



DONNINGTON PARTNERSHIP

Registered charity number: 1175291

Financial Controls Policy

INTRODUCTION

1) Financial records must be kept:

- To ensure the trustees comply with charity law and regulation relating to finance.
- To protect the charity's assets
- To ensure the financial reporting is robust and of sufficient quality
- To identify and manage the risk of loss, waste, theft or fraud

2) The books of accounts must include:

- A cashbook analysing all the transactions appearing on the bank accounts.
- A petty cash spreadsheet for all cash payments
- Inland Revenue deduction cards P11

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

4) Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.

5) A report showing actual income and expenditure should be presented to the trustees every month or whenever meetings take place.

6) The trustees will appoint an appropriately qualified auditor/independent examiner to audit/examine the account for presentation to the next AGM.

7) The trustees will at least annually, ensure a review is conducted of the effectiveness and relevance of the charity's internal financial controls.

BANKING

1) The charity will bank with Lloyds Bank PLC at its Newport Branch and accounts will be held in the name of Donnington Partnership. The following accounts will be maintained:

- Donnington Partnership Treasurers Account (current account)
- Donnington Partnership instant access Account

2) The bank mandate will always be approved and minuted by the trustees as will all the changes to it.

3) The charity will have access to online banking with two trustees authorising any payments made, the treasurer will print out bank statements every month, and these will be reconciled with the cash book at least every month.

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

RECEIPTS (INCOME)

1) All monies received will be recorded promptly in the cash analysis book and banked without delay and without deductions. The charity will maintain files of documentation to back this up.

PAYMENTS (EXPENDITURE)

1) The secretary will be responsible for holding the cheque book (unused and partly used cheque books) which must be kept under lock and key.

2) Blank cheques will never be signed.

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

4) No cheques should be signed without original documentation.

5) Regular review of standing order and direct debit payments are made to ensure payments remain in accordance with valid instructions given to the bank.

6) Card Payments, must only be for £500 at a time and the receipts must be attached to the cheque book for reference.

PAYMENT DOCUMENTATION

1) Every payment out of the Charities 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 Donnington Partnership 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 advance booking fees for a future course, deposit for a venue 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, the Inland Revenue etc. All employees will be paid within the PAYE and National Insurance regulations.

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

5) Expenses / allowances. The charity will, if asked, reimburse expenditure paid for personally by staff or volunteers, providing:

- Payments for expenses will always be made by BACS or cheque never cash.
- Fares are evidenced by tickets
- Other expenditure is evidenced by original receipts
- Car mileage is based on scale set by the Charity
- No cheque signatory signs for the payment of expenses to themselves.

PETTY CASH

1) Cash payments are for small amounts only

2) Cash should be paid out of a petty cash float specifically kept for such payments and not from incoming cash.

3) Details of all payments will be entered in the petty cash records.

4) The balance of petty cash in hand and the records should be kept securely

5) The float for petty cash will be no more than £100. When that is more or less spent a cheque will be drawn for sufficient funds to bring the float up to the agreed sum.

The Café will have a working Capital of £600, when that is depleted another up to £600 may be allocated.

6) Regular spot checks of the petty cash float should be made by an authorised person independent of the person who maintains the petty cash.

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

3) A register will be drawn up and retained in the charity's accounting records detailing cheque signing limits.

BACS PAYMENTS

- 1) A list of authorised individuals will be drawn up and retained in the charity's accounting records
- 2) A bank statement should be printed and retained after each online transaction and held as part of the accounting records
- 3) All passwords and PIN's should be kept secret
- 4) Passwords are periodically changed

OTHER RULES

- 1) The charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertaking given which may cost the charity in excess of £1000.00 must be authorised and minuted by the trustees.
- 2) In exceptional circumstances such undertakings can be made with the Chairpersons approval who will then provide full details to the next meeting of the trustees.
- 3) All fundraising and grant applications undertaken 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.
- 4) The charity will maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of the assets. Additionally the charity will maintain a property record of items of significant value, with an appropriate record of there use.
- 5) The charity will adhere to good practice in relation to its finances at all times
- 6) Trustees should report any incidents of financial crime and abuse that takes place in their charity to the police and the Charity Commission.

This policy was adopted by Donnington Partnership Trustee Board

Signed:.....on behalf of the Trustees

Print Name..... Date.....