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| Your logo/group name  Financial Policy  Charity registration number |
| This policy and guidance will be reviewed annually or if there are any changes in the related legislation or when an incident dictates.  This will ensure that this document is current and fit for purpose.   1. ***These documents, templates and policies are for advice and support purposes only.*** 2. ***You may edit and amend the documents to render them suitable for your group purposes.*** 3. ***You must not sell or re-distribute any documents or derivatives thereof.*** |
| This Policy was approved by named person from your group with responsibility |
| Date of implementation |

**Financial Policy**

1. The Board of Trustees/senior leader are responsible for:

* Safeguarding the assets/finances of your group name
* Preventing fraud
* Avoiding financial mistakes
* Keeping financial records in accordance with the governing document or constitution and relevant legislation
* Prepare Annual Accounts in accordance with the constitution/governing documents and relevant legislation

2. To enable the Board of Trustees/senior leader to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all management/trustees and volunteers.

3. A copy of this policy and procedures will be given to all Board of trustees on their election/appointment to the Board, and to all relevant volunteers.

4. The policy and procedures will be reviewed annually by the Board of Trustees/senior leader and revised as necessary.

**Financial Procedures**

**1. Organisational Information**

* Your group name Financial Year runs from 1st April - 31st March
* Name of Bank ; insert here
  + Insert the bank address here.
* Name of Auditor/Independent Examiner If you advertise for an accountant on Street Support, there are many who are happy to offer this for free or a small annual fee.

**2. Bank Accounts**

* All bank accounts must be in the name of the organisation. Business account
* No account may ever be opened in the name of an individual or individuals.
* New accounts may only be opened by a decision of the Board of Trustees/senior leader, which must be minuted.
* Changes to the bank mandate may only be made by a decision of the Board of Trustees, which must be minuted.
* Two people should be involved in counting cash receipts.
* All cheques must be signed by two signatories in accordance with the bank account. This is to reduce a conflict of interest.
* Blank cheques must **never** be signed.

**3.Signatories to the accounts:**

* Name: Person with responsibility and signatory

Role/Job Title: Position within group

* Name:

Role/Job Title:

* Name:

Role/Job Title:

**4. Annual Budget**

* An annual budget, setting out the organisation’s financial plan for the year, will be prepared so that the Board of Trustees can approve it before the start of each financial year.
* The draft budget will be prepared by the following three personnel:
  + - Chairperson of board Name
    - Director Name
    - Treasurer or Secretary Name

**4a. Handling Cash/Petty Cash**

During the course of volunteering you may have to handle cash on behalf of your group name, although in most circumstances this will be handled by a named person or team leader who will hold the petty cash. The petty cash float, of £50, must be kept in a safe and secure location and access to it restricted so that any risk of theft is minimised.

**What is petty cash for?**

Petty cash is a small amount of cash held by a named person, team leader or finance manager. This cash float is used for the purchase of small items like;

* Bus/travel tickets for guests/services users
* Milk and bread
* Gas and Electric for guests/service users
* Stamps
* Fresh food vouchers
* Miscellaneous
* Reimbursement of volunteer expenses.
* Records of all petty cash expenditure must be kept and supported by receipts. These records will be the subject of periodic inspection including spot checks from the board of trustees.
* Petty cash holders must maintain control of the cash and associated records and insist on proper receipts before reimbursing any requests for payment.
* Petty cash is to be topped up by the finance manager or treasurer. The person requesting the additional petty cash must first hand over completed forms, receipts and invoices for the previous amount.

You can purchase receipt books, invoice sheets and petty cash slips;

[Available here](https://www.ebay.co.uk/p/?iid=161257425174&&&adgroupid=42212778379&rlsatarget=pla-298232921660&abcId=1088876&adtype=pla&merchantid=101730143&poi=&googleloc=9046612&device=c&campaignid=807470815&crdt=0&chn=ps) others are available, for information purpose only.

It is imperative ALL receipts and petty cash forms are kept and handed to the finance manager or treasurer in the time scale given, accounts are to be completed monthly on the last day of each month.

**Sample petty cash table;**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | Receipt No | Detail/item | Name of recipient | Cash In | Cash Out | Balance |
| 01/01/17 |  | Petty Cash In | From finance manager | £50.00 |  | £50.00 |
| 03/01/17 | 001 | Bus Ticket | For John Doe |  | £5.00 | £45.00 |
| 04/01/17 | 002 | Milk | For service |  | £0.99 | £44.01 |

**5. Financial Reports**

* A financial report will be prepared for every Board of Trustees meeting.
* The financial report will consist of:
  + Profit & Loss
  + Balance Sheet
* Each Financial Report will be circulated to all Board of Trustees members and discussed at the following committee meeting.
* The reports will be prepared by the treasurer with the assistance of the Finance manager.

**6. Accounting and other financial records**

The organisation maintains a computerised accounting system which records:

* Cheques and cash received and banked
* Cheque payments, internet banking transfers and other amounts paid from the bank accounts
* Every transaction will be entered into the appropriate book/spreadsheet and will 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
* All documents relating to receipts and payments will be filed in the month they are input into the system
* A regular backup copy will be taken and a copy transferred electronically to the Director and chair/treasurer.

**6a. Volunteer Expenses**

All volunteers are entitled /not entitled to claim expenses relating to volunteering with your group name. This includes;

* Travel to and from the location of your service
* Petrol cost of 42p per mile
* Any cost incurred while volunteering excluding parking tickets

**7. Authorisation and Payment**

* The Chair (or Treasurer in their absence) must approve the purchase of any item over set your group amount here, £150 is reasonable.
* No Board of Trustees or staff member may authorise payment to themselves, their partner or relatives. This is a conflict of interest.
* Invoices (or other receipts) should be matched and checked.
* For Internet Bank Transfer the two signatories must sign the Authorisation form.
* Once payment has been made, the invoice (or other form of receipt) should be marked “Paid”, together with the cheque number/petty cash slip/evidence and date.
* All payments must be entered in the computerised accounting system only after being authorised.

**8. Payroll (at such time)**

* All employees (including sessional and part time employees) must be asked to complete the relevant PAYE form/s before they receive any payment.
* All staff changes and changes to terms and conditions of employment must be authorised and minuted by the Board of Trustees.
* Pay will be made by bacs into a UK bank account.

**9. Insurance**

* Appropriate Insurance policies will be maintained and paid for to cover:
  + Employer’s Liability
  + Public Liability up to £10m
  + Contents
* An inventory of all physical assets of the organisation will be kept and regularly updated.
* A copy will be kept off the premises at the address of the Treasurer or chair of the board of trustees.

**10. This Financial Policy,** and the Financial Procedures detailed above were agreed and minuted at a meeting of the Board of Trustees on:

Name:………………………………………………………………………………….

Signed:…………………………………………………………………………………

Date:……………………………………………………………………………………

|  |  |  |
| --- | --- | --- |
| Name | Signed | Date |
|  |  |  |