

TEESDALE DAY CLUBS

PO3 FINANCIAL CONTROLS PROCEDURE 08

1. PURPOSE

This Financial Control procedure relates to the Finance Control Policy and covers the arrangements, responsibilities, and accountabilities of the staff, trustees, and volunteers of Teesdale Day Clubs. Managing our finances and resources effectively and maintaining robust standards of financial control enables us to succeed in delivering our aims. The procedures are relevant to all involved in the operation of the charity.

2. BUDGETARY CONTROL AND MONITORING

2.1 The annual plan and budget approval

- The Strategic Manager (SM) will present an operational plan based on the trustee approved strategy for each year ahead. This plan will inform the budget and cash flow, detailing use of both restricted and unrestricted funds, with both clearly reflecting the resources required to deliver the plan.
- The Treasurer, with the Strategic Manager (SM), will draft an initial forecast budget with input from the Finance Administrator (FA) as required, for presentation to and approval by the Board. The presentation will include explanation of the assumptions used and will identify potential risks.

2.2 Reporting and monitoring income and expenditure

The SM/FA and Treasurer will produce regular reports which provide clear financial information to underpin decision making, and support trustees and staff in discharging their responsibilities.

Reports to each trustee meeting will include:

- comparison of income and expenditure to date against budget, and forecast income and expenditure to year-end against budget
- explanations of any material variances from plan, and suggestions for corrective action where necessary
- cashflow forecast for the year.

2.3 Preparation and approval of accounts

- The Treasurer will present an independently examined set of accounts, to the Board at each financial year end for approval prior to submission to the Charity Commission when required.

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- The FA will ensure that accounting records are kept of all transactions for seven years or, where required, for longer periods at the specific request of funders.
- Year-end individual club bank account statements, verified by a club member/volunteer, will be submitted by the account holders within 4 weeks of the year end. The statements will be reviewed by the FA for inclusion in the end of year accounts section of the Trustees' Annual Report.

3 RECEIPTS AND PAYMENTS CONTROLS

- At each month end the FA will reconcile the receipts and payments records to the banking transactions and the month end current account statements and explain any discrepancies that arise.
- The Treasurer will review the end of month position and check the monthly Sage payroll details and banking transactions with the receipts and payments records.
- The Treasurer will review and adjust the remaining monthly forecasts as appropriate to provide an up-to-date projection of the available cash at the year end.

3.1 Receipts

The charity will exercise due diligence prior to accepting significant donations or grants and ensure that any funds accepted:

- fulfil our mission
 - are not in conflict with our values
 - do not present a risk to our reputation or independence.
- The SM will have responsibility for checking and signing off Terms and Conditions of grants offered.
 - The Treasurer shall ensure that any restrictions placed on the use of funds are observed.
 - Members and volunteers will be encouraged to make their contributions by bank transfer and all other monies (i.e., cash and cheques) will be collected by the Club Leader at each club meeting and recorded on the provided standard record sheet (Members Attendance form)
 - Club Leaders will fund Chefs from monies collected at a lunch club. This must be based on the current cost per head per lunch club session and the number of members attending that session. This fund is for the sole

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use of purchasing food and will be recorded and signed for by the Chef on duty.

- Remaining cash and cheque receipts from each club must be banked as soon as possible into the charity's current account by either the FA, the Club Leader or Chef.
- Chefs are required to keep a monthly expenditure sheet of outgoings for food expenditure and, along with all receipts, submit to the main office as close to the end of each month as possible.
- Chefs are able to carry over a maximum of £10 per club each month. Any surplus above £10 must be submitted to the main office for banking.
- Where banking is not immediately possible, the money from each club must be submitted to the office along with the record sheet **within 2 weeks** of the club meeting.
- Staff members must not keep more than £500 overnight at home unless they have insured personal cover for the amount kept.
- Monies and record sheets must be signed off by the FA or another member of office staff on receipt.
- All cash and cheque receipts should be recorded by the FA, kept in the office safe, and banked as soon as possible.
- The FA will monitor all bank transfers, cash and cheque payments made by members and will record them each month in the receipts record.

3.2 Authorisation and payments

Expenditure must only be incurred where it is:

- in pursuance of charitable purposes
 - an effective use of resources
 - in compliance with any requirements relating to funding.
- The SM, Treasurer and FA only will have Corporate Administration status on the current bank account. Any other signatory trustee can also be given 'Additional User' status for authorising payments from the current bank account.
 - No more than 2 additional trustees shall have authorised access.
 - Using the Virgin Money banking portal, the person setting up a payment cannot make the authorisation.
 - Where payments are set up by a member of staff, a trustee should complete the authorisation when possible, and always when the payment is not a regular or pre-agreed payment (e.g., salary bulk payments which

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have already been checked/agreed by the Treasurer, and other regular payments such as venue rents).

- Where payments are set-up by the Treasurer, the SM will usually authorise these payments.
- All payments will be made by bank transfer online where possible. Payments can be set up on the bank account ready for authorisation by any of the 3 Corporate Admins. Every payment will require a second authorisation by a signatory using the online banking portal.
- An authoriser/signatory may not approve/sign a payment to themselves.
- Where, exceptionally, payment is by cheque, 2 bank approved signatories must sign and no cheques shall be presented to a signatory for payment without supporting documentation.
- Cheque books (unused and partly used) must be kept in the safe under lock and key and only authorised staff have access to the safe.
- Blank cheques must never be signed in advance.
- Suppliers will be paid as soon as possible and no later than their payment terms.
- All deposit account payments require a minimum of 3 trustee signatories. Staff are not authorised to make payments from deposit accounts.
- The FA will administer all payroll transactions as approved and checked by the SM or the Treasurer where variations or amendments are required (e.g., for sick pay).
- All salary and reimbursement payments will be made by bank transfer and the FA will be responsible for ensuring the necessary deductions and payments in respect of associated tax, national insurance, and pension contributions are made.
- Staff and volunteers, including trustees, will be reimbursed for club costs and/or out of pocket expenses on submission of the appropriate claim form with attached receipts. Payment will be made via bank transfer in arrears according to the procedures laid out in the Reimbursement of Expenses Policy and Procedure.

4 PETTY CASH

- The FA shall be responsible for all payments made from petty cash. In the absence of the FA, payments may be made and recorded by the SM or the Operations Coordinator/Administrator.
- No payments of petty cash shall be made without supporting documentary evidence for the payment being made.

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- Where there is insufficient cash on hand to fund payments and current account transfer is not possible exceptionally club payments held in the safe may be transferred to petty cash. A current account cheque must then replace the cash transferred. No other payments must be made from petty cash.
- All payments and receipts of petty cash shall be recorded in the petty cash book and the monthly balance verified and signed by either the SM or Operations Coordinator/Administrator.
- The Treasurer shall ensure that regular independent checks are undertaken of the petty cash float and petty cash payment vouchers to confirm they are in accordance with the petty cash records.

5 PROCUREMENT

To ensure value for money for significant purchases, research should be carried out on the goods or services in question and a relevant specification drawn up.

<i>Value£ of purchase</i>	<i>Minimum action required</i>
More than 500	One written quote/confirmation of cost
More than 1000	Two written quotes/confirmations of cost
More than 3000	Three written quotes/confirmations of cost

- In certain circumstances the Chair can approve procurements where it is either not possible or appropriate to provide the number of quotes required. In this case a business case must be made and signed off by the Chair.
- Where the supplier chosen is not the cheapest, the reasons for this choice must be documented.
- All one-off purchases above £150 should be confirmed by the SM or Treasurer before the order is finalised.
- All purchases should be checked for completeness and the invoice checked for accuracy before the FA records and sets up the payment ready for authorisation from the current bank account. The SM or Treasurer, or other authorising trustee, must always be presented with relevant paperwork (invoice or trustee minute/approval) for any non-regular one-off payments prior to authorising that payment. Electronic communication for this paperwork is acceptable.

6 FIXED ASSET CONTROL

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Fixed assets are items, which have a life of more than 12 months, and a value on acquisition of over £100. For example, office equipment, computers or vehicles owned by the charity for use in our work.

The Financial Administrator is responsible for maintaining a register of fixed assets over £100 detailing:

- a description of the asset
 - date of acquisition
 - value at acquisition
 - location or staff member holding asset.
- The register must be updated immediately when new purchases or disposals take place.
 - The FA is responsible for ensuring that fixed asset inspections are carried out every 12 months to check that the assets exist, are in good condition, and are being used effectively.
 - The disposal or scrapping of a fixed asset must be authorised by the SM.
 - Computer equipment must be returned to factory settings before disposal.
 - Documents relating to the ownership of any fixed assets will be held securely by the FA.

7 INSURANCE

The charity maintains appropriate insurance cover at all times, both to cover our legal obligation and to underpin our duty to protect our staff, assets, and resources. This includes:

- employer liability insurance to cover both staff and volunteers
 - public liability insurance
 - fixed assets and contents insurance
 - cash handling insurance
 - trustee liability insurance.
- The SM and Treasurer shall ensure that adequate insurance is in place and review the policies annually.
 - The FA shall ensure that Club Leaders are aware of the limit of cover for cash in their possession and that procedures are in place to ensure that this is not exceeded.
 - The SM, with the FA, is responsible for providing insurers with a detailed and accurate schedule of activities and inclusions to be covered.
 - The SM, with the FA, is responsible for ensuring all insurance policies are current and appropriate documentation maintained.

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These procedures will be updated as necessary and will be reviewed every 3 years by the Finance & Risk Committee

Approved by Finance & Risk Committee - Date: 16/12/2022