

## **Finance Policy**

### **9.0 Finance Policy**

**Trustees and Employees have a duty to ensure that the Charity maintains correct financial procedures to ensure accountability, transparency and to oblige by its legal and regulatory responsibility. 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, subject to authorisation as set out below.
- 'Budgets' are prepared and monitored regularly by Finance Department and Treasurer and Finance Sub Group.
- The organisation ensures it 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

## **Procedures**

The Charity employs a Finance Manager to work with the Chief Executive Officer, Senior Leadership Team and Finance Team to maintain financial records. The Trustees elect a Treasurer and a Finance sub Group to oversee the finances of the organisation and other duties as outlined in the Trustee Handbook and Treasurer Role description.

Trustees make financial decisions based on information presented to them by the Chief Executive Officer (CEO). 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 Trustee Board and then reported to the Trustees.

Budgets are prepared prior to the start of each financial year and are monitored by the Treasurer, CEO, Finance Manager and Senior Leadership Team (SLT) 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.

Online bank payments and cheques must be processed in accordance with authorised bank mandate:

- Up to £5,000 - 2 members of Senior Leadership Team. All other payments (those via online bank payments) should be approved by authorised SLT member or the Finance Manager.
- £5,000 to £20,000 – Chief Executive Officer or, in the absence of the CEO, 1 authorised SLT plus 1 authorised Trustee Board member who is not an employee or ex-employee of the charity at the time.
- Over £20,000 - 2 authorised trustees or CEO and 1 authorised Trustee Board member who is not an employee or ex-employee of the charity at the time.
- Expenditure over this amount up to £50,000 (fifty thousand pounds)

must be authorised by the Treasurer and two Officers of the Trustee Board and then reported to the Trustees. In case the Treasurer is away for a long period then the approval must be by the Trustees.

Payment signatories who are related (family members or are beneficiaries of the payments) are not permitted to authorise the same payment.

Signatories cannot authorise expenses paid to them. Expenses should be paid by cheque/online bank payments 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 Trustee Board (TB). The TB 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 (restricted by Donor or Specific Fund raising) must only be used for the purpose stated when allocated.

PAYE records must be maintained monthly by the Payroll Administrator. They are overseen by the CEO, Finance Manager and Treasurer.

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

The Finance Manager is responsible for ensuring that registers 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 are prepared monthly.

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

The Designated Senior Leadership Team members at each setting maintain petty cash and ensure that the petty cash is balanced and presented on a monthly basis to the Finance Manager.

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

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

All cash received must be receipted at time of acceptance and recorded on appropriate income systems. All cash to be kept locked in each setting's safe at all times as soon as possible after receipt.

- Access to and contents of each setting's safe is managed by each Centre Manager and other appointed members of the Senior Leadership Team or designated staff authorised by the Senior Leadership Team.

The safe key(s) or combination are held by authorised members of SLT and Finance Teams.

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

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| Policy Name  | Finance Policy   |
| Version Number   | V3   |
| This policy was developed by                                   | Finance Team   |
| These people were consulted/ involved in developing the policy | Finance Subgroup<br>Governance Group<br>Senior Leadership Team |
| This Policy was adopted by                                     | Trustee Board  |

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|------------------|----------------------|
| Date             | September 2023       |
| Signed           | <i>Bisi Oyekanmi</i> |
| Name             | Bisi Oyekanmi        |
| Role             | Chairperson          |
| Next Review Date | September 2024       |

