

Account Management Policy

1. Purpose

This policy sets out how the Council will manage its bank accounts and cash balances to ensure that public funds are safeguarded, readily available when required, and managed in a prudent and efficient manner.

2. Objectives

The Council shall:

- Safeguard public funds.
- Maintain sufficient liquidity to meet its financial obligations.
- Ensure funds are available when required for operational purposes.
- Seek to maximise interest earned on surplus funds, whilst prioritising security and accessibility.
- Comply with all relevant legislation, Financial Regulations, and audit requirements.

3. Bank Accounts

The Council shall maintain:

- A Current Account for day-to-day financial transactions.
- One or more Savings or Deposit Accounts for surplus funds and reserves.

All accounts shall be held with financial institutions approved by Council.

4. Current Account Management

The Current Account shall normally maintain a balance equivalent to approximately two to three months of anticipated expenditure.

The Responsible Financial Officer (RFO) shall monitor balances regularly and ensure sufficient funds are available to meet the Council's commitments.

Where the Current Account balance exceeds operational requirements, surplus funds shall be transferred to an approved savings or deposit account.

Where the Current Account balance falls below operational requirements, funds may be transferred from savings or deposit accounts to maintain adequate liquidity.

5. Savings and Deposit Accounts

Adopted:

review annually – AGM

Last review:

Funds not required for immediate operational expenditure shall be held within approved savings or deposit accounts where appropriate.

When determining where funds should be held, the Council and RFO shall have regard to:

- Security of funds.
- Accessibility of funds.
- Interest rates available.
- The timing of anticipated expenditure.
- The level and purpose of Council reserves.

The Council may hold funds across more than one institution where this is considered beneficial for security or financial management purposes.

6. Transfers Between Accounts

The RFO is authorised to transfer funds between Council accounts in order to:

- Maintain appropriate operational balances.
- Protect funds.
- Manage cash flow requirements.
- Maximise returns on surplus funds.

All transfers shall be recorded within the Council's accounting records and reported to Council as part of routine financial reporting.

7. Monitoring and Reporting

Bank balances shall be reported to Council as part of regular financial reporting.

The RFO shall monitor cash flow throughout the financial year and advise Council of any significant issues affecting liquidity or the management of Council funds.

8. Responsibility

The Council retains overall responsibility for the management of its funds.

The Responsible Financial Officer shall be responsible for implementing this policy and ensuring that Council funds are managed in accordance with this policy, the Council's Financial Regulations, and all applicable legislation.