

Financial Governance Policy

November 2021

1. General Financial Policies

1. The Trustees will manage the assets of the Charity in accordance with the terms of the Audlem and District Community Action (ADCA) Trust Deed, dated 7th January 2011.
2. The Trustees will keep in repair and insure to their full value against fire and other usual risks any buildings or other property that is owned by the charity, including monies which are the property of ADCA but which are temporarily held for administrative purposes in another public or private building, or in transit.
3. The Trustees will also insure suitably in respect of public liability and employer's liability.
4. Financial records will be kept to ensure that ADCA meets all its legal and other obligations under Charity Law and Company Law.
5. The financial year will run from 1st April to 31st March and accounts for each financial year will be drawn up and approved by the Trustees prior to being presented to the Annual General Meeting. This approval and Meeting will take place as soon as is practicable after the end of the Financial Year, and in any case no later than six months after the end of the Financial Year.
6. The annual accounts will be independently examined by an auditor or examiner of accounts appointed by the Trustees.
7. The Trustees will approve an income and expenditure budget prior to the start of each new Financial Year and financial performance will be monitored at every Trustee meeting.
8. The Trustees will approve a reserves policy, and determine the extent and nature of reserves designated as Restricted Funds.
9. All funds will be held in accounts in the name of Audlem and District Community Action at such banks and on such terms as the Trustees will decide. The company's main bank account is currently maintained with the Co-operative Bank. The Trustees will review bank and investment arrangements regularly.
10. All cheques, standing order and direct debit mandates will be approved by two Trustees currently authorised to do so by a minute of a Trustee Committee Meeting. Payments that are made by electronic Bank Transfer may be made by the Treasurer with prior approval or subsequent ratification by the Chair or another Trustee currently authorised to do so, and a schedule of all bank payments in the period will be submitted by the Treasurer to each Trustee Committee Meeting for ratification.
11. The Treasurer will present a financial report to every meeting of the Trustees. The format and content of the report to be decided by the Trustees.
12. The Trustees will undertake a financial risk assessment of all Trust activities, to include the risks of financial crime and the need for appropriate protection of the Charity's data and computer systems. This assessment will be reviewed annually.
13. Newly appointed Trustees will be given a copy of the latest accounts and the latest Financial Governance Policy and Procedures.
14. The Treasurer will maintain a fixed asset register of all assets valued over £200 at the time of purchase.

2. Financial Procedures

Financial records

1. A record of all income and expenditure will be kept up-to-date by the Treasurer.
2. This record, together with all supporting documentation, will be submitted by the Treasurer to the company's auditors as soon as practicable after the end of the financial year.
3. The charity's bank account will be reconciled by the Treasurer on at least a monthly basis and appropriate action taken in respect of any cheques issued but not yet presented or any payments in that appear not to have been received.
4. The Chair will perform a check on the bank account/s at least every three months and will resolve any apparent discrepancies with the Treasurer.

Payment procedures

1. All expenditure must be properly authorised and documented.
2. All purchases above £250 of non-budgeted expenditure will be authorised in writing by the Chair or Treasurer (or by two or more Trustees) before the order is placed. The subsequent invoice must be checked against the order and authorised before payment. All other purchases of goods and services where it is not practical to authorise before commitment can be paid for by the member of staff or volunteer and the cost claimed back with receipts attached using an ADCA Expenses Claim Form, authorised by the Chair, Treasurer, Assistant Treasurer or Community Services Manager.
3. The Treasurer will be responsible for holding the cheque books (unused and partly used cheque books), which should be kept under lock and key.
4. Blank cheques will NEVER be signed. Of their nature electronic transfers do not carry signatures.
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, typically an original invoice or its electronic equivalent.
7. All direct debit mandates will be completed by the Treasurer and signed in accordance with the bank mandate.
8. Payments or transfers above £500 (excluding internal transfers between ADCA accounts) require the authorisation of the Chair or Treasurer.
9. Salary and pension payments to staff members of the charity will be overseen by the Treasurer in accordance with the levels of payment and pension contributions agreed by the Trustees and minuted with due regard to confidentiality at a Committee meeting. Any changes to hours and/or salary rates must be authorised in writing by the Chair or Treasurer. Payments to staff should be made by electronic bank transfer.
10. Any necessary and reasonable expenses incurred by the Trustees or by volunteers in carrying out the work of the charity will be reimbursed against a signed expenses claim, authorised by a Trustee or the Community Services Manager (or the Senior Coordinator in the Community Services Manager's absence on leave). Mileage rates will be in accordance with HMRC approved rates.
11. Cash payments will be authorised by the Chair, Treasurer or Assistant Treasurer and entered on the Charity's computer records by the Assistant Treasurer.

Income procedures

1. All income will be paid into the bank without deduction.
2. Grants to the charity in respect of the work it undertakes will normally be paid against invoices issued on behalf of ADCA, direct into the charity's bank account.
3. Cash will be counted by the person collecting it and placed in an envelope with a note of the total cash, which is then passed to the Assistant Treasurer. Cash income from clubs and activities will be checked against the records produced at the club or activity.
4. The Assistant Treasurer will check the actual cash against the recorded total and immediately refer any discrepancies back to the originator.
5. For any cash and/or cheques received, the Treasurer or Assistant Treasurer will record the amounts and the date received along with the source of the funds and will pay the monies into the bank account as soon as is practicable.
6. Any ticket sales will be numbered, allocated and a reconciliation made of money received against tickets sold.
7. Regular checks will be made to ensure all Gift Aid donations and tax repayments are obtained from HMRC and necessary records kept to support claims.

Approved by the Trustees on 5 November 2021