

Ann Craft Trust Financial Controls Policy

1. Introduction

- 1.1 Financial records will be kept so that the Charity can:
 - (a) Meet its legal and other obligations, e.g. Charities Acts, Company Law, HMRC and common law.
 - (b) Enable the trustees to be in proper financial control of the Charity.
 - (c) Enable the Charity to meet the contractual obligations and requirements of funders.
- 1.2 The Charity will keep a proper accounting system, which will include:
 - (a) A cashbook analysing all the transactions in the Charity's bank account(s). This maybe a computer package, excel or paper.
 - (b) A petty cash book.
- 1.3 The financial year will end on the 31st July each year.
- 1.4 Accounts will be drawn up after each financial year within five months of the end of the year and presented to the next Annual General Meeting.
- 1.5 Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
- 1.6 A report comparing actual income and expenditure with the budget will be presented to the trustees every three months.
- 1.7 A cash flow will be produced each month if the charity is in financial difficulties or reserves are less than three months expenditure.

1.8 The AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM, filing with the Charity Commission when the appropriate threshold is exceeded and if appropriate filing with Companies House.

2. Banking

2.1 The Ann Craft Trust will hold a current account and deposit account/s with known High Street Banks (current providers are Yorkshire Bank Ltd).

2.2 Any change to banking providers (or additional accounts opened) must be agreed and approved by the Trustees.

2.3 The bank mandate will be approved and minuted by the trustees and any changes to it.

2.4 The charity will require the bank to provide statements every month or access to electronic statements. These will be reconciled with the cashbook monthly by the Finance Officer.

3. Receipts – Cash/Cheques

3.1 All monies received will be recorded promptly in the finance system and banked without delay. The Charity will maintain files of documentation to back this up.

3.2 Money credited to the bank electronically.

- The charity will issue sales invoices (where required) with unique reference numbers to customers for them to use when making electronic payments, to ensure that receipts into the bank account can be traced to the customer easily.
- If the charity runs any form of electronic bookings for its customers it will ensure that the system is reconciled to the bookkeeping system and that all customers are invoiced where required.
- The Charity will keep a record of aged debtors and contact debtors every month.

4. **Internet Purchases**

When purchases are made over the internet the charity will ensure that only well known bona fide sites are used for purchasing and that they have appropriate security as illustrated by a lock padlock in the bottom right hand side of the screen when a payment is being made. Such purchases will be properly authorised in a similar way to other purchases.

5. **Payments (expenditure)**

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 bank signatories with authority to spend up to the budgeted expenditure, not beyond it.

5.1 The Finance Officer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.

5.3 All cheques need 2 signatories, CEO plus 1 other. No cheque will be signed by the payee.

5.4 **Electronic banking.**

Each signatory and the banking administrators will have a unique password which will be made up of lower and upper case letters, numbers and symbols.

The Finance Officer will be able to access the electronic banking system for online statements and making payments that have been correctly authorised by the CEO or Deputy in the absence of the CEO to the value of £20,000

Payments are limited to £40,000 by electronic transfer. Anything above £20,000 must be authorised by 2 authorisers.

Any payment over £40,000 must be authorised by the Trustees and made by cheque.

6. **Payment documentation**

6.1 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). That original invoice will be retained by the Charity and filed. The cheque signatory should ensure that it is referenced with:

- Cheque number or electronic reference
- Date cheque drawn or paid electronically
- Amount of payment
- Who signed or authorised the payment.

6.2 The only exceptions to cheques or electronic payments not being supported by an original invoice would be where an individual has paid for items and requires reimbursement. Here the invoice/receipt and proof of payment will be required and authorised by the CEO/Deputy.

6.3 **Wages and Salaries.**

The University of Nottingham processes all salary and associated tax/NI payments on the charity's behalf. These are recharged monthly and reconciled by the finance officer.

6.4 All staff appointments/departures will be authorised by the trustees. Similarly, all changes in hours and variable payments such as overtime, etc., will be authorised either by the trustees or CEO.

6.5 **Petty cash** will be maintained on an imprest system.

The Finance Officer is entrusted with a float of £100 as agreed by the CEO. A minimum of quarterly (less if expended) the University of Nottingham Cash Office reimburse sufficient funds to bring up the float back to £100, the application being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

7.6 Expenses / allowances. The Charity will, via the University of Nottingham's expense system, reimburse expenditure paid for personally by staff, providing:

- Fares are evidenced by tickets.
- Other expenditure is evidenced by original receipts.
- Car mileage is based on local authority scales.

7. **Other undertakings**

- 7.1 The Ann Craft Trust does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £5,000 must be agreed by the trustees.
- 7.2 All fundraising, contract bids and grant applications made on behalf of the organisation will be done in the name of the Charity with the approval of the trustees or in urgent situations the approval of the CEO who will provide full details to the next trustee's meeting.
- 7.3 Copies of grant application will be kept and available to trustees on request. When bids are made using internet portals electronic or paper copies of the bid will be kept.
- 7.4 Any funding contracts or grant acceptance documentation exceeding £25,000 will be brought to the trustee's attention for approval. In urgent situations this may be by e-mail to all trustees.

8. **Other rules**

- 8.1 The Ann Craft Trust 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. Additionally the Charity will maintain a property record of items of significant value, with an appropriate record of their use.
- 8.2 The charity will maintain (provided by The University of Nottingham) up to date good quality antivirus and anti-phishing software on all computers that connect to the internet.

This policy was adopted by the trustees on 18/2/2019

The next review date is on or before October 2020