

## **Midlothian Community Councils Guidance for Accounting Procedures**

### **Accounting Procedures - Signatories**

- The Community Council should nominate three unrelated Office Bearers to act as signatories to the Community Council bank accounts.
- All cheques and withdrawals should require two from three signatures.
- Any changes to authorised signatories should be approved by the Community Council.

### **Accounting Procedures – Expenditure**

- All expenditure must be approved in advance by the Community Council.
- All expenditure must be accompanied by proof of purchase, either an expenditure voucher or receipted invoice.
- Details of the expenditure should be recorded in the cash book as soon as the expenditure is incurred. Where a receipt is not available, the person making the purchase should complete a form stating the nature of the expenditure. The form should be authorised by a member of the Community Council committee.
- All disbursement should be by Cheque or by Banker's Automated Clearing System (BACS). Payments by Cheque must be signed by any two of three authorised signatories, who would normally be Office-Bearers. Authorised signatories should not be related to each other or co-habitees.
- BACS payments should be made on the authorisation and recorded confirmation of two unrelated and authorised office bearers.
- The Treasurer should await the bank statements and once received should carry out a bank reconciliation to ensure that the bank balance agrees with the balance recorded in the cash book. All bank statements should be retained.
- Where petty cash is issued all petty cash vouchers should be signed by the person requesting the money and countersigned by the Treasurer or other authorised signatory - this must not be the person who is requesting the expenditure. All receipts for items of expenditure should be retained and attached to the appropriate petty cash voucher.

- Reimbursement of travel expenses should only be available to persons on official Community Council business. Claimants should submit a detailed record of dates, times, destination, reason for travel and mode of transport. Reimbursement of travel expenses (for example bus, taxi, train, parking fees etc) should only be awarded if accompanied by a receipt.
- If the Community Council requires telephone calls to be made, reimbursement of expenses can be made at the discretion of the Community Council. The person making the claim should submit the itemised telephone statement highlighting the calls claimed. Reimbursement will be authorised by the Community Council.

### **Accounting Procedures - Annual Accounts**

- An annual income and expenditure statement of all accounts including all income and expenditure must be prepared at the end of the Community Councils' financial year and must be examined by a person unconnected with the fund.
- The 'independently checked and verified' accounts must be presented to the Community Council and in course a copy passed to the Midlothian Council Liaison Officer. See example of a statement below.

#### ***Verifiers Report***

*I have examined the above statement of accounts of '(insert name) Community Council for the year ended (Insert date).*

*I certify that these statements reflect the income and expenditure of (insert name) Community Council for the year ended (insert date) and are in accordance with the books and records of the Treasurer.*

**Signed:** ----- **Date:** -----

An example of an annual income and expenditure statement is detailed in the next page.

### **PLEASE NOTE – DATA PROTECTION**

When an individual ceases to be a Community Council Treasurer, they must ensure that all financial records they hold relating to the Community Council are appropriately reviewed and transferred to the incoming Treasurer. When leaving, Community Council Office Bearers **should not** retain any information relating to their work with the Community Council when they are no longer a part of it.

**COMMUNITY COUNCIL STATEMENT OF ACCOUNTS**

Income Expense Account for period of \_\_\_\_\_ to \_\_\_\_\_

Represented by

Cash in Bank 0.00

Cash In Hand (Treasurer's Float) 0.00

**Balance brought forward** £'s £'s

**Income**

Admin Grant 0.00

Discretionary Grant 0.00

Bank Interest 0.00

**Expenditure** 0.00

Insurance 0.00

Accommodation Costs 0.00

Auditors Fees 0.00

Subscriptions 0.00

Travel Expenses 0.00

Publication of Newsletters 0.00

Stationery 0.00

Photocopying 0.00

Postage Costs 0.00

Telephone Costs 0.00

Other Costs 0.00

Other Expenditure 0.00

0.00

**Balance Surplus** 0.00

*As Prepared by*

**Examiner's Details**

**Name**

\_\_\_\_\_

**Designation**

\_\_\_\_\_

**Organisation**

\_\_\_\_\_

**Address**

\_\_\_\_\_

**Telephone Number**

\_\_\_\_\_

\_\_\_\_\_

**Signed**

\_\_\_\_\_

**Date**

\_\_\_\_\_

**Chairperson's Signature**

**Date**

**Treasurers Signature**

**Date**

\_\_\_\_\_