

ABOVE & BEYOND
cancer foundation



Financial Controls Policy

Approved by: Trustees

Date: 9th Dec 2020

Last reviewed on: Dec 2022

Next review due by: Dec 2024

Contents

1. Financial Records & Accounts	2
2. Banking.....	3
3. Income.....	3
4. Payments (Expenditure).....	3
5. Payment Documentation.....	4
6. Cheques/BACS Signatures.....	4
7. Reserves Policy	4
8. Other Rules.....	5
9. Links with Other Policies & Documents.....	5

1. Financial Records & Accounts

- a) Financial records must be kept so that:

The organisation meets its legal and other statutory obligations, such as Charity Acts, Her Majesty's Revenue & Customs and common law.

The trustees have proper financial control of the organisation.

The organisation meets the contractual obligations and requirements of funders.

- b) The books of accounts must include:

A cashbook analysing all the transactions appearing on the bank accounts

A petty cash book if cash payments are being made.

Relevant HMRC taxation record in accordance with current legislation and reporting requirements where necessary.

- c) The financial year will end on the 30th September each year.
- d) Accounts must be drawn up at the end of each financial year within 6 months of the financial year end and presented to the next Trustee/Committee Meeting.
- e) Prior to the start of each financial year, the trustees will prepare a budgeted income and expenditure account for the following year.
- f) A report comparing actual expenditure with the budget should be presented to the trustees every three months or whenever meetings take place.
- g) The Finance manager will check and prepare the year-end accounts for submission.
- h) Where necessary an audit will be undertaken by the relevant qualified professional.

2. Banking

- a) The Charity bank with HSBC Bank plc, accounts will be held in the name of the Above and Beyond Cancer Foundation. The following will be maintained:

Above and Beyond Cancer Foundation current account

- b) The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and noted in the minutes by the trustees as will any changes to it.
- c) The charity will require the bank to provide statements every month and these will be reconciled with the cash book at least every three months and the Finance Manager will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly.
- d) The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.
- e) The charity now has a debit card in the name of the Operations Manager, Karen Chin. This is only to be used for banking cash and not paying expenses. Any change of use must be agreed by the Trustees.

3. Income

- a) All monies received will be recorded promptly in the cash analysis book and banked promptly when cash exceeds £200. The Charity will maintain files of documentation to back this up.

4. Payments (Expenditure)

- a) The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.
- b) Karen Chin the Operations Manager, will be responsible for holding the cheque books (including unused and partly used cheque books)
- c) Blank cheques will NEVER be signed.
- d) The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- e) No cheques should be signed without original documentation (see below).

5. Payment Documentation

- a) Every payment out of the Charity's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand) or receipt. That original invoice will be retained by the Charity and filed. The bank signatory should ensure that it is referenced with:
 - Cheque number / or relevant BACS payment / Bank Transaction ID
 - Date of payment
 - Amount of payment
- b) The only exceptions to payments not being supported by an original invoice are Items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here the deposit paperwork will be used until the original invoice is obtained.
- c) **Wages and Salaries.** There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition form asking for payment to an employee, HMRC etc. All employees will be paid within the PAYE and National Insurance regulations.
- d) All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised either by the trustees.
- e) Petty cash will not be used and all payments will be made via bank. However, cash receipts will be recorded and banked promptly according to current limits.
- f) Expenses/allowances. The Charity will, if asked, reimburse expenditure paid for personally by staff and volunteers, providing:
 - Fares are evidenced by tickets.
 - Other expenditure is evidenced by original receipts.
 - Car mileage is based on HMRC rates.
 - Expenses Claims are to be authorised by 2 trustees

6. Cheques/BACS Signatures

- a) In the event of cheques being issued:
 - Each cheque will be signed by at least two people.
 - A cheque must not be signed by the person to whom it is payable.
 - The charity currently has four signatories; Julie Morrison, Jayne Proctor, Karen Chin & Chris Chin. Chris will sign if Jayne or Julie are unavailable and the signature is required for an emergency. Julie & Jayne will be advised of this emergency beforehand.
- b) BACS payments that need to be made in the normal course of business can be done so by any 1 signatory, however, a BACS payment must not be made to themselves.

7. Reserves Policy

The Charity has a reserves policy of £5,000. The Charity is aware that this can change each financial year and any changes to this amount will be agreed by the Trustees and will be noted in the minutes.

8. Other Rules

- a) The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Charity in excess of £500 and are not budgeted must be authorised and noted in the minutes by the trustees.
- b) In exceptional circumstances such undertakings can be made with any two trustees approval who will then provide full details to the next meeting of the trustees. (This covers such items as the new service contracts, office equipment, purchase and hire).
- c) Fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the Charity with the prior approval of any 2 trustees or in urgent situations the approval of the Operations Manager who will provide full details to the next trustee's meeting.
- d) The Charity will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, the Charity will maintain a property record of items of significant value, with an appropriate record of their use.

9. Links with Other Policies & Documents

- Governing Document

The above information was adapted from an article published by CASH on their website: see www.cash-online.org.uk

-