Plaxtol School Association
Financial Policy

This policy sets out the principles for financial control and reimbursement of expenses within Plaxtol School Association (PSA). It is relevant to all within the association and is endorsed by the PSA Committee. It is distinct from any policies the school may publish.

Applicability

This policy is applicable to all Trustees and Committee Members who are legally responsible for the running of the Plaxtol School Association (PSA); and for all members of the PSA who are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur whilst supporting the delivery of the charity's objects.

Bank Account Management and Online Banking

The Bank account should have a minimum of three signatures - PSA Treasurer, PSA Chair & one other trustee.

The PSA Treasurer will operate the bank account on a day-to-day basis. All signatories are each responsible for securely retaining their own passwords for online banking.

All expenditure must be preapproved in line with this policy.

<u>Online Banking:</u>

Payments, where possible, will be made by bank transfer – all transactions will require two signatories. The Treasurer should be one of them. No payment will be made without the relevant documents.

Online banking security:

- Online banking details issued are to be stored safely and only known and used by the individual they have been issued to.
- When an individual with online bank details leaves the PSA Committee they should be removed as a bank signatory and the bank notified to remove their online access.
- The PSA operates a dual authorisation for payments which are made through online banking.

Bank Cards

Bank cards should only be used by the authorised bank signatory named on the card.

Any bank card issued is the property of the PSA and should be returned to the PSA Committee, as soon as possible, if the card holder is no longer an elected PSA Committee member.

Any receipts from use of the bank card should be retained by the PSA Treasurer and kept on record.

<u>Expenses Policy</u>:

- Bank account payments to Plaxtol School should be approved by the PSA Committee (majority vote from PSA Trustees). Approval needs to be evidenced by an email chain, filed by the PSA Treasurer.
- Bank account payments to external parties over £50 should be approved by the PSA Committee (majority vote from PSA Trustees). External parties include companies booked to provide entertainment at fundraising events; and/or expenses claims from PSA members. Approval needs to be evidenced by an email chain, filed by the PSA Treasurer.
- Bank account payments to external parties under £50 do not need to be approved by the PSA Committee.

All members of the PSA may be reimbursed for reasonable expenses incurred whilst carrying out their duties as a member of the PSA. Expenses are for out-of-pocket payments PSA members must make to carry out their duties, for example:

- Purchase of food and drinks which are to be served / sold at a PSA fundraising event (e.g. a school disco).
- Printing of raffle tickets for a PSA fundraising raffle.
- Purchase of small prizes for a games stall (e.g. at a PSA Christmas Fair).
- Purchase of items for a school activity which the PSA is supporting or involved with (e.g. snacks for children during a school trip to the theatre during school time, or materials for an Easter Egg hunt during school time)

Receipts must be provided to the PSA Treasurer for all expenses, regardless of the amount. Receipts can be sent to the PSA Treasurer electronically. The PSA Treasurer will keep a record electronically of all receipts for expenses.

All claims for reimbursement must be made within 30 days of the date of expense.

Expenses will be paid by the PSA Treasurer within 15 working days, provided they have been approved by the PSA Committee (if over £50).

Waiving Expenses (Donating Expenses as Gifts in Kind)

Supporters who choose to waive reimbursement for expenses or purchases, effectively donating them to the PSA, do so with generous intent. However, this practice can present accounting and compliance challenges.

According to Charity Commission guidance, charities should encourage individuals to claim legitimate expenses to ensure transparency and accurate financial reporting. When expenses are waived, they cannot be recorded as actual expenditure, which may obscure the true cost of running the charity and limit the visibility of supporter generosity.

Furthermore, HMRC rules exclude Gifts in Kind from Gift Aid eligibility. This means that even if waived expenses are documented, the charity cannot claim Gift Aid on them. To avoid unintended complications, individuals considering waiving expenses should consult with the PSA Treasurer to determine the best approach on a case-by-case basis.

Financial Record Procedures:

Fundraising Events Records

The PSA Treasurer will maintain accurate records for each fundraising event, showing income, expenses and profit from each event. This will be circulated to the whole PSA Committee after each fundraising event. It is the committee's responsibility to agree them once presented. Any issues are to be raised at the following PSA meeting.

Cash Floats and Boxes at Fundraising Events

When a float is provided at a fundraising event, the PSA Treasurer will ensure accurate records are kept. Cash boxes will need to be signed in and out. Cash raised during a fundraising event should be counted by two trustees, where possible prior to leaving the event. A Cash Record should be completed prior to leaving the event and a photo of the record circulated to the PSA Committee.

Money should be banked as soon as possible after the fundraising event, but where this is not practicable it should be kept in School or locked in a cupboard/box at the home of a PSA Committee member. The PSA insurance has a limit of £500 for cash cover in a private house, so if there is more than this it should be divided between PSA Committee members and a record kept of each amount and the address at which it will be kept.

Use of SumUp Machines

The PSA Treasurer will maintain a written procedure for PSA use of SumUp machines, and make this available to all volunteers using SumUp machines. The PSA Treasurer will ensure each SumUp machine has a tab to accurately allocate money against a particular fundraising event or stall. The PSA Treasurer will include all relevant SumUp transactions in fundraising event Records (referred to above). The PSA Treasurer will also keep a record of all SumUp amounts received, and report these in Treasurer Reports to termly PSA meetings (alongside bank statements). Prior to events the Treasurer should receive prices of any items sold so they can be pre loaded.

Donations received by the PSA

Accurate records will be kept of any non-fundraising income received. This includes grants and donations made to the PSA.

Use of PayPal

All PayPal payments to the PSA should have a reference, so they can be accurately allocated by the PSA Treasurer. PayPal money should be transferred into the PSA bank account within 30 days. The PSA Treasurer will also keep a record of all PayPal transactions, and report these in Treasurer Reports to termly PSA meetings (alongside bank statements).

Systems of Financial Control

At each termly PSA meeting, the Treasurer will present a financial report. The PSA Secretary will record any comments or decisions in the meeting minutes. The PSA Chair will cross-check the list of transactions against the: bank account, SumUp payments and PayPal payments – and they will sign the list of transactions at every PSA meeting (this will be kept on file with the PSA Minutes), this will be recorded.

Miscellaneous:

Records will be stored for 7 years on the PSA Google Drive.

The PSA reserve the right to change this Financial Policy to maintain consistency with current best practice and the needs of the PSA.

Where possible items purchased for sale should be purchased on a sale or return basis.

Useful links

www.gov.uk/guidance/payments-to-charity-trustees-what-the-rules-are