

GRASS Cliftonville

Financial Controls Policy 2021/22

1. Introduction

- 1.1 Financial records will be kept so that GRASS Cliftonville can:
 - (a) Meet its legal and other obligations, e.g., Charities Acts, Company Law, HMRC and common law.
 - (b) Enable the elected Committee to be in proper financial control of the community group.
 - (c) Enable GRASS Cliftonville to meet the contractual obligations and requirements of funders.
- 1.2 GRASS Cliftonville will keep a proper accounting system, which will include:
 - (a) A cashbook analysing all the transactions in GRASS Cliftonville's bank accounts. We will be using QuickBooks online accountancy software.
 - (b) A petty cash book if cash payments are being made.
 - (c) HMRC and records which may be kept by a bookkeeper and/or a qualified accountant.
- 1.3 The financial year will end on the 31st March each year.
- 1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting.
- 1.5 Prior to the start of each financial year, the Committee will approve a budgeted income and expenditure account for the following year.
- 1.6 A report comparing actual income and expenditure with the budget will be presented to the Committee every three months.
- 1.7 A cash flow will be produced each month if GRASS Cliftonville is in financial difficulties or reserves are less than three months expenditure.
- 1.8 The Committee will appoint an appropriately qualified Accountant to examine the accounts for presentation to the next AGM, for filing with the Charity Commission (when the appropriate threshold is exceeded) and for filing with Companies House (if applicable).

2. Banking

- 2.1 GRASS Cliftonville will bank with NatWest Bank plc at its Margate Branch. Accounts will be held in the name of the Gordon Road Area Street Scheme.
- 2.2 The bank mandate (list of people who can sign cheques or authorise electronic payments on the organisations behalf) will always be approved and recorded in the minutes by the Committee, as will all the changes to it.
- 2.3 GRASS Cliftonville will require the bank to provide statements every month or access to electronic statements. These will be reconciled with the bookkeeping system at least every three months and the Banking Administrator will spot check that this reconciliation has been done at least twice a year and sign the reconciliation document accordingly. If only electronic statements are available, they will be printed off and filed every month.
- 2.3 GRASS Cliftonville will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the Committee.
- 2.4 For the current financial year, the Signatories formally approved and minuted by the company Committee are:

Judith McCartney
Betty ward
Simon Bell (Banking Administrator)

- 2.5 For the current financial year, the qualified Accountant formally approved and minuted by the Committee is:

Accountancy Matters (Kent) Ltd

3. **Receipts (income)**

- 3.1 All monies received will be recorded promptly in the bookkeeping system and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). GRASS Cliftonville will maintain files of documentation to back this up.

3.2 **Money credited to the bank electronically.**

GRASS Cliftonville will issue reference numbers to customers for them to use when making electronic payments, to ensure that receipts into the bank account can be traced to the customer easily.

GRASS Cliftonville will set a limit of £10,000 for the maximum balance for the account whose details are publicised widely for the receipt of payments.

If GRASS Cliftonville runs any form of electronic payments for its customers, it will ensure that the system is reconciled to the bookkeeping system and that all customers who should be invoice are invoiced.

GRASS Cliftonville will keep a record of aged debtors and contact debtors every month.

4. **Internet Purchases**

When purchases are made over the internet GRASS Cliftonville will ensure that only well-known bona fide sites are used for purchasing and that they have appropriate security. Such purchases will be properly authorised in a similar way to other purchases.

5. **Payments (expenditure)**

The aim is to ensure that all expenditure is on GRASS Cliftonville's business and is properly authorised, and that this can be demonstrated. The latest approved budget provides the Signatories with authority to spend up to the budgeted expenditure, not beyond it.

5.1 The Secretary will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.

5.2 Blank cheques will NEVER be signed.

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

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

5.5 **Payments by debit card.** When GRASS Cliftonville issues a debit card to an employee or Committee member it will be administered in a similar way to petty cash (see below). The card holder will be personally responsible for any undocumented expenditure, and this is detailed in their role description and/or contract of employment.

5.6 **Electronic banking.**

Each Signatory (if requested) and the Banking Administrator will have a unique password which will be made up of lower-case and upper-case letters, numbers, and symbols.

The Banking Administrator and the Accountant will be able to access the electronic banking system for the purposes of putting transactions onto the system for authorisation by the Signatories and for assessing bank statements.

The Banking Administrator and the Accountant will check that purchases have been properly authorised and when appropriate there is evidence that goods are in a good condition or proper services have been received.

The Banking Administrator will save invoices and evidence of authorisation in a shared Dropbox folder, so they are available to the Signatories.

The Banking Administrator will check and enter the suppliers sort code, account number, account name into the system and save them in a shared Dropbox folder so they are available to the Signatories.

The Signatories will check the payment details, sort code, account number, invoice, and amount.

Authorisation from two account Signatories will be required for each payment over £500. Payments under £500 will be administered in the same way as Expenses / Allowances (see item 7.6 below).

To complete the authorisation process, each Signatory will e-mail the Banking Administrator to confirm their authorisation. This e-mail will act as evidence for the accountant as to who authorised the payment.

The Banking Administrator may also be a Signatory.

6.0 PayPal

A named Signatory and the Secretary will each hold the log-in details and password for PayPal and will authorise payments from PayPal. Details of payments and transfers will be e-mailed to the Banking Administrator immediately after they have been made.

Two signatories will be required for credits from the GRASS Cliftonville's bank account to PayPal.

The balance in PayPal will not exceed £1,000. Appropriate transfers will be made to GRASS Cliftonville's bank account to ensure that this amount is not exceeded.

7. Payment documentation

- 7.1 Every payment out of GRASS Cliftonville'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 GRASS Cliftonville and filed. The Signatory should ensure that it is referenced with:

- Cheque number or electronic authorisation reference
- Date cheque drawn or paid electronically
- Amount of payment

Whoever signed or authorised the payment.

- 7.2 The only exceptions to cheques or electronic payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a payment requisition form will be used, and a photocopy of the cheque kept.
- 7.3 **Wages and Salaries.** There will be a clear trail to show the authority and reason for EVERY such payment, e.g., a cheque requisition, asking for payment to an employee, HMRC etc. All employees will be paid within the HMRC regulations.
- 7.4 All staff appointments/departures will be authorised by the Committee, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc., will be authorised by the Committee.
- 7.5 **Petty cash** will always be maintained on the 'imprest system' whereby an individual is entrusted with a float as agreed by the trustees. When that is expended, cash will be transferred or withdrawn for sufficient funds to bring up the float to the agreed sum, the transfer / withdrawal being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.
- 7.6 **Expenses / allowances.** GRASS Cliftonville will, if asked, reimburse expenditure paid for personally by staff, providing:

Fares are evidenced by tickets.

Other expenditure is evidenced by original receipts.

Car mileage is based on local authority scales.

No cheque signatory signs for the payment of expenses to themselves, authorise electronic payments to themselves.

8. **Cheque Signatures, Card Payments, Transfers and Cash Withdrawals**

- 8.1 Each cheque will be signed by at least two Signatories.
- 8.2 Electronic bank payments/transfers over £500 will be approved by at least two Signatories.
- 8.3 A cheque must not be signed by the person to whom it is payable.
- 8.4 Debit cards may be issued to the Banking Administrator. The transaction limit per card without prior authorisation will be £500. The card will be

administered in a similar way to a petty cash imprest system. The expenditure records will be filed by the Banking Administrator.

9. Other undertakings

- 9.1 GRASS Cliftonville does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £5,000, must be authorised and minuted by the Committee. In exceptional circumstances such undertakings can be made with the Secretary's approval who will then provide full details to the next meeting of the Committee (this covers such items as the new service contracts, office equipment, purchase, and hire).
- 9.2 All fundraising, contract bids and grant applications made on behalf of the organisation will be done in the name of GRASS Cliftonville with the prior approval of the Committee or in urgent situations the approval of the Secretary who will provide full details to the next Committee meeting.
- 9.3 Copies of grant applications will be kept and made available to the Committee on request. When bids are made using internet portals electronic or paper copies of the bid will be kept.
- 9.4 Any funding contracts or grant acceptance documentation exceeding £5,000 will be brought to the Committee's attention for approval. In urgent situations this may be by e-mail to all Committee.

10. Other rules

- 10.1 GRASS Cliftonville will always adhere to good practice in relation to its finances, e.g., when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers, and normal location. Additionally, GRASS Cliftonville will maintain a property record / inventory of items of significant value, with an appropriate record of their use.
- 10.2 The Committee will maintain up to date good quality antivirus and anti-phishing software on all computers that connect to the internet.