

FINANCIAL PROCEDURES POLICY

reviewed and adopted 1st October 2013

1. BANK ACCOUNT

1.1 INCOME

Income (cash and cheques) must be paid into the Current Account. No cash should be spent prior to banking.

1.2 CHEQUES

Cheque signatories must be authorised and minuted by the Management Committee.

Signatories must not be closely connected (e.g. relatives).

All cheques require two signatures. Blank cheques must not be signed.

Before making a payment, the invoice or receipt must be seen by both persons signing the cheque. The signatories must initial the document as proof.

Invoices/receipts shall be filed with the finance records and shall be annotated with the relevant cheque number.

1.3 AUTHORISED LIMITS

Cheque signatories can approve cheque payments if the amount is within the budget previously agreed by the Management Committee. Otherwise it must wait for the approval of the management committee, either at the next meeting or by email consensus.

1.4 GENERAL

Payments should be, by preference, by cheque or via internet banking or credit card, and not cash except for petty cash payments referred to below.

There will only be one current account to hold all funds and no more than two investments accounts. Management of all accounts may be carried out on-line. Security information connected with the management of the accounts shall be held by the Treasurer, the Bookkeeper and the Chair. All receipts shall initially be paid into the current account. Transfers between accounts shall be made at the discretion of the Bookkeeper, as directed by the Treasurer.

Although the charity is now incorporated and therefore qualifies for a credit card facility on their account, it still may occasionally be necessary to make payments through a personal bank or credit account. In these circumstances, such payments are, ideally, to be drawn only against the bank or credit accounts of the Treasurer or the Chair. Repayments are only to be made on receipt of payment. The Management Committee must approve any changes to banking arrangements.

2. FINANCIAL RECORDS AND DEVICES

The Treasurer will be responsible for the maintenance of the following records, to be kept at the Bookkeeper's home or place of work:

- Cash book (for all bank transactions)
- Computerised spreadsheets
- 'Money in' file (for documents relating to monies banked)
- 'Bills paid' file (for all invoices/bills paid by cheque/standing order...)
- Bank statements
- Bank reconciliations
- Chequebooks

- Paying in books
- Finance file

The Administrative Officer will be responsible for the maintenance of the following records, to be kept at the Bookkeeper's home or place of work:

- Petty cash book (for all cash transactions)
- Petty cash vouchers/receipts

Internet banking fobs and passwords should only be given to the Chair, Treasurer and Bookkeeper.

Internet banking fobs must never be shared and passwords must never be divulged.

Any replacement credit cards or key fobs received from the bank to those who should no longer use them should be handed to the Treasurer.

Bank cards should only be held by the Chair, Treasurer, Bookkeeper, Administrator and Secretary. Any additional card holders must be agreed by the Management Committee.

Bank cards must never be lent and PIN numbers and bank cards should never be stored together.

Bank cards must never be used to remove cash from the bank account.

3. PURCHASES

3.1 PURCHASE AUTHORISATION

Any purchase above £300 requires authorisation from the Management Committee and must be noted in the minutes.

Any purchase below £300 requires authorisation from the Treasurer or Chair (including payments made by either the Treasurer or Chair who require authorisation from each other).

Any purchase below £25 does not require authorisation, but must be solely and clearly for the purposes of SIGNAL activity (e.g. refreshments, stationary, postage etc).

An exception is purchases for stationery above £300 made by the administrator which only requires approval from the Treasurer or Chair.

3.2 PAYMENTS

Any payments above £300 can only be made by the named card holders on the SIGNAL Family Support account.

Any payments below £300 can be made by named card holders or through the reimbursement of SIGNAL Family Support members as detailed below.

3.3 REIMBURSEMENT OF COSTS:

Any purchase to be reimbursed must be in accordance with the purchase authorisation limits as detailed in 3.1 above.

All purchases over £5 will only be reimbursed upon production of a receipt. Payments without a valid VAT receipt of under £5 may be reimbursed at the discretion of the Chair or Treasurer.

- It is acknowledged that, for some items such as telephone expenses, it is not always possible to provide a detailed breakdown/invoice/receipt. In these circumstances payment must be at the discretion of the Management Committee.

4. PETTY CASH

Whenever possible, payments should be made by internet banking, or company credit card, rather than cash. Petty cash shall be administered by the Administrative Officer who shall report to the Treasurer quarterly.

4.1 WHO AND HOW

There will be only one petty cash float.

The petty cash float shall be available for:

- The payment of small expenses in accordance with the limitations set out in 4.3 below.
- The provision of cash floats at fund raising events such as book sales and parties when large quantities of small change are generally required.

Volunteers to whom cash floats are released will be accountable to the Administrative Officer for the return of the float intact with any additional funds raised and less any receipted justifiable expense. The Administrative Officer will keep an account of cash floats released and the funds returned and will, on request, account to the Treasurer for the petty cash payments.

Petty Cash must be kept in a locked tin at the SIGNAL Office and remains the responsibility of the administrator. Keys to the tin are to be kept by the administrative officer. Petty cash must be handled in accordance with the purchase authorisation limits as detailed in Section 3 above.

4.2 RECEIPTS AND VOUCHERS

Receipts for petty cash payments are to be initialled in the Petty Cash book.

When cash is taken from the tin the invoice is to be initialled by the person claiming repayment by way of receipt for the payment.

4.3 LIMITATIONS

The maximum amount of petty cash to be held is £100.

No petty cash payment should exceed £30. Receipts must be provided for all payments of over £5. There must be no loans.

5. VOLUNTEER EXPENSES

5.1 WHAT CAN BE CLAIMED

Officers, Committee Members and Volunteers may claim reimbursement for travel and other reasonable expenses incurred while volunteering. All expenses must be in accordance with the purchase authorisation limits as detailed in Section 3 above.

Travel expenses will be reimbursed for:

- The actual and reasonable cost of public or other reasonable methods of transport journeys.
- Car parking and congestion charge payments when reasonably incurred in pursuit solely of SIGNAL business. This shall not extend to the reimbursement of motoring/parking fines.

Other reasonable expenses can include:

- Postage and photocopying
- Telephone calls
- One-off stationery items including paper and printer ink
- Reasonable baby sitting charges when incurred to enable a committee member or volunteer to attend an event or meeting with prior approval of the Management Committee or the Chair.

At the discretion of the Management Committee ex gratia payments may be made to individuals who undertake particular tasks on behalf of SIGNAL Family Support in order to facilitate the efficient functioning of the Group and/or in recognition of services provided.

6. BUDGET

A budget will be prepared annually. The draft budget will be produced by the Treasurer and any other persons authorised by the Management Committee. The draft budget will be distributed ahead of a full meeting of the Management Committee in December of each year, for revision and approval.

7. FIXED ASSETS

An asset is an item that the charity acquires with the intent to provide future economic benefit to the Management Committee and its members. Any items acquired which cost £50 or more will be considered for capitalisation under the terms of the policy.

For each category of asset, the depreciation is calculated on a straight line as per below, from the date of acquisition and until the date of disposal to a nil residual value. Any gain at the time of disposal/sale of the asset is recognised through the income statement on the date of the disposal.

8. MANAGEMENT ACCOUNTS

The Treasurer will present to the Management Committee:

- Monthly: a brief financial summary, to include details of our reserves
- Quarterly: a detailed financial report, to include
 - Actual income and expense compared to budget.
 - Up to date bank and cash balances.

9. FUNDRAISING AND CASH

All fundraising amounts must be fully recorded. All income must be banked.

All payments in relation to fundraising (e.g. stall rent, publicity, collection tins, etc.) must be made by cheque or petty cash.

Receipts from fund raising events shall be counted by two people at the event, at least one of whom must be a member of the management committee. A form of receipt must then be signed by both parties stating the total amount in hand and passed with the cash to the Treasurer or Bookkeeper.

10. REVIEW OF POLICY

This policy is to be reviewed annually by the Management Committee.

Appendix One:

Bank Details

The Group's bankers are:	Cooperative Bank, 151, Lewisham High St Lewisham, London, SE13 6AA
Account Number:	65476132 (other accounts to be advised)
Sort code:	08-92-99

As at Oct 2013 the cheque signatories, who are also card holders, are:

Carol Britton	Chair	Approved 2013
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Aurangzaib Yusufi (Aran)	Treasurer	Approved 2013
Damien Nolan	Trustee	Approved 2013

Candida Burrows (Administrator/Book keeper), and Jayne Corp (back up) are approved to prepare online payment instructions. Due to the online banking access set-up Candida Burrows and Jayne Corp are set up as signatories to the account as well, however a restricted not to release any payments from the bank without an online authorisation from the Treasurer or the Chair.

All Cheques will be signed by the Chair and 1 other signatory stated above.