

## **FINANCIAL PROCEDURES**

**MARCH 2019**

### **1. Purpose of this Policy**

- 1.1 To define the financial systems used by Guardbridge Community Development Trust (GCDT) and how they relate to all areas of the charitable company.

### **2. Scope of this Policy**

- 2.1 This policy primarily covers any staff, volunteers, members and Directors, but will also reflect arrangements, services and contracts with suppliers, contractors and sub-contractors.

### **3. Ordering Supplies and Services**

- 3.1 All staff need to be aware that expenditure is committed when an order is placed on behalf of GCDT, not when the cheque is requested. Therefore, it is important that all orders are placed properly, and are within agreed by the Directors.
- 3.2 Members can place orders for goods or services, however all must have been agreed and authorised by the Directors.
- 3.3 Any lease hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedure as above. Larger contracts should not be entered into without adequate advice from a relevant professional adviser (eg accountant, solicitor, surveyor, etc).
- 3.4 Orders of £1,000 or more must be placed in writing. Orders under £1,000 but over £100 should be in writing where practical. Suppliers must be requested to produce invoices. If payment is needed on or before delivery or no credit is given, a 'pro-forma' should be provided.
- 3.5 While claims for small items of expenditure may be made via cash in hand (see section 6), adequate supporting documentation, preferably receipts, must be obtained. Large items requiring cash payment must be checked with the Directors before the arrangement is confirmed.
- 3.6 Any expenditure over £100 and under £5,000 should be agreed by the Directors and minuted. Expenditure over £5,000 should be agreed by a quorum of members.

#### **4. Payment Authorisation and Purchase Ledger**

- 4.1 All invoices must be authorised for payment by the Treasurer. The Treasurer is responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, that the services or goods have been received, and following up any problems. The Directors must be informed if there are queries delaying authorisation or if payment is to be withheld for any reason.
- 4.2 A Purchase Ledger is operated by the Treasurer. All incoming invoices are to be passed to the Treasurer as soon as they arrive. Invoices will be recorded on to the Purchase Ledger within two days.

#### **5. Cheque Writing and Signing**

- 5.1 Signatories will only be drawn from the Directors and one of said should always be the Treasurer. Any new signatory must be approved by the Directors before the bank is notified. All cheques require two signatories. Cheque signatories should check that the expenditure has been authorised by the appropriate person before signing the cheque.
- 5.2 Signatories will not sign cheques which are payable to themselves, or blank cheques. Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed.

#### **6. Handling of Cash**

- 6.1 A small amount of cash is retained by the Treasurer to refund expenses, ie Bite n Blether provisions, raffle prizes, gifts etc.
- 6.2 Cash profits from Bite n Blether, quiz or donations are held in a secure tin box until banked with odd coin amounts retained. This amount should not exceed £200.
- 6.3 All cash income and expenditure is recorded immediately and balanced.

#### **7. Income**

- 7.1 The majority of income received by GCDT is from Bite n Blether lunch club, calendar sales, fundraising events such as quizzes and any applications for funding which are successfully granted to GCDT.
- 7.2 All invoices should be raised on a GCDT letterhead or in a format agreed with the Directors and auditors, and be drawn up in accordance with GCDT standard invoice requirements and recorded on a spreadsheet.

#### **8. Bank Account**

- 8.1 GCDT bankers are: The Co-operative Bank.

- 8.2 All income will be paid into the current account as soon as possible, not less than once a month. The make up of each banking will be clearly recorded, for later computer entry.

## **9. Books of Account and Records**

- 9.1 Proper accounting records will be kept.
- 9.2 Cash in hand and bank accounts will be reconciled at least monthly and VAT return done if required.
- 9.3 All supporting documentation, receipts and cheque stubs will be retained for audit and for statutory purposes thereafter.
- 9.4 All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the Directors) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial number where applicable, description and in due course details of disposal.

## **10. Financial Monitoring and Audit**

- 10.1 The Treasurer will provide details of the current bank account balance, cash in hand and any outstanding invoices to be paid at each meeting of the GCDT.
- 10.2 GCDT's financial year is from 1<sup>st</sup> April to 31<sup>st</sup> March. Annual accounts will be submitted for independent examination by organisations approved by OSCR and any relevant grant conditions. Final draft should be ready for and passed by the Directors in April, with audited accounts signed at the AGM in May.

## **11. Role of Treasurer**

- 11.1 The Treasurer works in close co-operation with and provides support and advice to the Directors. Specific responsibilities are to:-
- 11.1.1 Guide and advise the Directors in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- 11.1.2 Keep the Directors informed about its financial duties and responsibilities.
- 11.1.3 Advise the Directors on the financial implications of GCDT's strategic plans and key assumptions included in their operational plan and annual budget.
- 11.1.4 Confirm that the financial resources of GCDT meet present and future needs.
- 11.1.5 Understand the accounting procedures and key internal controls, so as to be able to assure the Directors of GCDT's financial integrity.

11.1.6 Ensure that the accounts are properly independently examined, that accepted recommendations of the examiners are implemented, and meet the examiner at least once a year.

11.1.7 Formally present the accounts at the AGM, drawing attention to important points.

## **12. Role of Office Bearers**

12.1 From the Directors, there will be appointed a Chair, Secretary and Treasurer. In addition, other Directors may be appointed to specific posts or duties as the GCDT deems appropriate. All have responsibility to ensure that they comply with financial procedures.

## **13. Role of Directors**

13.1 The Directors are responsible for:-

13.1.1 approving signatories to the bank accounts.

13.1.2 approving exceptional items of expenditure.

13.1.3 monitoring the financial position based on monthly reports with advice from the Treasurer.

13.1.4 approving the annual accounts, auditor's report and appointment.