



## **Financial Policy and Procedures**

### **Purpose:**

To define the financial systems used by Parents in Partnership, Croydon (PIP) and how they relate to all areas of the organisation.

Relevant to Trustees, Manager, Volunteers and staff. All suggestions for amendment to be agreed by Board of Trustees.

### **Contents:**

1. Financial Policy
2. Financial Procedures
  - 2.1 Organisational information
  - 2.2 Bank Accounts
  - 2.3 Signatories
  - 2.4 Budget
  - 2.5 Financial reports
  - 2.6 Accounting and financial records
  - 2.7 Authorisation and Approval Levels
  - 2.8 Petty Cash
  - 2.9 Staff Expenses
  - 2.10 Payment Process
  - 2.12 Income
  - 2.13 Payroll
  - 2.14 Insurance
  - 2.15 Reserves Policy
3. Related documents
  - Parent Remuneration Policy

## **1. Financial Policy**

1.1 The Board of Trustees is responsible for:

- Safeguarding the assets of the charity
- Preventing fraud
- Avoiding mistakes
- Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Approving the Annual Accounts in accordance with the governing document and relevant legislation
- Approving the budget and monitoring the financial position
- Signatories to the bank accounts
- Approving exceptional items of expenditure

1.2 To enable the Board of Trustees to carry out these responsibilities, the Financial Procedures detailed below must be followed always by all Board of Trustees, staff and volunteers.

1.3 A copy of this policy and procedures will be given to all Trustees on their appointment to the Board and to all relevant staff and volunteers.

1.4 The policy and procedures will be reviewed annually by the Board of Trustees and revised as necessary.

## **2. Financial Procedures**

### **2.1 Organisational Information**

a) Our Financial Year runs from 1<sup>st</sup> April to 31<sup>st</sup> March.

b) Name of Bankers:

CAF Bank limited  
25 Kings Hill Avenue  
West Mailing  
Kent  
ME19 4JQ

c) Name of Payroll Service Provider:

Creative Payroll Services

Sutton Community Voluntary Services  
Granfers Community Centre  
73-79 Oakhill Road  
Sutton  
Surrey  
SM1 3AA

d) Name of Auditor/Independent Examiner:

Sutton Community Voluntary Services  
Helen Varney  
Community Accountant  
Granfers Community Centre  
73-79 Oakhill Road  
Sutton  
Surrey  
SM1 3AA

## 2.2 Bank Accounts

- a) All bank accounts must be in the name of the organisation.
- b) No account may ever be opened in the name of an individual or individuals.
- c) New accounts may only be opened by a decision of the Board of Trustees, which must be minuted.
- d) All cheques must be signed by two signatories.
- e) The signatories are responsible for examining the cheque for accuracy and completeness.
- f) All Internet bank transfers and mandate instructions must be authorised by two signatories.
- g) The signatories are responsible for ensuring accuracy and completeness prior to transmission.
- h) Blank cheques must **never** be signed.
- i) The Treasurer will have access to bank statements and monthly reconciliations.
- j) Debit card payments will only be made by the Trustee(s) who are authorised to do so.
- k) The Administrator will have log in access to on-line bank for viewing bank statements only to confirm if BACS invoices have been settled. This is linked to the on line financial control system (QuickBooks)

## 2.3 Signatories to the accounts:

i) Name: Julie Newton-Smith  
Role/Job Title: Chair of Trustees / Treasurer

ii) Name: Julie Hardy-Mcbride  
Role/Job Title: Company Secretary

iii) Name: Gaynor Murphy  
Role/Job Title: Treasurer

iv) Name: Liam Mallon  
Role/Job Title: Trustee

## **2.4 Budget**

- a) A budget setting out the organisation's financial plan for the forthcoming year will be prepared so that the Board of Trustees can approve it before the start of each financial year.
- b) The draft budget will be prepared by the following personnel, and agreed by the Board:
  - Treasurer
  - Manager
- c) It may be updated in line with new funding streams and associated expenditure throughout the year.
- d) The budget performance will be reviewed at least quarterly at the Board of Trustees meetings.

## **2.5 Financial Reports**

- a) A financial overview will be prepared for every Board of Trustees meeting and will consist of the current balances at bank in cash and gold accounts. Also report to board of any delays or urgent variances to income/expenditure.
- b) The reports will be prepared by the Treasurer.

## **2.6 Accounting and other financial records**

- a) The organisation uses accounting system Quickbooks

This is updated by the Administrator who records:

- All income received from grants, funding agreements and donations.
- All expenditure made via cheque, Internet Banking Transfers, standing orders, and direct debits.

Every transaction will be entered and will include:

- Date of the transaction
- Name of the person or organisation the money was received from or paid to.

- Purchase order or invoice number and period
- The total value
- A brief description of the items or service
- The relevant expenditure category and the allocated funding stream.

b) All documents relating to receipts and payments will be filed in date order by financial year.

c) Our accounting system is accessed by The Manager, the Administrator, the Treasurer and the Organisations Accountant who all have individual username and passwords. These are set up and managed by the Treasurer.

d) All data is live and accessed on line.

e) Monthly bank reconciliation is conducted against finance system, record findings, and hold Bank statements/cheque books

## 2.7 Authorisation and Approval Levels

<b><i>Position</i></b>	<b><i>Expenses Approval</i></b>	<b><i>Ordering products /services</i></b>	<b><i>Debit Card</i></b>
<b>Administrator</b>	-	Up to £50 stationary only	-
<b>Manager</b>	Staff Chair	Up to £100	-
<b>Treasurer</b>	Staff Manager	Up to £200	Up to £100
<b>Chair</b>	Trustees Manager Staff	Up to £300	Up to £200
<b>Trustee Board</b>	Staff Manager Chair	Approval for over £300 & items not in budget	Approval for over £200 & not in budget

No Board of Trustees or staff member may authorise payment to themselves their partner or relatives.

## 2.8 Petty Cash

A small amount of Petty Cash is held in the office for small items of expenditure which do not fall into the staff expenses category. Maximum claim £25. The administrator manages Petty cash, with Manager and Chair having access in her absence.

### Request for Reimbursement

- a) Verify that the applicant has submitted an expense receipt for an amount less than the maximum reimbursable available, and which contains the purchase date, amount, and name of the supplier. If there is no receipt, have the applicant complete the missing receipt form, which requires an approval signature from the applicant's supervisor.
- b) Enter the date, expense description, and amount on the Received of Petty Cash voucher, sign it in the "Approved By" field, and have the applicant sign it in the "Received By" field. Each slip is numbered for reconciliation.
- c) Pay the requested petty cash to the applicant. Staple either the receipt or the missing receipt form to the back of the Petty Cash voucher and place in cash box.

### Recording Transactions

- a) On a monthly basis or when replenishment is required Quick Books is updated using Petty Cash account with slip number, details in descriptive fields for transactions using receipt and voucher information.
- b) The Manager/Administrator will complete a reconciliation of the Petty cash box, slips, receipts, and QuickBooks account and record results. A report is printed and filed with associated Petty cash slips.

c) When cash replenishment is made, this is recorded both in QuickBooks and summary sheets held in the cash box.

## **2.9 Expenses**

- a) All Staff and Trustee expense claims are to be recorded and submitted in accordance with staff expenses policy
- b) All Volunteer and Parent Forum expense claims are to be made in line with The Parent Remuneration Policy.
- c) All expenses are to be approved as described in 2.7.
- d) All expenses claim once approved are to be forward to the Administrator for processing by the 5<sup>th</sup> of the following month.

## **2.10 Payment Process**

- a) All requests for payment are passed to the Administrator.
- b) Invoices and expenses are checked for accuracy and then accompanied by requisition form (see appendix) and completed with payment details.
- c) Invoices should be matched and checked against the Purchase Order book before payment is authorised. All goods received must be signed for; if unchecked they must be checked for completeness before payment.
- d) These are then authorised for payment (see 2.7).
- e) Before a cheque or Internet payment is made, it must be authorised.
- f) Wherever possible payment to be made by BACS and where applicable funding source is recorded on requisition form.
- g) When the cheque is signed, the two signatories should also sign the Cheque Requisition Form
- h) Once payment has been made the form should be marked "Paid", together with the cheque number and date.
- i) All payments must be entered in the computerised accounting system only after being authorised and paid. All paperwork is then filed in date order.

## **2.11 Income**

- a) Income via grants/funding agreements will have their terms recorded within the accounting system by Customer. A hard copy will also be kept in file.
- b) Invoices are raised in accordance to terms and recorded on system by funding stream and class.
- c) These are kept in an outstanding file until confirmation received and then income recorded as received.
- d) Invoice and remittance matched and filed.

## **2.12 Payroll**

- a) All employees (including sessional and part time employees) must be asked to complete the relevant PAYE form/s before they receive any payment.
- b) All staff changes and changes to terms and conditions of employment must be authorised and minuted by the Board of Trustees.
- c) All salary calculations and employer deductions will be made, recorded and reported by Creative payroll.
- d) A monthly breakdown of the payroll will be sent electronically
- e) Payroll monthly standing order will have recorded on accounting system and a copy filed.

## **2.13 Insurance**

- a) Appropriate Insurance policies will be maintained to cover:
  - Employer's Liability
  - Public Liability
  - Indemnity
- b) An inventory of all physical assets of the organisation will be kept and regularly updated.
- c) A copy will be kept off the premises.

## **2.14 Reserves policy**



The organisation seeks to maintain an unrestricted reserve at all times of 6 months' salary and core running costs. This allows for staff and volunteers to be assured of a reasonable continuity of PIP's services. The reserve levels are monitored on a monthly basis and the reserves policy is reviewed annually.

**This Financial Policy, and the Financial Procedures detailed above were agreed and minuted at a meeting of the Board of Trustees on:**

<b>Approved by:</b>  <b>Julie Newton-Smith</b> <b>Chair of Trustees</b>	<b>Signed:</b>	<b>Date:</b>  <b>Review by July 2018</b>
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