

Northumbria Advanced Motorcyclists

Financial Procedures

1. Introduction

a) With a paying membership of over 150 and an annual turnover exceeding £10,000 it seems prudent for NAM to add some formality to its financial arrangements. The following procedures are designed to meet this aim, by the introduction of appropriate safeguards in the handling of income and expenditure, while at the same time avoiding excessive bureaucracy or complication of members' roles.

2. Income

a) Income is normally received from five sources

i) from the IAM, being a contribution in respect of each Associate in training,

ii) NAM membership subscriptions,

iii) from members attending NAM away weekends,

iv) donations and awards,

v) cash receipts at NAM meetings for raffles, mince pies etc.

b) Members will be encouraged to pay subscriptions as in ii) above by standing order, and all other payments by bank transfer or cheque.

c) Only the Treasurer may accept cash payments. This means that cash, including for membership subscriptions and weekends away, can only be accepted if the Treasurer is there to receive it, or he/she has nominated someone specifically to receive it on his/her behalf. He/she will, with the exception of v) above, issue a receipt for each payment.

d) Members will be encouraged to complete Gift Aid forms. The Treasurer will collate these and submit the appropriate claim annually to HMRC.

3. Expenditure

a) Each of the four main areas of expenditure, Training, Marketing, Rideouts and Administration, should have a nominated budget holder, approved by the Committee.

b) At the start of each financial year the Committee will allocate a budget to each budget holder, based on advice from the Treasurer.

c) Budget holders are free to incur expenditure within their budget, with the proviso that expenditure on a single item or group of related items exceeding £250 will require prior authorisation by the Committee, or in exceptional circumstances by the Chairman.

d) All expenditure must be chargeable to one of the above budgets. No expenditure may be committed or incurred other than by, or with the approval of, the holder of the budget to which that expenditure is to be charged.

e) Expenditure by the Social Team Leader, other than on events as described in Section 6, will be charged to one of the above budgets. Occasionally the Committee may authorise additional expenditure on particular events, such as mince pies at Christmas.

f) No expenditure should be incurred that would result in a budget holder's cumulative expenditure exceeding the allocated budget without prior authorisation by the Committee.

g) Expenditure will generally be in the form of either

i) payment of invoices submitted by organisations or individuals, authorised by the budget holder and paid by the Treasurer or other cheque signatory, or

ii) reimbursement of claims made by individual members in respect of payments made by them or expenses due to them.

4. Payments by the Treasurer

a) The Treasurer will be responsible for ensuring that invoices submitted for payment have been properly authorised per Section 3.

b) The preferred method of payment is by bank transfer.

5. Reimbursement of Claims

a) Claims should be submitted on the official claim form, signed by the claimant and countersigned by

i) the Chief Observer in respect of claims for check, refresher or taster observed rides,

ii) the Rideout Coordinator in respect of any claims for rideouts,

iii) the Chairman, Treasurer or Secretary in respect of all other claims.

- b) Exceptionally the Chairman, Treasurer and Secretary may also countersign claims as in 5 i) and ii) where they believe it expedient to do so.
- c) If the claim is in respect of purchases made, a receipt(s) in respect of these purchases should be attached to the claim form.
- d) Claims may not be made on behalf of other people. Claims payable to the same bank account, however, may be made jointly.
- e) Current rates payable for claims are as follows.
 - i) Category 1, Category 2 and Ladies rideouts - £30. Maximum of four claimants per rideout, claimants must have attended both recce and rideout.
 - ii) Evening runs - £15. Maximum of four claimants per rideout, claimants must have attended both recce and run.
 - iii) Mileage claims (e.g. to attend conferences) – HMRC approved mileage rate for motorcycles, currently 24p per mile. Journeys should be authorised in advance by the Committee.

6. Weekends Away

- a) Weekends away, such as those to Fort William, involve significant income and expenditure. They will be managed outwith the normal budgeting process, being accounted for as separate events under the joint control of the organiser, normally the Social Team Leader, and the Treasurer, and guided by the following principles.
 - b) The financial risk to NAM should be kept to a minimum. This means
 - i) where an establishment requires deposits, returnable or not, then if possible these should not be paid until deposits on the same terms have been received from those members wishing to attend,
 - ii) final payments should not be made until the equivalent sums have been received from attenders, and
 - iii) refunds to members will only be made once received from the establishment concerned.
 - c) It is recognised, however, that establishments are increasingly insisting on initial deposits being made at the time of booking, leaving insufficient time in which to collect the

corresponding deposits from attenders. In these circumstances the organiser may pay the required deposit after consulting the Chairman and Treasurer.

d) One implication of b) above is that late payers may well lose their place, together with their deposit if it was non-returnable. The requirements placed on cash receipts by 2 c) above may be relevant here.

7. Petty Cash

a) Expenditure incurred by the Social Team Leader should normally be reclaimed as per 5 b) above.

b) It is recognised, however, that a receipt in respect of the occasional small item may not always be possible, particularly when advantage is taken of significant cost-saving offers as part of general shopping. Accordingly, the Social Team Leader may hold a modest petty cash float, £25 at present, from which to purchase such items not falling under a) above.

c) A voucher should be completed for each item of expenditure and kept with the petty cash. The petty cash will be topped up as necessary on presentation of vouchers with a claim form.

8. Booking of rooms for meetings etc.

a) Rooms may only be booked by, or with the agreement of, the budget holder who will be bearing the expense. Those who wish to book rooms, such as at the West Denton Community Centre, should do so through the Social Team Leader by outlining their requirements in an email to him/her, copied to the Treasurer for later matching against any invoice.

9. Financial Control and Reporting

a) NAM's financial year shall run from each 1st October to 30th September in the following year. NAM's membership year has for historical reasons matched the calendar year, and this will continue unless and until the Committee finds good reason to change it.

b) The Treasurer should report orally to each Committee meeting any matters which he/she considers relevant.

c) The Treasurer should present regular written reports to budget holders detailing expenditure to date and comparing this to budgets.

d) Budget holders should present half-yearly written reports to the Committee showing progress made against budgeted expenditure.

e) The Treasurer must present final accounts to each AGM, normally held in November.

f) The Treasurer should facilitate budget setting by submitting a draft budget to the Committee as soon as possible within each financial year.

10. Banking Arrangements

a) NAM shall hold such bank accounts as the Committee may from time to time authorise.

b) The Committee should approve at least two signatories for each bank account. Cheques should only require one signature.

c) It is recommended that all signatories obtain authorisation for online banking.

11. Amendments

a) These Financial Procedures may be amended at any time by any quorate meeting of the Committee.