



Charities Commission Number: 1195980

Financial Policy and Procedures

It is the duty of the charity trustees to ensure the charity's resources are protected in order that it can fulfil its aims. It is important that all those involved with the charity; whether trustees, members or volunteers take the issues on internal financial control seriously.

The Financial Policy and Procedures set out below includes internal controls which are the essential checks and procedures that enable those involved with the charity to:

- protect the charity's assets
- identify and manage the risk of conflict of interest, loss, wastage, bribery, theft or fraud.
- ensure that financial reporting is robust and of sufficient quality
- ensure that the Trustees comply with charity law and regulation relating to finance.

The Financial Policy

1. Trustees have a legal duty that must be met in relation to accounting and financial reporting. These include.
 - Keeping sufficient accounting records to explain all transactions and show the charities financial position.
 - Preparing an annual report and statutory account that meet legal requirements.
 - Considering the need for a reserve policy in the Trustees Annual Report
 - Formally approving the Trustees Annual Report and accounts
 - Ensuring the accounts are subjected to any external scrutiny required by law or by the charities governing document
 - Ensuring the Trustees Annual Report, accounts and the annual report are filed on time with the Charity Commission.
 - Meeting requests from the public for copies of the charities most recent trustees annual Report and accounts
 - Safeguarding the assets of the charity and ensuring proper application of resources
 - Taking steps for the prevention and detection of bribery, fraud, financial abuse and other irregularities.
2. It is strongly recommended that every Trustee on taking up office should read the following publications: Charities Commission Internal Financial Control for Charities (CC8) and Charities and Risk Management (CC 26).
3. To enable the Trustees to discharge their responsibilities, the Financial Procedures detailed below must be followed at all times by all Trustees, members and volunteers.



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4. A copy of this Financial Policy and Procedures is to be given to all Trustee's on their election/appointment, and to all relevant members and volunteers.
5. The Financial Policy and Procedures is to be reviewed annually by the Board of Trustees, revised as necessary and ratified at the Annual General Meeting.

Financial Procedures

1. Organisational Information

- a) The charity's Financial Year runs from 1st April – 31 March
- b) Name of Bankers – The Co-operative Bank p.l.c.
- c) Name of Independent Examiner – Not required

2. Approval of Expenditure

- a) All orders for goods and services procured on behalf of the charity must be agreed in advance by the Board of Trustees. This approval may take the form of email exchanges, telephone calls or meetings (in-person or on-line).
- b) All approved purchases must be recorded in the minutes of the next Trustee meeting.
- c) Any orders placed with suppliers without prior approval by the Board of Trustees may not be approved for payment. In this case the individual placing the order may be held personally liable for the expenditure.
- d) Invoices and/or receipts must be obtained for every purchase and forwarded to the Treasurer for record keeping

3. Payments for Approved Orders

- a) Whenever possible payments for approved orders should be made from the charity bank account, either by cheque or bank transfer in accordance with the bank mandate.
- b) In circumstances where payment for an approved order cannot be made from the charity bank account eg: credit card payment required, then one of the Trustees may make the payment on behalf of the charity. Authorisation of reimbursement to that Trustee from the charity bank account must be made by Trustees other than the Trustee who made the payment to the supplier.
- c) All bank mandates require dual authorisation of payments. All cheques must be signed by two signatories and all internet bank transfers must be authorised by two signatories.
- d) In the case of cheque payments, the Treasurer should raise the cheque and be the first cheque signatory. The cheque should then be signed by a second signatory. If the Treasurer is unavailable then the Chair may act as first signatory.



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- e) In the case of bank transfers the Treasurer should enter the payment details to the on-line banking system. The payment will then require on-line approval by a second signatory. If the Treasurer is unavailable then the Chair may act to enter the payment details.
- f) Bank signatories are responsible for ensuring each payment is for an approved order for goods or services by examining the payment documentation and for ensuring the payment is being made to the correct payee for the correct amount.
- g) Bank signatories must **not** authorise any payment if they are in any doubt about the validity of the payment and should immediately refer the payment to the Chair and the Treasurer for review.
- h) Blank cheques must **never** be signed

4. Bank Accounts

- a) All bank accounts used to receive monies and make payments on behalf of the charity must be in the name of the charity.
- b) No account may ever be opened in the name of an individual or individuals.
- c) New accounts may only be opened by a decision of the Board of Trustees. Any decisions must be minuted.
- d) The bank mandate for any account must be approved by the Board of Trustees. Approval must be minuted.
- e) Any changes to the bank mandate for any bank account must be approved by the Board of Trustees. Approval must be minuted.
- f) The Treasurer is responsible for reconciling the bank statements prior to each Trustee meeting.

5. Signatories to the accounts:

- Trustees as per the bank mandate

6. Accounting Records

- a) The Treasurer shall be responsible for keeping adequate accounting records for the charity.
- b) Every transaction will be recorded to include:
 - The date of the transaction.
 - The name of the person money was received from or paid to and the full amount.
 - A brief description of why the money was received or paid
 - An analysis of each amount under its relevant heading, where applicable
- c) All documents relating to receipts and payments will be filed in the order of the date they are received or paid.
- d) A list of all physical assets owned by the charity will be maintained.
- e) If the accounting records are maintained in electronic format, a backup copy must be retained and kept up to date.



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7. Financial Reports

- a) The Treasurer is responsible for producing a Treasurer's Report, which is to be circulated to every Trustee prior to each Trustee meeting.
- b) The Treasurer's Report will comprise:
 - An Income and Expenditure Statement detailing all monies received by and paid out by the charity
 - A Balance Sheet showing the charity's assets and liabilities
 - A bank statement produced as at the date of the Income & Expenditure Statement reconciled to the Balance Sheet
 - Details of any monies committed to specific projects
- c) The Treasurer is responsible for preparing an Annual Report and Accounts that comply with the Charities Commission requirements.
- d) The Treasurer is responsible for ensuring the Annual Report and Accounts are approved by the Board of Trustees and filed on time with the Charities Commission.

8. Insurance

- a) The Trustees are responsible for ensuring appropriate and adequate insurance policies are in place at all time to cover:
 - Public Liability
 - Contents & Equipment
 - Trustee Indemnity
- b) An inventory of all physical assets of the organisation will be kept and reconciled to the Balance Sheet
- c) A copy of the Insurance Policies will be maintained electronically and made available to the public on request.