Financial Controls and Cash Handling Policy

POLICY CONTROL

Version	Description	Date
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1.1 Related policies

Health and Safety Policy
Lone Working and Personal Safety Policy
Expenses Policy
Thank you Policy

Financial Controls and Cash Handling

Policy Statement

This policy briefly covers a range of financial duties and responsibilities that we take seriously. All trustees have an absolute right to examine and review all financial and other records of the charity, at any reasonable time, wherever they are held.

Trustees Duties

1. To ensure that the charity keeps proper records; that annual accounts and reports are produced, and that they conform to current Charity Commission regulations, and the charity's governing document.
2. Accounts should be formally approved at an annual meeting and all existing trustees provided with a set of accounts annually. Any new trustees should be provided with a set of the latest accounts.
3. Trustees are responsible for being aware of the Money Laundering Regulations, and conflicts of interest and the definition of "connected" persons. Appropriate policies should be in place and regularly reviewed. All conflicts of interest are to be declared at the outset of any business meeting.

Employees' and Volunteers' Duties

To follow the procedures laid down and immediately report any irregularities to their manager or a trustee.

Budget

An annual budget is to be presented to and agreed by the trustees. Any departures from this budget must be agreed with the trustees, or in matters of urgency, by the Chair of trustees. If the Chair agrees any changes outside a trustees' meeting, it must be ratified at the next meeting or, if necessary, a special meeting called for that purpose.

Internal Controls

Accounting records must be kept accurately, and procedures always followed. Appropriate expense forms must be completed and appropriately authorised, with supporting vouchers and receipts for all expenditure. All cheque books, bank statements, and paying in books must be kept securely in the designated place, when not immediately in use. Care must be taken not to allow any of these items to be seen by unauthorised people who could use the bank details for their own purposes.

Authorisations

1. All purchases over £500 (excluding stock, rent, salaries, vehicle running costs, insurances.) need prior authorisation from the Chair of Trustees or the Vice Chair of Trustees before being ordered.
2. All expenditure on services over £500 needs prior authorisation from the Chair of Trustees or the Vice Chair of Trustees before being ordered.
3. Volunteer expenses are agreed and approved with the Project Manager in advance (see existing **Expenses Policy**)
4. All staff expense claims up to a limit of £500 need to be supported by receipts and must be authorised by the Treasurer who is independent of the claimant. Amounts exceeding £500 must be authorised by the Chair of Trustees or Vice Chair of Trustees.
5. No-one can authorise their own expenses and staff must not authorise each other's expenses.

Expenses Claims

1. They should be submitted monthly and not allowed to build up over more than 3 months.
2. Receipts are essential for every expense; any exceptions to this rule must be approved by the Project Manager. (See also **Expenses Policy)**
3. Expenses should be claimed within the current financial year

Accounting Accuracy

1. The Treasurer is to prepare a monthly cash book sheet (on Xero) for the Charity accounts.
2. The trustees to be presented with a summary of accounts at each trustees meeting (quarterly) and to monitor expenditure against budget.

Management and Handling of Cash

The visibility and accessibility of cash poses a risk of possibly violent theft, so the following steps are to be taken to minimise this risk:

1. Staff should not resist theft if there is a risk of violence.
2. Cash should be kept securely prior to banking / handing to the treasurer.
3. Cash to bank runs should be done by 2 people if the amount exceeds £1000 in cash.
4. Individuals should refer to the **Lone Working and Personal Safety Policy** if they are to handle cash on their own.

Banking And Cheque Books

1. When cash and cheques are banked, the paying in book must be carefully completed, and it should reconcile with all prime documents (offering sheets, Gift Aid lists, etc.). It is important that an effective audit trail is maintained.
2. Blank cheques should not be signed, and this will be regarded as a serious breach of control.

Telephone Bill Monitoring

The Treasurer is to check the telephone bills for unusual patterns of expenditure.

Postage And Stationery

Similarly, expenditure on postage and stationery will be monitored by the Treasurer, who will apply a reasonability test and review unusual patterns of spending. Post should be by second class, unless otherwise specifically requested.

Personal Checks

Request for references for the Project Manager/Treasurer will refer to the financial integrity of the person being enquired about. Anyone involved in the financial management of Chesterfield Foodbank is to be made aware of this policy.