must be authorised by two members of the executive before the supporters are used and person used to support the admin staff will be paid at the minimum rate for their age.
- 5.7 Eligible employees will be enrolled into an appropriate Pension scheme by NBE accountants to comply with UK Legislation.

## **6. POLICY REVIEW**

6.1 This policy shall be reviewed at least every five years by the National Executive

6.2 Advice should be sought from competent sources where there are changes in legislation or codes of practice which may affect this policy



<b>Date</b>	<b>Version</b>	<b>Status</b>	<b>Summary of Changes</b>	<b>Consulting</b>	<b>Changes made by</b>
05/06/20	1	Active	Adjusting minor wording / inclusion of Cloud backup / adjusting levels of expenditure / day to day management of Administration	NBE Exec	John Williamson Simon Love

