



Irish Development Education Association

Financial Procedures Manual

Heidi Holden
2013

Introduction

IDEA

The Irish Development Education Association (IDEA) is a national platform for the organisations and individuals engaged in the provision, promotion and advancement of development education throughout the island of Ireland. IDEA, a company limited by guarantee and not having a share capital, was incorporated as a Company (Number 435218) under the Companies Acts 1963 to 2006 on the 21st February 2007.

Financial Manual

The purpose of the Financial Manual is to set out IDEA's financial policies and procedures which have been developed to enable the efficient, transparent and accountable running of the organisation and to monitor and protect its financial and legal health.

Company Structure

The National Council

IDEA is governed by its members, through the board (the National Council (NC)) elected at the Annual General Meeting, to manage the organisation on behalf of its members. The NC is the main decision making body of the organisation. Within the NC, a Management Group is elected to carry out some of the day-to-day business and is mandated to make routine decisions without having to revert to the NC. Within the NC, the following elected officers hold specific financial responsibility:

The Chairperson

Elected to provide leadership to the NC and to support the Executive Director, the Chairperson is responsible for monitoring financial planning and reporting.

The Vice Chairperson

Elected to work closely with the Chairperson and the Director, the Vice Chair will deputise for the Chair, when necessary, and provide support on financial matters, as required. Additionally, the Vice Chairperson serves as Staff Liaison Officer and provides support on HR related matters.

The Treasurer

Appointed to oversee the effective financial management of the organisation, the Treasurer works with the Director and the Administrator to draft annual budgets, to oversee financial reports to the NC and to assist with the preparation of the annual audited accounts for discussion and approval by the AGM.

The Company Secretary

With responsibility for ensuring that IDEA complies with relevant statutory requirements, the Company Secretary provides legal and administrative support and guidance to the NC and files the company's annual return, along with its audited accounts, to the Companies Registration Office.

Organisational Staff with Financial Responsibility

The Director

- has overall responsibility for management of the organisation and the implementation of IDEA's strategic objectives
- is responsible for overseeing financial management of the organisation, including fundraising, budgeting and reporting
- reports to the Chairperson and the NC

The Administrator

- has day-to-day responsibility for administering the finances of the organisation, including keeping financial accounts and preparing financial reports
- reports to the Director

Financial Policies

IDEA's financial policies are determined by:

- company law
- the requirements of the Revenue Commissioners in respect of tax obligations
- IDEA's Memorandum and Articles of Association
- the governance and oversight function of IDEA's board of Directors, the National Council

IDEA is a non-profit organisation whose income and property are to be applied solely to the promotion of the aims of the organisation. No dividends or bonuses will be paid to the members of the company.

The company will keep annual audited accounts which will be filed annually with the Companies Registration Office and made available to the Revenue Commissioners on request.

IDEA will maintain its tax compliance and will honour its revenue requirements as an employer.

IDEA's financial policies are additionally governed by its:

- **Reserves Policy**
- **Procurement Policy**
- **Fraud Policy**
- **HR Handbook** (which includes procedures on the appointment and remuneration of employees and the awarding of payscale increments)

Financial Procedures

Accounting Systems, Conventions and Principles

The Accounting System of IDEA is based on a full accrual, double entry system (SAGE Line 50 accounting package) and conforms to Generally Accepted Accounting principles and practices. IDEA also conforms to International Accounting and Auditing standards.

All financial transactions are clearly documented and recorded in books of accounts to facilitate comprehensive financial reporting, easy referencing and clear audit trail. This is achieved through the use of proper source documents which are clearly referenced, books of original entry and books of final entry. Source Documents will include, receipt vouchers, payment vouchers and journal vouchers when properly authorised and supported by documents such as supplier's invoices, goods receiving notes, payee receipts, etc.

Income

IDEA's main source of income is grant income. With each grant received a contract or Memorandum of Understanding stipulates the conditions for the use of funds, the actions or activities to be carried out according to a specified budget and the reporting requirements for each funder. IDEA undertakes to comply with the conditions of each contract of grant funding.

Additional income is generated through membership fees, event fees and consultancy contracts. This additional income may contribute to IDEA's reserves or may be used as co-financing for grant income.

All income received by cash or cheque is lodged to IDEA's bank accounts by the Administrator. Alternatively, income may be paid electronically directly into IDEA's bank accounts. The Administrator issues receipts for income received and keeps a paper record of all lodgements on file (using Income Lodgement Forms, see Annex 2). Income lodgements are then entered into the sales ledger in the computerised accounts package on a monthly basis by the Administrator.

Deposit Account

As prudent management of income, where significant sums of funding are received (such as annual grant pre-payments) these are generally held in a 30 Day Deposit Account, in order to maximise the interest earned on income. Interest received contributes to IDEA's reserve funds increasing the financial stability of the organisation. Funds are transferred to the current account following 30 days' notice in writing, which is authorised by two cheque signatories. The Administrator and Director are responsible for tracking cash flow and ensuring funds are available as required.

Expenditure

All expenditure is in line with IDEA's annual budgets which are approved in advance by the NC. Payments for goods or services are made on a regular basis, generally by the Administrator, by cheque or internet banking payment. Appropriate supporting documentation, such as invoice or receipt, is filed on the payments folder with a Payment Form (see Annex 3). Where a budget holder has authorised expenditure or ordered goods or services they should approve expenditure and indicate budget heads on the Payment Form, prior to payment.

IDEA has three approved signatories to its bank accounts, as stipulated by its bank mandate. The signatories consist of the Executive Director, the Treasurer and one other NC member. Cheque payments below €150 require one signature, payments over that amount require two signatures.

All electronic payments require prior approval by a signatory to the account (using the Electronic Payment Form, see Annex 3). Once signed authorisation has been obtained, the Administrator creates the payment on Internet Banking and the Director or Treasurer then authorises the online payments.

IDEA has a business Credit Card with a limit of €2,000, held in the name of the Director, for bookings or expenses requiring card payment. Credit card payments are authorised in advance by a cheque signatory using the Credit Card Payment Form (see Annex 3). The credit card bill is paid monthly from the current account by direct debit.

Payment transactions are entered into the purchase ledger in the computerised accounts package on a monthly basis by the Administrator.

Expenses Claims

Expenses incurred by staff, contracted consultants or NC members that are eligible for reimbursement may be claimed using the Expenses Claim Form. This must be accompanied by supporting invoices/receipts and authorised by the Director before being reimbursed by the Administrator. In the case of the Director's expenses, these should be approved by the Chairperson, the Vice Chairperson or by another signatory to the account.

Petty Cash

Petty cash is available for all minor sundry payments generally below the value of €50. Petty cash payments are recorded once a month by the Administrator on the Petty Cash Record and all receipts and invoices are then filed with this in the Petty Cash folder. The Director reviews the Petty Cash Record, counts the petty cash and verifies the balance. All payments are also entered into the petty cash account on the computerised accounts package.

Salaries, Revenue and Pensions

Payroll services are contracted out to an accounting company. Payslips and payroll summaries are emailed each month to the office. Once the Director has approved these, the Administrator pays staff salaries and pension contributions. The Administrator also files the quarterly P30 Revenue return, via Revenue Online, making direct electronic payment of all PAYE and PRSI contributions. Once a month the Administrator enters all salary, revenue and pension payments into the computerised accounts package, reconciling salary journals as a control.

Bank Reconciliation

Once a month the Administrator reconciles all accounts to the monthly bank statements. Bank reconciliations are reviewed and signed off by the Director.

Financial Reports

Once a month the Administrator produces detailed income and expenditure reports and budget variance reports. Spending is analysed according to the specific budget heads for each particular

funding grant to ensure that the outcomes and related costs are on track within the period of the grant.

Budgetary Control

Financial reports are scrutinised monthly by the Director and any other staff members who are responsible for carrying out activities and spending budgets. Every two months the financial report is presented to the NC for scrutiny.

Security

The petty cash tin and cheque books are kept in a locked cabinet to which only the Administrator and Director have access. PC's and laptops are password protected along with software such as banking online and SAGE. Backups of all data on the server are taken daily with a weekly backup that is stored off premises.

Insurance

To safeguard employees of IDEA against possible accidents and loss of life, and its assets against risk, fire, theft etc. appropriate insurance coverage is in place.

Annual Audit

IDEA's accounts are audited annually by an external company of accountants. The Administrator, with the support of the Treasurer, is responsible for preparing the accounts (using Sage software) and presenting the Balance Sheet and Profit and Loss Reports, as required by the auditors. Annual audited accounts are filed with the Companies Registration Office, presented to the members at the AGM and then made available on IDEA's website.

Key Contacts

Accountants

Malone Power & Company

Contact: Brendan Malone brendan@malonepower.com
 Fiona Stanley fiona@malonepower.com
Address: Marlborough House, Marlborough Road, Donnybrook, Dublin 4
Tel: 01 668 4088

Payroll Company

HTH Accountants

Contact: Michelle Burke michelle@hthaccountants.com
Tel: 01 630 3048

Bank

Allied Irish Bank

Branch Address: 37 Upper O'Connell Street, Dublin 1
Account Manager: Caroline O'Shea caroline.c.o'shea@aib.ie
Tel: 01 873 1260

Account Signatories

Executive Director: Frank Geary
Treasurer: Ciaran Stewart (Self Help Africa)
NC Member: Joanne Malone (SUAS)

Sage Support

Tel: 01 642 0800 / 1890 882060
Account No: N76258

Internet Business Banking Support

Tel: 01 6414889

INCOME LODGEMENT RECORD

LODGEMENT NO: _____

DATE: _____

AMOUNT: _____

BUDGET HEAD: Irish Aid / IDEA's Own Funds / Other

DESCRIPTION: _____

ELECTRONIC INCOME LODGEMENT RECORD

DATE: _____

AMOUNT: _____

BUDGET HEAD: Irish Aid / IDEA's Own Funds / Other

DESCRIPTION: _____

CHEQUE PAYMENT RECORD

CHQ. NO: _____

DATE: _____

AMOUNT: _____

PAYEE: _____

BUDGET HEAD: _____

DESCRIPTION: _____

ELECTRONIC PAYMENT RECORD

DATE: _____

AMOUNT: _____

PAYEE: _____

BUDGET HEAD: _____

DESCRIPTION: _____

Authorised.....

CREDIT CARD PAYMENT RECORD

DATE: _____

AMOUNT: _____

PAYEE: _____

BUDGET HEAD: _____

DESCRIPTION: _____

Authorised.....

Irish Development Education Association

6 Gardiner Row, Dublin 1

Tel: 01 8788480

Mobile: 00353 (0) 87-9747579

Website: www.ideaonline.ie

Email info@ideaonline.ie

The Irish Development Education Association (IDEA) is a Company Limited by Guarantee not having a share capital. It is registered in Dublin Ireland as Company Number: 435218.