



Registered Charity No. 1192282

Procedure – Financial Controls

Approved by Trustee Board:

16th June 2023

Next Review:

April 2024

Introduction

This procedure sets out the arrangements for the prudent financial management of the charity. It has been prepared to ensure financial compliance with relevant legal requirements in respect of the charity and takes account of the self-assessment check list contained within the guidance issued by the Charity Commission.

Responsibilities & Authorities

The trustees are collectively responsible for establishing the financial controls and monitoring performance of the charity to ensure compliance with legal requirements. They are responsible for

- The setting and approval of a budget to support the charity's activities, monitoring performance against the budget and taking appropriate action to address any variances which may give rise to concern.
- To ensure all funds received from grants and donations are accurately recorded within the accounts and are only used in accordance with any specified conditions relating to their use
- The setting of a financial reserve
- The approval of the charity's accounts following an independent examination by a competent person or organisation.
- The timely review and audit of the charity's financial controls and taking appropriate action to make necessary adjustments to the procedures and training of personnel
- Appointing a professional independent body to provide a book-keeping service
- Appointing suitable competent personnel to enable fees and donations to be received and processed in line with the charity's financial controls procedures.

To facilitate the smooth running of the charity nominated individuals appointed by the trustees, will be given delegated authority to enter into contracts, approve purchases up to the value of £1000, Purchases beyond this value should be agreed by the Trustee Board.

Procedure

Reserves

The trustees will ensure that unrestricted financial reserves are

- Established and maintained to support the charity's planned activities for a period of not less than six months. The level of this reserve will be agreed by the trustees at the beginning of each financial year (1st November to 30th October).
- Invested in an account which ensures that the capital is not put at risk and the charity can sustain sufficient working capital.

The Book Keeping Service will ensure that relevant details of the reserves are entered into the charity's accounts.

Budgets

A budget of income and expenditure for each financial year (1st November to 30th October) will be approved by the trustees.

Prior to approval of the budget the trustees must

- Consider whether the proposed budget is sufficient to support the charity's objectives and agree whether reserves (if available) are required to be used.
- Agree the maximum net cost of each planned exercise, sports or social event at the outset and details recorded in the meeting minutes.
- Identify any level of variance which is required is to be reported to the trustees for approval.

Once approved, the Project Manager has the authority to make purchases and commit to other expenditures within the agreed budget up to a limit of £1000 without further reference to the trustees.

Income

Cash, Cheques & Card Payments

A "Session Attendance & Receipt Summary" (ref 1) and "Receipt Book" (ref 2) is used to record income received at each of the sessions. Each receipt from the Receipt Book contains a reference number and includes details of the activity being attended along name of the participant, date and amount received.

The Receipt book reference number is entered on the Session Attendance & Receipt Summary to facilitate traceability and audit.

The total amount of money received (cash & card) must be accurately checked by two people and recorded on the Session Attendance & Receipt Summary.

The cash and card receipts along with Session Attendance & Receipt Summary for each session are held by the Registration & Membership Administrator.

The Registration & Membership Administrator ensures that

- All reconciled monies received are banked as soon as possible.
- "Session Attendance & Receipt Summary" and "Receipt Books" are retained and securely stored until these have been subject to audit.
- A copy of the Session Attendance & Receipt Summary is provided to both the Bookkeeper and Session Co-ordinator after each session.
- Summary details of the monies received and banked is provided to the Book Keeping Service on a weekly basis.
- The monies received into the current account from the card payment and checked against the receipts on a weekly basis.

Petty Cash

The Registration & Membership Administrator is responsible for the management of the Petty Cash float (maximum £50.00) for small value purchases and will record

and keep receipts for each transaction.

The Registration & Membership Administrator should reconcile the float and replenish up to the value of £50.00 with the Book Keeping Service at regular intervals

Fund Raising Activities

Where books of licenced raffle tickets are to be issued then these should be pre-numbered and a record kept of the persons issued with these tickets to sell and the associated ticket numbers.

A nominated person will keep a record of which tickets have been sold and reconciled to the money received prior to providing income details to the Book Keeping Service and the subsequent banking of the proceeds.

The Book Keeping Service enters details of income received into the charity's accounts

Grants

The Project Manager and / or Secretary will ensure that details of all grants received, along with any specified restrictions on the use of the funds, are recorded and details included in the minutes of trustee meetings.

The Book Keeping Service

- Enters into the Charity's accounts details of grants received
- Ensures that any expenditure of restricted or unrestricted funds are readily identifiable within the accounts
- Periodically provides information to the trustees of the expenditure made using monies received from grants.

Donations

The Project Manager and / or Secretary will ensure that the details (name and date received etc) of any donation is recorded and a letter of thanks sent to the donor.

Note:

- Any cash or cheque donations received are recorded separately and details are notified to the Book Keeping Service.
- Donations of goods and services for fund raising activities (eg raffle prizes) with a value of less than £30 are not specifically identified within the charity's accounts, but a note of thanks is issued.

The trustees will be notified of the list of donations and will be required to:

- Confirm that the donation is from an acceptable source and
- Any specified conditions of the donation are agreed and acted upon.

Any cash and cheques received are transferred to the Registration & Membership Administrator for banking.

All non-cash donations are retained and stored securely until either sold or used for the benefit of members.

The Book Keeping Service enters details of donations received into the charity's

accounts

Note: If the charity obtains free use of venues and facilities this will be 'benefit in kind' income. The Project Manager will be responsible for notifying the Booking Service of all such income so that it can be recorded into the accounts.

Purchases

The purchase of significant items of equipment, materials and insurances must be approved by an authorised executive (the Project Manager, Session Co-ordinator or trustee not requesting the purchase) prior to the order being placed and recorded on the Purchase Order agreement form (ref 3).

Purchases of more than £1000 must be approved by the trustee board.

The Book Keeping Service ensures that purchases of significant equipment (and any donation of such items) with a value of £100 or more is recorded within the end of year accounts.

The Session Coordinator must maintain and retain an Asset Register of all significant items held at each of the locations used by the charity for its activities.

Corporate Card

The Project Manager and Session Co-ordinator are holders of the "Corporate Card" and are authorised to make purchases up to a value of £1000.

The trustees will agree authorisation of an alternative executive to have use of the card should this become necessary. The Secretary is responsible for notifying the issuing bank of the name of this individual.

Payments

Goods & Materials

Under exceptional circumstances and where it is not possible for the Project Manager or the Session Coordinator to use the Corporate Card then individuals will seek approval from a trustee to make payment for the item unless it can be paid from Petty Cash. Payments in excess of £50 must be made by either a secure payment (Credit BACS or cheque) and approved by two trustees.

If an individual places an order then they are not permitted to approve payment from the charity's account. Proof of receipt or invoice should be attached to the Purchase Order agreement form and submitted to the Project Manager.

Miscellaneous expenditure up to the value of £50 should be paid from Petty Cash, subject to the necessary approvals, a receipt being provided and must be recorded. Relevant receipts must be provided to the Project Manager for payment from Petty Cash.

The Project Manager confirms that the goods & materials have been received and notifies the Book Keeping Service of the purchases.

The Book Keeping Service enters details of the purchases within into the charity's accounts

Note: The Session Coordinator is responsible for maintaining and updating the asset inventory.

Payment of Staff

Management of staff payroll is undertaken by the Book Keeping Service.

Employed coaches complete the Staff Timesheet (ref 4) at the end of each month to record the hours worked in the period and submit to the Session Coordinator for approval.

A nominated executive will

- For each employee - Notify the payroll agency of the contracted hours to be worked and the agreed hourly pay rate (taking account of annual leave entitlement).
- For the Project Manager, Session Co-ordinator and Registration & Membership Administrator - Notifying the payroll agency if the number of hours worked in a month is different than the contracted hours (taking account annual leave entitlement)

The Session Co-ordinator

- Notifying the payroll agency of the number of hours worked in a month for each of the staff coaches (taking account annual leave entitlements).

The Booking Service will

- Based upon the information received, prepare the "Pay Slip".
- Submit the "Pay Slip" for approval to the nominated executive.
- Following approval from the nominated executive, arrange payment to the staff members via bank transfer.

Payment of third party coaches/ instructors

Where third party coaches or instructors have been hired to deliver a session then they must provide a uniquely identified written record (invoice/receipt) identifying their name (and / or business), the nature of the session(s) together with the date and location of where the session was held.

The Session Co-ordinator

- Signs the invoice/receipt to confirm that it accurately reflects what was delivered.
- Provides the "invoices" to the Book Keeping Service.

The Book Keeping Service

- Ensure that no payments are made without an approved invoice.
- Arranges payment to the coach / teacher via bank transfer.

Refunds

Individuals may be asked to pay to participate or attend an event organised by the charity. A refund of monies paid will not normally be made to any individual who does not attend the event.

A refund of any monies paid will be offered for an event which the charity organised, but is subsequently cancelled or postponed. If the individual decides that a refund is

required then

The Registration & Membership Administrator will

- Arrange for the refund to be made and obtain a written agreement that the monies have been received.
- Provide the Book Keeping Service with details of the refunds made.

Expenses

The charity does not routinely pay expenses to support the charity's activities. The trustees may agree to pay ad-hoc expenses incurred by individuals for

- Attending training courses to support the charity's objectives.
- When travelling to external competitions (eg football tournament) if suitable transport is not provided by the charity and this enables members to participate.
- Making a refund of monies to individuals where these have been requested and agreed

"Ad-Hoc" expenses must be agreed by the trustees on a case-by-case basis prior to them being incurred and approval recorded on the "Ad-hoc" expenses form (ref 5).

Banking

The Project Manager ensures that

- All monies, including cash and cheques are reconciled before payment ~~and are~~ paid directly into the Together We Can Do bank account with Unity Trust Bank.
- Summary details of the monies received and banked is provided to the Book Keeping Service at the end of each working week.

Cash and cheques should be deposited as soon as possible following their receipt. In the event of multiple deposits being made at the same time then the source of the income should be readily identifiable.

Accounts

Management

The Book Keeping Service

- Ensures that summary details of receipts, donations and payments are recorded into an accountancy spread sheet / software package.
- Provides the balance of all of the charity's bank account, together with details of income, expenditure or any budget variance to the trustees on a monthly basis.

The trustees should review this information in order to seek assurance that financial probity of the charity is maintained.

Review & Audit

The Book Keeping Service and Chair independently check that the income and expenditure records have been reconciled with the bank statements and will notify discrepancies to the trustees for appropriate action, including expenditure against specific grant/donations etc.

The Secretary is responsible for

- Arranging the periodic audit of expenditure made via the Corporate Card.
- Arranging the periodic audit of the suitability and accuracy of the records of retained by the Registration & Membership Administrator.
- Providing the trustees with a summary of the findings of the periodic audits and recommendations. In the event of any significant discrepancies being found the Secretary must notify the Chair of Trustees (or another trustee if unavailable) of the audit findings, together with any recommendations to resolve these discrepancies in accordance with the Charity's legal obligations.

Approval & Reporting of Year End Accounts

The Book Keeping Service provides a draft Summary of Year End Accounts report to the trustees for approval.

Prior to the approval of the final accounts being submitted to the Charity Commission the trustee board must ensure that

- The accounts have been examined by an appropriately qualified independent person or organisation
- The appropriately qualified independent person is satisfied and confirms that the accounts are accurate.

The Secretary will circulate the approved Summary of Accounts to members prior to or at the Annual General Meeting before submission to the Charity Commission.

Records

The Secretary will ensure that all documents and records required by this procedure are retained for at least 6 years.

References

1. Session Attendance Register & Receipt Summary, Issue 2, October 2022
2. Receipt Book
3. Purchase Order Agreement, Issue 2a, May 2023
4. Staff Timesheet, Issue 2, April 2022
5. Ad-hoc" Expenses Form, Issue 1, Nov 2020