# 

# **Financial Controls Policy**

1. **INTRODUCTION**

1.1 Financial records will be kept so that the BCC can:

(a) Meet its legal obligations.

(b) Enable the Trustees to be in financial control of BCC.

(c) Meet the contractual obligations and requirements of funders.

1.2 BCC will keep books of accounts, which will include:

(a) A cash book analysing all the transactions in BCC's bank account(s). This may take the form of a spread sheet.

(b) Petty cash books or spreadsheets if cash transactions are being made or accepted.

1.3 The financial year will end on the 31st July each year.

1.4 Accounts will be drawn up after each financial year and presented to the next Annual General Meeting.

1.5 The Trustee - Treasurer shall, in a timely manner, present projected accounts at the start of each Charity financial year and/or Operational grant(s) year(s) to the Trustees for their approval as the budgets for the ensuing year as relevant. Comments, changes and subsequent approvals should be minuted.

1.6 The Trustee – Treasurer shall monitor expenditure as set against the projected budgets, any subsequently gained grants /donations and report key anomalies to the Trustees.

1.7 The AGM will appoint an appropriately qualified auditor to audit the accounts for presentation to the next AGM.

1. **BANKING**

2.1 The charity will bank with Bank of Scotland plc at its Inverness Branch. Accounts will be held in the name of Boleskine Community Care. The following accounts will be maintained:

Boleskine Community Care – Current Account

2.2 The bank mandate (the list of people who can sign cheques on the organisation’s behalf) will be approved and minuted by the Trustees as will any the changes to it.

2.3 BCC will require the bank to provide statements every three months and these will be reconciled with the ledgers at least every three months and a duly authorised Trustee will check that this reconciliation is correct.

2.4 BCC will not use any other bank or financial institution or use overdraft facilities or loan without the agreement of the Trustees.

1. **RECEIPTS (INCOME)**

All monies received will be recorded in the appropriate bank ledger, accounts and/or cash book. BCC will maintain files of documentation to back this up.

1. PAYMENTS (EXPENDITURE)

4.1 The aim is to ensure that all expenditure is on BCC’s business and is properly authorised and that this can be demonstrated. The latest approved budget gives the cheque signatories with authority to spend up to the budgeted expenditure and not beyond it.

4.1 The Trustee -Treasurer will be responsible for holding the cheque books (unused and partly used cheque books). These should be kept in a suitable secure place.

4.2 Blank cheques will NEVER be signed by both signatories.

4.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be fully completed.

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

4.5 Bank account signatories may be authorised make electronic payments using the Bank of Scotland's payment system (see 6.4). Such payments being reported to the next Trustees meeting.

1. **PAYMENT DOCUMENTATION**

5.1 Every payment out of BCC’s 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 BCC and filed.

Most payments will presently be made by the Trustee-Treasurer by direct bank transfer with records for such to be held accordingly. Should a cheque be needed to facilitate such payments then such should be referenced with:

Cheque number

Date cheque drawn

Amount of cheque

Who signed the cheque?

5.2 The only exceptions to cheques not being supported by an original invoice would be when such payments are for deposits and/or donations from BCC or approved expenses as agreed under the ‘Expense reimbursement’ policy.

5.3 Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment.

* 1. All staff appointments and departures will be authorised by the Trustees, minuting the dates and salary levels. Similarly, all changes in hours and variable payments such as overtime, etc., will be authorised either by the Trustees or an appointed operational manager.
  2. Petty cash will always be monitored by the Trustee-Treasurer. Office staff, so designated, will maintain and oversee an agreed float and associated records, and will report income and expenditure to the Treasurer at agreed intervals to allow budgets to be managed and forecasts updated. Appointed Volunteers may be entrusted with a float as agreed by the Trustees. Payment for such may be made by cash, cheque or bank transfer – it is the responsibility of the appointed volunteer to retain receipts and accounts for the float, which may be topped up at the discretion of the Treasurer and/or Trustees (as appropriate). Accounts and receipts being made available to the Treasurer as such will be required for audit purposes.

5.6 Expenses and allowances. BCC will, if asked, reimburse expenditure paid for personally by staff and/or volunteers including Trustees, providing:

Fares are evidenced by tickets.

Other expenditure is evidenced by original receipts.

Car mileage is based on BCC’s Expenses Reimbursement Policy.

1. **CHEQUE SIGNATORIES, BANK and CASH CARDS**

6.1 Each cheque will be signed by at least two people.

6.2 A cheque must not be signed by the person to whom it is payable.

6.3 General “Hole in the wall” type cash cards will not be used and if issued by the bank they will be immediately cut in half.

6.4 A bank debit card may be issued only to the appointed Bank account signatories in order to facilitate payments, deposits or registrations as required to enable the business of our Charity. These cards and their details being held securely and in strict confidence by such signatories – being used solely by them on behalf of the Charity.

When a payment is to be made using the bank debit card – such payment will have been previously authorised by the two signatories and may follow approvals for such expenditure under the ‘Procurement and Tendering’ Policy.

1. **OTHER UNDERTAKINGS**

7.1 BCC does not accept liability for any financial commitment unless authorised. Any orders placed or undertakings given, the financial consequences of which are likely to exceed in total £1,000 must be made in accordance with the ‘Procurement and Tendering’ Policy – such being authorised and minuted by the Trustees Meetings.

7.2 All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of BCC with the prior approval of the Trustees.

8. **OTHER RULES**

BCC will adhere to good practice in relation to its finances at all times. BCC will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location. Additionally, BCC will maintain a property record of items of significant value, with an appropriate record of their use.