



# Financial Control Policy

Amended 02.08.2023

## **Financial Control Policy**

The financial control policy consists of:

- Management of financial records
- Banking arrangements
- Receipts
- Cheque payments
- Voucher payments
- Expenses payments
- Payment documentation
- Staff
- Other rules

## **Management of financial records**

1) The financial control policy is designed to ensure that all expenditure is on the forum's business; that it is properly authorised; and that this can be demonstrated.

2) Financial records (a record of the forums accounts) must be kept so that the forum:

- has proper financial control of the organisation
- meets its legal and other statutory obligations (if relevant), such as Charities Act, Inland Revenue, Customs & Excise and common law
- meets the contractual obligations and requirements of funders

3) The record of accounts must include:

- an analysis of all the transactions appearing on the bank accounts
- a petty cash book if cash payments are being made (N/A as no cash payments will be made)
- Inland Revenue deduction cards P11 (if registered for PAYE) – (N/A at the moment)

4) Accounts must be drawn up at the end of each financial year within three months of the end of the year, and presented to the next Annual General Meeting or Full Steering Group Meeting.

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

6) A report comparing actual income and expenditure with the budget should be presented to the steering group/members on a regular basis (possibly every three months).

7) If the forum is a legal constituted group, the AGM will appoint an appropriately qualified auditor/independent examiner to audit/examine the accounts for presentation to the next AGM (you can use some of your grant to pay for this if required).

## **Banking arrangements**

- 1) The forum will bank with Lloyds bank at its Victoria Branch and accounts will be held in the name of City Parent Carer Forum.
- 2) A bank mandate (the list of people who can sign cheques on the forum's behalf) will be approved and minuted by the committee/steering group, as will any changes to it.
- 3) The forum will require the bank to provide statements every month. These will be reconciled with the Record of Grant Spend Spreadsheet at least every three months. The Treasurer will check that this reconciliation has been done at least twice a year, confirming by email to the steering group that this has been done.
- 4) The forum will not use any other bank or financial institution, or use overdraft facilities or loans
- 5) The forum should, if possible, aim to maintain a reserve in its account equal to three months of running costs, or £200, whichever is higher (this needs to be determined on an individual forum basis).

## **Receipts**

- 1) All monies received by the forum will be recorded promptly on the Forum financial spreadsheet and banked without delay (this includes sundry receipts such as payment for telephone calls, photocopying etc.). The forum will maintain files of documentation to back this up.

## **On-line payments**

- 1) All payments made via on-line banking will be cleared in advance by at least two bank signatories before payment is made.
- 2) Confirmation from two signatories will be via email which will be attached to the invoice).
- 3) Any payment made via on-line banking will immediately be put on the forum financial spreadsheet and reconciled with bank statements quarterly.

## **Cheque payments**

- 1) The approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure and not beyond it.
- 2) The Treasurer/s will be responsible for holding the cheque book (if supplied) – (unused and partly used cheque books) which should be kept in a secure place.
- 3) If using cheques for payments, each cheque will be signed by at least two people.
- 4) A cheque must **NOT** be signed by the person to whom it is payable.

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5) Blank cheques will **NEVER** be signed.

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

7) No cheques should be signed without original documentation (see below).

## **Expense payments**

1) The forum will, if asked, reimburse expenditure paid for personally by volunteers or staff, providing it has been agreed and minuted to do so, and that:

- fares are evidenced by tickets
- other expenditure is evidenced by original receipts containing the items claimed against ONLY
- car mileage is based on agreed and reasonable mileage rates
- no cheque signatory signs for the payment of expenses to themselves

## **Payment documentation**

1) Every payment made from the forum's bank account (whether by on-line payment or by cheque) must be evidenced by an original invoice and never against a supplier's statement or final demand. That original invoice will be retained by the forum and filed. The cheque signatory (or approving financial officers) should ensure that it is referenced with:

- Forum Financial Spreadsheet
- On-line bank record entry
- Amount paid against Bank Statement

2) The only exceptions to payments not being supported by an original invoice are items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. In these circumstances, a record (Quote, Order etc.,) will be kept until final invoice is received.

## **Staff – (For future reference only – no staff employed at present)**

1) If the forum has employed staff, there must be a clear trail to show the authority and reason for EVERY such payment to staff; e.g., a cheque requisition form asking for payment to an employee. All formal employees will be paid within the PAYE and National Insurance regulations.

2) All staff appointments or departures will be authorised by the committee/steering group, minuting the dates and salary level. Similarly, all changes in hours and variable payments (e.g., overtime) will be authorised by the committee/steering group.

## Other rules

1) The forum does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the forum in excess of £100 must be authorised and recorded (via email) by the committee/steering group.

2) In exceptional circumstances, such undertakings can be made with the Steering Groups approval who will then provide full details to the next meeting of the committee/steering group.

3) The forum will adhere to good practice in relation to its finances at all times. This should include when relevant a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, the forum will maintain a property record of items of significant value, with an appropriate record of their use. Any assets should be returned to the forum if individual members stand down.

4) Purchases of goods or services over a value agreed by the committee/steering group will be subject to obtaining at least two quotes, and the subsequent decision based on value for money and minuted by the committee/ steering group.

5) Any member of the committee/steering group who has a personal interest in, or connection to, an organisation or individual who is already being paid by the forum (or intends to quote for work being commissioned by the forum) must declare this interest and have it minuted by the committee/ steering group.

## DATE DISCUSSED / AGREED WITHIN FORUM – MEMBERS PRESENT

Signed: Martha

Position: Steering Group Member – Finance Officer

Date: 27.06.23

Signed:Tim

Position: Steering Group Member – Finance Officer

Date: 27.06.23

Signed:Mark

Position: Steering Group Member – Finance Officer

Date: 27.06.23

This policy will be reviewed by (27.06.24)