



## **FINANCES**

### **ACCOUNTING POLICY**

Version 1 – May 2010

As agreed by ManCom .....

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Note 1 – It is important that this document is kept up to date and current. Any changes should be discussed and agreed by the Management Committee.

Note 2 - Any references to he/him etc. can equally apply to she/her etc

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#### **A - CASH BOOK**

The Treasurer shall keep a running listing of all items of Income and Expenditure in a Cash Book. This should be kept up to date on a day by day basis so that a current total of the Associations funds are always readily available. Items recorded in the Cash Book shall be checked and agreed against each bank statement as it is received to ensure that all items have been completely and accurately recorded and that the Cash Book balance agrees with the bank balance.

#### **B - ANNUAL REPORTS**

Three reports shall be prepared for presentation to the AGM each year.

1. **(A) Profit and Loss Summary report** - All items of Income and Expenditure shall be summarised showing the net surplus or deficit for each item for the current and previous years.
2. **(B) Income and Expenditure report** – Each of the items summarised in the Profit and Loss Summary will be further broken down in this report to show more detailed analysis of Income and/or Expenditure.
3. **(C) Asset and Stock valuation report** – All capital items purchased for use by the Association will be written off over a period of 5 years. This report should list all such items showing the amount of depreciation during the current year and the residual value. The quantity and resale value of all stock items will also be listed.

The format, headings and subheadings for each of the annual reports are shown in the examples attached. These should be adhered to so that year on year comparisons of all figures can remain valid.

#### **C – ACCOUNTS CHECKING**

Before the Accounts are presented to the AGM, they shall be scrutinised by the “checker” who was elected at the previous AGM. The “checker” should satisfy himself as to the accuracy of the figures being presented and sign the accounts off for the year.