



## Banking Procedure

<b>Procedure Reference:</b>		F03 & F06	
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<b>Approved by P&amp;PRG:</b>		November 2020	
<b>Owner:</b>	Stuart Green	<b>Job Title:</b>	Head of Finance
<b>To be issued to:</b>		Board of Management ARK Management All Relevant Staff	
<b>Method of Delivery:</b>		Email Policy Other	

### Version Control

Date	Owner	Version	Reason for Change
October 2020	Stuart Green	4.0	Three yearly review; Change to a Procedure.

### Summary of Changes

Section	Change
All	Transfer the policy to a procedure, linked to the 'Treasury Management' policy [F03].



# Banking Procedure

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## 1.0 Introduction

The purpose of this procedure, and the 'Treasury Management' [F03] policy which supports it, is to set out our arrangements for ensuring that we have the type and number of bank accounts we require to meet the needs of our current activities.

This policy does not cover bank accounts operated by or on behalf of the people we support. These are covered in the Care and Support policy 'Support with Money' [CS05], and supporting procedures.

## 2.0 Bank Accounts

As noted in the 'Financial Regulations' [F01], Ark will operate the type and number of bank accounts required to meet current requirements.

The following types of bank accounts will be operated:

- Current account – the main account for all income and expenditure transactions – one account for Head Office and individual accounts for each Service;
- Liquidity Manager or Commodity Money Market – higher interest overnight savings accounts;
- Mainstream rents – an account for receipt of rent payments from tenants of mainstream properties;
- Loan servicing – accounts to receive payments from Ark to service current loans;
- Term fixed interest – a savings account giving a higher rate of interest on sums deposited for a fixed term.

For a list of the types of bank accounts currently operated by Ark Housing Association, Ark Services Limited and Ark Commercial Investment Limited, see Appendix 1.

## 3.0 Opening or Closing Bank Accounts

The opening of all new bank accounts, whether at Head Office or at a Service, will be authorised by the Chief Executive, the Director of Finance or the Head of Finance, who will approve the designated staff to be authorised signatories on each account. Retrospective approval is then sought at the following Finance Sub-Committee meeting.

All working arrangements with Ark's bankers will be approved by the Director of Finance.

Local (current) bank accounts, i.e. those dealing with Care and Support Services transactions, will be operated on the imprest system, with a maximum imprest set for each account. Services accounts will not be allowed to go into overdraft.

The closure of all bank accounts must first be approved by the Director of Finance.

## 4.0 Cash and Cheques

Any cash or cheques received at our Head Office will be recorded in accordance with procedure [F04a] 'Receipt of Income and Bad Debt Write Off'. The items will be placed in secure locked storage until due to be banked.

Cheque books and bank pay-in books will be held in secure lockable storage, and may only be removed from storage by a member of Finance staff, as detailed in procedure [F02c] 'Expenditure by cash, cheques, and credit card'.

## 5.0 Reconciliation of Bank Accounts

All bank accounts will be reconciled on a monthly basis from the relevant financial ledger to the bank statement by the appropriate Finance staff.

Any discrepancies will be reported either to the relevant Finance Business Partner or to the Head of Finance and, if necessary following investigation, to the Director of Finance.

## 6.0 Review of Banking Services

The Director of Finance will periodically review the provision of banking services (at least every five years) and will recommend to the Finance Sub-Committee whether or not services should be re-tendered.

## 7.0 Implementation and Review

### 7.1 Implementation

The Head of Finance will ensure that this Banking procedure is followed by all Board Members and relevant members of staff.

### 7.2 Review

The Head of Finance will ensure that this procedure is reviewed at least every three years.

## Appendix 1 – Current Bank Accounts (October 2020)

### **Ark Housing Association**

#### **Head Office**

- No 1 current account - main account for all transactions except rents (RBS)
- Liquidity Manager overnight higher interest account (RBS)
- Mainstream rents account (RBS)
- 3 Loan servicing accounts (1 with RBS, 2 with BoS)
- various fixed term interest deposit accounts (RBS & BoS)
- 30 day notice account (RBS)
- 7 day notice account (Scottish Widows)

#### **Care and Support Services**

- Individual current accounts for each Service (RBS)

### **Ark Services**

- No 1 current account (RBS)
- Liquidity Manager overnight higher interest account (RBS)
- Loan servicing account (BoS), (Nationwide)
- various fixed term interest deposit accounts (BOS)

### **Ark Commercial Investment Limited**

- No 1 current account (RBS)