



SPIRE VIEW HOUSING ASSOCIATION

CONTRACT FINANCE

POLICY AND PROCEDURES

It is the overall responsibility of the lead consultants and project Quantity Surveyor, in conjunction with the Depute Director, to ensure that project costs are kept within approved limits.

1. MONITORING AND REPORTING CONTRACT SPEND

1.1 The project Quantity Surveyor will provide regular cost reports and cash flow projections (in conjunction with the contractor) throughout the contract period. The regularity of these projections will be determined per contract (e.g. weekly, monthly, quarterly etc).

1.2 The Depute Director is responsible for reporting on the overall position to the Management Committee and will do so on a monthly basis.

Such reports will detail spend, grant draw down, other funding details and summary cost report information with projected out turn costs.

1.4 The Director, Deputy Director, Finance Consultant and Finance Assistant will monitor all contract finance matters through **regular** finance meetings. Such meetings are also the forum for considering other finance and funding initiatives to be taken forward via the appropriate committee. The outcomes of these meetings will be minuted.

2. CONTROLLING CONTRACT COSTS

The Association will fulfil requirements to exercise control over contract costs and monitor spend against budget.

2.1 The project Quantity Surveyor will give early notification of any projected overspend in order that action can be taken.

2.2 The project lead consultant has delegated authority to make changes to, and savings within the contract which do not compromise the overall nature of the project.

The Depute Director is responsible for providing guidance on such changes as required.

- 2.3 Should additional work be identified, compensatory savings to offset additional costs or other changes which will result in a change to the overall nature of the project, the matter must be referred to the Management Committee for a decision.

The Depute Director is responsible for reporting with recommendations on such items.

3. VARIATIONS IN PROJECT COSTS

- 3.1 It is recognised that once Scheme Agreement has been given the Association should work within the costs constraints of that Scheme Agreement.

However, should there be any major issues or unforeseen items that arise that will have significant impact on the project, the Depute Director would open up discussions with the funding body in relation to this in order to work towards a satisfactory solution.

- 3.2 Should there be any increases in capital costs the Association will make efforts to contain such costs within approved limits through compensatory savings.
- 3.3 Any items of additional non budgeted contract expenditure which the lead consultant views as being uncontainable within agreed project costs should be agreed in line with Association's Financial Regulations and Procedures and delegated authority contained therein.
- 3.5 If the Depute Director considers any item requires an immediate decision, out-with Committee cycles, in order to avoid a contractual claim against the Co-operative, s/he will immediately advise the Director in order that appropriate Committee approval can be sought.

4. CLAIMS FOR PAYMENT OF GRANT

The Association will comply with all guidance relating to grant payment claims.

Claims for the payment of grant are the responsibility of the Depute Director.

- 4.1 Grant will only be claimed on satisfactory completion of the work or services for which payment is required.
- 4.2 Vouchers will be submitted to validate claims to confirm that the costs being claimed have been incurred and that they are for the project to which the payment claim relates. Copies of these claims will be held in the Contract File.
- 4.3 Grant payment claim forms will be signed by a signatory approved by the Association relevant to the project being undertaken.

All required information in relation to approved signatories (sample signatures etc) will be submitted to the funding body via the appropriate mechanism and these will be updated as required or on request by the funding body.

Internal procedures

The procedure to be followed is the responsibility of the Depute Director except where otherwise indicated:

- 4a. When a development programme related invoice is received it will be checked to ascertain whether grant is available for payment.
- 4b. All charges and V.A.T. must be checked to establish whether full payment is due.

- 4c. Where grant is available, a claim will be submitted by the Depute Director.
- 4d. All grant payment claims will be copied to the Finance section and contract file.
- 4e. Details of grant received will be recorded by the Finance section and notified to the Depute Director.
- 4f. All contract related spreadsheets will be updated as appropriate by the Finance section and the Depute Director.

5. PAYMENT OF DEVELOPMENT CONTRACT RELATED INVOICES

The process for dealing with development programme contract related invoices is the responsibility of the Finance section and Depute Director.

- 5.1 All Association procedures relating processing invoice payment will be followed.
- 5.2 Invoices received will be passed through the agreed channels to the Depute Director.
- 5.3 All necessary checks will be carried out to ensure that goods or services invoiced are due for payment and have been received or satisfactorily completed.
- 5.4 The Depute Director will then authorise the invoice as being correct and this will be processed following normal Association invoicing procedures and in line with the Association's Financial Regulations, bearing in mind contractual requirements on payment dates.
- 5.5 All correspondence relating to invoices and receipts will be copied to the Depute Director for the contract file.

This policy and procedure should be read and applied in conjunction with all other relevant policies and procedures relating to the development process.