



FINANCIAL REGULATIONS

May 2011

. **General**

1.1 These financial regulations govern the conduct of the financial transactions of the Libertarian Party and may only be amended or varied by resolution of the NCC

1.2 The responsible Treasurer under the policy direction of the NCC, shall be responsible for the proper administration of the parties affairs.

1.3 The Treasurer shall be responsible for the production of financial management information to the NCC

2. Annual Estimates

2.1 The NCC shall formulate and submit proposals in respect of revenue and capital costs for the following financial year no later than the end of November each year.

2.2 Detailed estimates of all receipts and payments for the year shall be prepared each year by the Treasurer.

2.3 The NCC shall review the estimates and make recommendations for the AGM

2.4 The AGM will review both estimates and recommendations not later than the end of January and fix any changes to the membership fees and or levies.

2.5 The annual budgets shall form the basis of financial control for the ensuing year

2.6 The NCC shall prepare and have regard to a three year forecast of revenue and payments which shall be prepared at the same time

3. Budgetary Control

3.1 Expenditure on revenue items may be incurred up to the amounts included in the approved budget

3.2 No expenditure may be incurred that will exceed the amount provided in the budget without approval and signed agreement of the NCC

3.3 The Treasurer shall regularly as determined by the NCC a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure against that planned.

3.4 The Treasurer or the Party Leader may incur expenditure on behalf of the NCC which is of such extreme urgency whether or not there is a budgetary provision. Subject to a limit of £1000.

The Treasurer shall consult with the Party Leader or vice versa and report the action to the NCC as soon as practicable thereafter.

3.5 Unspent provision in the revenue budget shall not be carried forward to a subsequent year.

3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the NCC are satisfied the funds are available, or the requisite borrowing approval has been obtained

3.7 All capital expenditure shall be administered in accordance with the NCC's Standing orders and financial regulations relating to contracts.

3.8 All expenditure agreed by the NCC not on a specific budget over £1000 shall Stand adjourned until ratified and signed by all members of the NCC

4. Accounting and Audit

4.1 All accounting procedures and financial records of the Party shall Be determined by the Treasurer as required by PPER 2000 and the Electoral Commission.

4.2 The Treasurer shall be responsible for completing the annual financial statements as laid down by the electoral commission within Sixty days of the end of the financial year.

4.3 All members of the NCC will attend the meeting called to approve the financial statements and will counter sign them.

4.4 The Treasurer will ensure there is an adequate internal audit procedure with the NCC.

4.5 Any external audits will be carried out by an impartial third party with adequate professional liability insurance.

4.6 The accounts and donations shall not be published publically so as not to breach the Data Protection Act.

5. Banking arrangements and cheques

5.1 The Party's banking arrangements shall be made by the treasurer and approved by the NCC. They shall be reviewed regularly for efficiency.

5.2 A schedule of the payments required shall form the part of each monthly agenda of the NCC, shall be prepared by the treasurer and copies of the relevant invoices shall be presented to the NCC. This schedule shall be approved by resolution and countersigned by the chairman.

5.3 Cheques drawn on the bank account by the Treasurer shall be countersigned

By the chairman, and initial the counterfoil.

6. Payment of accounts

6.1 All payments shall be made by cheque unless otherwise approved by the NCC

6.2 All invoices shall be checked for accuracy by the Treasurer

6.3 No Petty cash shall be held

7. Payment of Services

7.1 The NCC will agree with the Treasurer a disbursement for time expended in satisfying the requirements of preparing accounts and the returns required by the Electoral Commission, and this shall be declared at the AGM

7.2 The NCC shall indemnify the Treasurer at all times through the purchase of a Directors and Officers insurance policy.

8. Loans

8.1 All loans and borrowings shall be negotiated in the name of the Party and shall be for a Set period and shall be in writing executed by both party's

8.2 Any investments shall be made within the meaning of the Trustee Act 2000

9. Income

9.1 The collection of all sums due to the Party shall be the responsibility of the Treasurer

9.3 The NCC and Treasurer shall review all charges annually following a report of
The Treasurer

9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the NCC and written off in the following year.

9.5 All banking shall take place as frequently as the Treasurer determines.

9.6 The origin of each receipt shall be recorded on the paying in book.

9.7 The Treasurer shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end or equally suitable time scale.

9.9 Where any significant sums of cash are regularly received by the Treasurer, the Treasurer shall take steps as are agreed by the NCC to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10. ORDERS FOR WORKS, GOODS AND SERVICES

10.1 An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.

10.2 Order books shall be controlled by the Treasurer

- 10.3 All members and officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotation or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (1) below.
- 10.4 The Treasurer shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments.

11. CONTRACTS

- 11.1 Procedures as to contracts are laid down as follows;
- (a) Every contract shall comply with these financial regulations and no exceptions shall be made other than in an emergency;
 - (b) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the NCC;
 - (c) for additional audit work of an external auditor up to an estimated value of £250
 - (d) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (e) when it is intended to enter into a contract exceeding £1,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are expected as set out in paragraph (a) the Treasurer shall invite tenders from at least three firms
- (f) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the NCC.
- (g) Such invitation to tender shall state the general nature of the intended contract and the Treasurer shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that

tenders must be addressed to the Treasurer in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

- (h) All sealed tenders shall be opened at the same time on the prescribed date by the Treasurer in the presence of at least one member of the NCC.
- (i) If less than three tenders are received for contracts above £1,000 or if all tenders are identical, the NCC may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (i) When it is to enter into a contract less than £1,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are expected as set out in paragraph (a) the Treasurer shall obtain 3 quotations (priced descriptions or the proposed supply);
- (k) where the value is below £1,000 and above £250 the treasurer shall strive to obtain 3 estimates. Otherwise, regulation 10.3 above shall apply.
- (k) The NCC, are not bound to accept the lowest tender, estimate or quote, but at all times consider best value

12. STORES AND EQUIPMENT

- 12.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 12.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 12.3 Stocks shall be kept at the minimum levels consistent with operational requirements.

- 12.4 The Treasurer shall be responsible for periodic checks of stocks and stores at least annually.

13. PROPERTIES AND ESTATES

- 13.1 The Treasurer shall make appropriate arrangements for the custody of all title deeds of properties owned by the NCC.

The Treasurer shall ensure a record is maintained of all properties owned by the NCC, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with the Accounts and Audit Regulations 1996 as amended.

- 13.2 No property or asset shall be sold, leased or otherwise disposed of without the authority of the NCC, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £50.

14. INSURANCE

- 14.1 Following an annual risk assessment, the treasurer shall affect all insurances and negotiate all claims on the Council's insurers [in consultation with the NCC].

- 14.2 The Treasurer shall give prompt notification to the NCC of all new risk properties or vehicles that require to be insured and of any alterations affecting existing insurances.

- 14.3 The Treasurer shall keep a record of all insurances affected by the NCC and the property and risks covered thereby and annually review it.

- 14.4 The Treasurer shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to NCC at the next available meeting.

- 14.5 All appropriate officers of the NCC shall be included in a suitable fidelity guarantee insurance that shall cover the maximum risk exposure as determined by the NCC.

15. CHARITIES

15.1 Where the NCC is sole trustee of a charitable body the Treasurer shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Treasurer shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

16. RISK MANAGEMENT

16.1 The Treasurer shall prepare and promote risk management policy statements in respect of all activities of the NCC.

16.2 When considering any new activity the Treasurer shall prepare a draft Risk Management policy for the activity and shall bring a draft addressing the legal and financial liabilities and Risk Management issues that arise to the NCC for consideration and, if through appropriate, adoption.

17. REVISION OF FINANCIAL REGULATIONS

17.1 It shall be the duty of the NCC to review the Financial Regulations of the Party annually.