



## Policy

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### FINANCIAL CONTROLS POLICY

<b>Version:</b>	1.0		
<b>Effective date:</b>	6 December 2021		
<b>Purpose:</b>	To ensure the Charity meets its legal obligations and meets the contractual obligations and requirements of funders and members.		
<b>Scope:</b>	All staff and volunteers of FRP		
<b>Associated Policies, Guidelines and Procedures:</b>	<ul style="list-style-type: none"><li>● Volunteering policy</li><li>● Whistleblowing policy</li><li>● Data protection policy</li><li>● Recruitment policy (Employee, Contractor &amp; Trustees)</li><li>● Communication policy</li><li>● Equal opportunities policy</li><li>● Complaints handling policy</li></ul>		
<b>Approved by:</b>	FRP Trustees	<b>Date:</b>	2021
<b>Last Amended:</b>	December 2021		
<b>Next Review:</b>	December 2023		

#### Data Protection

Personal data will be processed in accordance with the requirements of GDPR and in compliance with the data protection principles specified in the legislation.

## **1. Purpose**

- 1.1.** To protect the charity's assets.
- 1.2.** To identify and manage financial risk.
- 1.3.** To ensure that financial reporting is robust and of sufficient quality.
- 1.4.** To ensure that the Trustees comply with charity law and regulation relating to finance.

## **2. Introduction**

- 2.1.** Financial records will be kept so that the Charity can:
  - 2.1.1.** Meet its legal and other obligations, e.g. Charities Acts, Company Law, HMRC and common law.
  - 2.1.2.** Enable the trustees to be in proper financial control of the Charity.
  - 2.1.3.** Enable the Charity to meet the contractual obligations and requirements of funders.
- 2.2.** The Charity will keep a proper accounting system, which will include:
  - 2.2.1.** A cashbook analysing all the transactions in the Charity's bank account(s). This may be a computer package, excel or paper.
  - 2.2.2.** A petty cash book if cash payments are being made.
  - 2.2.3.** HMRC and records which may be kept by a payroll bureau.
- 2.3.** The financial year will end on the 30th September each year.
- 2.4.** Accounts will be drawn up after each financial year within two weeks of the end of the year and presented to the next Annual General Meeting.
- 2.5.** Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
- 2.6.** A report comparing actual income and expenditure with the budget will be presented to the trustees every three months.
- 2.7.** A cash flow will be produced each month if the charity is in financial difficulties or reserves are less than three months expenditure.
- 2.8.** The AGM will consider the appointment of an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM.
- 2.9.** This policy will be reviewed by trustees, annually.

### **3. Banking**

**3.1.** Friends of Rowntree Park will bank with Yorkshire Bank plc. Accounts will be held in the name of the Friends of Rowntree Park. The following accounts will be maintained:

- Current account

**3.2.** The bank mandate (list of people who can sign cheques or authorise electronic payments on the organisations behalf) will always be approved and minuted by the trustees as will all the changes to it.

**3.3.** The charity will require the bank to provide statements every month or access to electronic statements. These will be reconciled with the bookkeeping system at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, and sign the reconciliation document accordingly.

**3.4.** The charity will not use any other bank or financial institution or use overdraft facilities or loans, without the agreement of the trustees.

### **4. Receipts (income)**

**4.1.** All monies received will be recorded promptly in the bookkeeping system and banked as soon as possible. The Charity will maintain files of documentation to back this up.

**4.2.** Money credited to the bank electronically

- 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 who should be invoiced are invoiced.
- The charity will keep a record of aged debtors and contact debtors every month.

### **5. Internet Purchases**

**5.1.** When purchases are made over the internet the charity will ensure that only reputable and secure ecommerce sites are used for purchasing and that they have appropriate security. Such purchases will be properly authorised in a similar way to other purchases.

### **6. Payments (expenditure)**

**6.1.** 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 delegated authority schedule; signatories with authority to spend and approve may spend up to the budgeted expenditure, but not beyond it.

- 6.2. The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept in a secure location.
- 6.3. Blank cheques will never be signed.
- 6.4. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 6.5. No cheques should be signed without original documentation (see below).
- 6.6. Payments by debit card. When the charity issues a debit card to an employee or trustee, it will be administered in a similar way to petty cash (see below). The card holder will be personally responsible for any undocumented expenditure and this is detailed in their contract of employment.

## 7. **Electronic banking**

- 7.1. Each signatory and the banking administrator will have a unique password which will be made up of the security requirements of the banking system.
- 7.2. The Treasurer will be able to access the electronic banking system for the purposes of putting transactions onto the system after authorisation procedures have been followed. All signatories will have access for assessing bank statements.
- 7.3. The Treasurer will check that purchases have been properly authorised and, when appropriate, that there is evidence that goods in good condition or proper services have been received.
- 7.4. The Treasurer will save invoices and evidence of authorisation to the file system of the charity, which can be viewed by all trustees/signatories.
- 7.5. For new suppliers, the Treasurer will check and enter the supplier's sort code, account number, account name into the system and provide these by e-mail to the signatories.
- 7.6. The signatories will check the payment details, sort code and account number. If these are accurate the signatory will authorise the setting up of a new supplier.
- 7.7. Authorisation from two signatories will be required for each payment. They will e-mail the Treasurer to confirm their authorisation. This e-mail will act as evidence for any Independent Examiner as to who authorised the payment.
- 7.8. The Treasurer may also be a signatory.

## 8. **Paypal**

- 8.1. A named signatory and another trustee will each hold the login details and password for Paypal and will authorise payments from Paypal. Details of payments and transfers will be e-mailed to the Treasurer immediately they have been made.

- 8.2. Two signatories will be required for credits from the charity's bank account to Paypal.
- 8.3. The balance in Paypal will not exceed £2,000. Appropriate transfers will be made to the charity's bank account to ensure that this amount is not exceeded.

## 9. Payment documentation

- 9.1. Every payment out of the charity's bank account 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 electronically. The treasurer should ensure that it is referenced with:
- Cheque number or electronic authorisation reference
  - Date cheque drawn or paid electronically
  - Amount of payment
  - Who signed or authorised the payment.
- 9.2. The only exceptions to cheques or electronic payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a requisition form will be used and a photocopy of the transaction kept.
- 9.3. **Wages and Salaries.** There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition, asking for payment to an employee, HMRC etc. All employees will be paid within the HMRC regulations.
- 9.4. All staff appointments/departures will be authorised by the quorum of trustees at an appropriately convened meeting, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc., will be authorised by the trustees.
- 9.5. **Petty cash** will always be maintained on the imprest system whereby an individual is entrusted with a float as agreed by the trustees. 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.
- 9.6. **Expenses / allowances.** The charity will, if asked, reimburse expenditure paid for personally by staff or volunteers, providing:
- Proper authorisation has been obtained before expenditure and is within agreed budgets.
  - Fares are evidenced by tickets.
  - Other expenditure is evidenced by original receipts.
  - Car mileage is based on HMRC scales. No signatory should sign for the payment of expenses to themselves or authorise electronic payments to themselves.

## **10. Cheque Signatures and cash cards**

- 10.1.** Each cheque will be signed by at least two people.
- 10.2.** Electronic bank payments will be authorised by at least two people.
- 10.3.** A cheque must not be signed by the person to whom it is payable.

## **11. Other undertakings**

- 11.1.** The Friends of Rowntree Park 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 authorised and minuted by the trustees. 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 trustees. (This covers such items as the new service contracts, office equipment, purchase and hire).
- 11.2.** All fundraising, contract bids and grant applications made on behalf of the organisation will be done in the name of the charity with the prior approval of the trustees or in urgent situations the approval of the Chairperson who will provide full details to the next trustee's meeting.
- 11.3.** Copies of grant applications 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.
- 11.4.** Any funding contracts or grant acceptance documentation exceeding £5,000 will be brought to the trustee's attention for approval. In urgent situations this may be by e-mail to all trustees.

## **12. Other rules**

- 12.1.** The Friends of Rowntree Park 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.
- 12.2.** The charity will maintain up to date good quality antivirus and anti-phishing software on all FRP devices that connect to the internet.