

Financial Controls Policy

Financial Records and Accounts

1) Financial records must be kept so that:

- The organisation meets its legal and other statutory obligations, such as Charity Acts
- The Management Team has proper financial control of the organisation.
- The Church meets the contractual obligations and requirements of funders.

2) The books of accounts must include:

- A cashbook analysing all the transactions appearing on the bank accounts and petty cash payments.

3) Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next Annual General Meeting.

4) Prior to the start of each financial year, the Management Team will be consulted on projected income and expenditure account for the following year.

5) The AGM will appoint an appropriately qualified auditor/ independent examiner to audit or examine the accounts before presentation to the next AGM.

Banking

1) Details of Bank and Accounts

2) The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the Management Team as will any changes to it.

3) 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 treasurer will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly.

4) The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the Management Team.

Income

1) All monies received will be recorded promptly in the cash analysis book and banked without delay (this includes sundry receipts such as payment for telephone calls, photocopying etc.). The Charity will maintain files of documentation to back this up.

Payments (expenditure)

2) The aim is to ensure that all expenditure is on the Church's business and is properly authorised and that this can be demonstrated. The latest Management Team projected expenditure provides the cheque signatories with authority to spend up to the projected expenditure, not beyond it.

3) The Treasurer will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key.

4) Blank cheques will NEVER be signed.

5) The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.

6) No cheques should be signed without original documentation (see below).

Payment documentation

1) Every payment out of the Church'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 Church and filed. The cheque signatory should ensure that it is referenced with:

Cheque number

Date cheque drawn

Amount of cheque

2) The only exceptions to cheques 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 a cheque requisition form will be used and a photocopy of the cheque kept.

3) 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.

4) All staff appointments/departures will be authorised by the Management Team, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the Management Team.

5) Petty cash will always be maintained on the imprest system whereby the Administration Worker is entrusted with a float as agreed by the Management Team. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

6) Expenses / allowances. The Church will, if asked, 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.
- No cheque signatory signs for the payment of expenses to themselves.

Cheque Signatures

1) Each cheque will be signed by at least two people.

2) A cheque must not be signed by the person to whom it is payable (you will have to ensure that you have enough signatories on your bank mandate)

Other rules

1) The Church does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Church in excess of £1000 must be authorised and minuted by the Management Team

2) In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the Management Team. (This covers such items as the new service contracts, office equipment, purchase and hire).

3) All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the Church with the prior approval of the Management Team or in urgent situations the approval of the Chairperson who will provide full details to the next Management Team's meeting.

4) The Church 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 Church will maintain a property record of items of significant value, with an appropriate record of their use.