

## **Finance Policy**

**Employees and Trustees have a duty to ensure that the Charity maintains correct financial procedures to ensure accountability. These procedures are designed to ensure this and to protect the Charity against:**

- Financial mismanagement
- Unauthorised expenditure
- Fraud
- Theft

The procedures outlined below are designed to ensure the organisation remains accountable:

All decisions regarding expenditure are made by the Chief Executive Officer and/or authorised budget holders in Senior Leadership Team.

'Budgets' are prepared and monitored regularly by Finance Dept, Treasurer and Personnel Sub Group.

The organisation receives money due to it.

The organisation pays its bills on time.

Salaries are calculated accurately and PAYE is operated using appropriate software.

Cash, cheques, valuables and confidential data are safeguarded.

All financial records are checked by at least one person who has not been involved in making the payment or writing up the records.

The Trustee Board, Senior Leadership Team and others with responsibility for financial control receive regular financial reports.

The financial records and reports are checked and audited annually – by an appropriately qualified independent third party engaged by the organisation

### **1. Procedures**

The Charity will employ a Finance Manager to work with the Chief Executive Officer, Senior Leadership Team and Finance team in maintaining financial

records. The Trustees will elect a Treasurer to oversee the finances of the organisation and other duties as outlined in the Trustees Handbook and Treasurer Job description.

Primarily the Trustees makes financial decisions from information presented to it from the Chief Executive Officer. The CEO has the authority to authorise expenditure up to the value of £20,000 (twenty thousand pounds) on items that are relevant to the running of the organisation. Expenditure over this amount up to £50,000 (fifty thousand pounds) must be authorised by the Treasurer and two Officers of the Management Committee and then reported to the Trustees. Expenditure over this amount must be authorised by the Trustee Board.

Budgets are prepared prior to the start of each financial year and are monitored by the Treasurer, Chief Executive Officer, Finance Manager and budget holders on a monthly basis. Quarterly accounts are drawn up and presented to the Finance sub group together with a financial report on that quarter's income and expenditure. A summary of financial activity is presented to the Trustees every two months. Reports are given to the organisation's budget holders.

All cheque payments issued must be signed in accordance with the cheque signatories according to the payments values in line with the bank mandate. Up to £5000 by 2 members of Senior Leadership Team signatories. All other payments should be approved by the budget holder or the Finance Manager.

£5,000 to £20,000 – Chief Executive Officer and member of SLT plus 1 Management Committee cheque signatory in their absence This does not include regular payroll related costs.

Over £20,000 by 2 Management Committee signatories or CEO and 1 Management Committee signatory.

Payment signatories who are related are not permitted to authorise the same payment.

Signatories cannot authorise expenses paid to them. Expenses should be paid by cheque/BACs rather than cash. Expenses must be authorised by Chief Executive Officer, Business Manager, designated members of Senior Leadership Team or Treasurer.

Bank statements are reconciled on a monthly basis as part of Financial Monitoring procedures.

The organisation's financial systems are maintained using professional accountancy software which is reconciled to bank statements every month.

Any financial discrepancy will be investigated by the Finance Manager and Treasurer in the first instance and reported to the Management Committee. The Management Committee will have the right to appoint an Investigating Officer to look into the discrepancy and other matters of financial irregularity at any stage.

Restricted Funds must only be used for the purpose stated when allocated.

P.A.Y.E records must be maintained monthly by the Payroll Administrator. They are overseen by the Chief Executive Officer, Finance Manager and Treasurer.

All financial records to be presented to the Charity's Auditor annually for audit. The resulting statement of annual accounts to be presented to the Annual General Meeting (or to the first committee meeting afterwards if delayed).

The Finance Manager is responsible for ensuring that a register of all assets owned, rented, hired or donated to the charity are inspected at regular intervals to ensure that they remain in good repair and are of use to the organisation

Blank cheques must not be signed.

Cheques must not be signed without documentation explaining expense.

Internet banking must only be used by designated persons as registered with the organisation's banks.

Bank reconciliation statements to be prepared monthly.

The Centre's accounts are maintained on Paxton accountancy software which is reconciled to the bank statements monthly.

Any discrepancy to be investigated by the Treasurer in the first instance and reported to the Trustees. The Trustee Board will have the right to appoint an Investigating Officer to look into the discrepancy and other matters of financial regulation at any stage.

The Treasurer and Designated Senior Management Team members at each setting maintains petty cash and ensures that the petty cash is balanced and presented on a monthly basis.

All petty cash transactions must be receipted and correctly recorded by an authorised member of staff.

Cash transactions should be kept to essential items only and receipted.

All money received must be receipted at time of acceptance and recorded on appropriate income systems. All money to be kept locked in the safe at all times as soon as possible after collection.

Access and contents to the safe will be managed by the Centre Manager and appointed members of the SLT or designated staff authorised by the SLT.

The safe key(s) or combination to be held by designated person(s).

The cash and cheques held at either setting at any one time must not exceed the amount stated in individual current insurance policy.

Policy Name	Finance Policy
Version Number	V1
This policy was developed by	Governance and Accountability Sub Group
These people were consulted/involved in developing the policy	
This Policy was adopted by	Trustee Board
Date	March 2018
Signed	
Name	James Wragg
Role	Chairperson
Next Review Date	March 2019