

The Cultural Partnership: more arts.

Charitable Incorporated Organisation No.1154785

|  |  |
| --- | --- |
| P&P No: | P&P/ma002 |
| P&P TITLE: | FINANCIAL CONTROLS POLICY |
| APPLICABLE TO: | Trustees |
| BACKGROUND: | This policy applies to all trustees, other volunteers, employees, contractors, and third-party representatives of our charity. Its requirements should be reflected in other policies and procedures, agreements and contracts, as necessary.  |
| P&P DETAIL: | Separation of DutiesNo one person may both authorise and pay any payment or transfer. For example, an on-line banking payment.  Conflict of InterestNo individual may:* Make payments or enter into contracts with family members or organisations in which they have an interest, either directly or through a close family member.

ContractingA robust contracting process is to be implemented with major contracts openly tendered, subject to board scrutiny and approval, and retendered every 3 to 5 years. Contracts and other agreements should be recorded in a simple contracts register and each reviewed annually to ensure these continue to meet the charity’s needs and offer good value for money. BudgetingThe Board is to scrutinise and approve an annual budget. The budget should include prudent income forecasts that have been tested to confirm that there is a reasonable expectation of securing the funding planned for.Financial ReportingUp to date financial reports should be submitted to the Board regularly. Reports should use simple clear English that all board members will be able to understand and:* Explain the charity’s current and likely future financial position.
* Focus on the key issues and risks, the action being taken to address these and the expected outcome.
* Highlight any significant deviations from budget or funding shortfalls.

Financial ManagementAll trustees are to review financial reports, investigate any variances to budget/forecast and unusual or unexpected transactions that cannot be adequately explained and take appropriate action. Cash * Cash is secured under lock and key.
* Access is restricted to those who need access.
* A cash limit is set that is within the insurance limit.
* Cash is not sent through the post.
* Cash and cheques are banked regularly, particularly if significant sums of cash are received.
* Cash is banked ‘gross’ – that is income is not netted off against other expenditure. All transactions must be recorded.
* Cash is kept separate from personal money and is never used for personal expenditure.
* Where significant sums are to be banked, two individuals escort the money and it is transported by car, not on foot. In the event of a robbery, the money is to be handed over without resistance.
* Cash payments are avoided wherever possible.

BankingBank Accounts. Bank, savings and any other form of investment are only to be opened with the written approval of the Board.* The account is to be reconciled at least monthly.
* The bank reconciliation, statement, cashbook, chequebook and any other supporting documentation are cross checked.

Bank mandates, account signatories and e-banking access are to be kept up-to-date and individuals may only be added with the written approval of the Trustees. The list of people with access and their access levels are to be reviewed annually, as part of the audit preparation process.IncomeRegular checks are to be carried out to ensure that records are being accurately maintained and that there are no discrepancies in the accounting records.Restricted funds are to be accounted for separately to ensure these are only used in accordance with donors’ restrictions.ExpenditureAll expenditure must be properly authorised, represent good value for money and be on appropriate items or services. Two trustees must authorise every transaction.Assets* A fixed asset register is maintained and reviewed annually.
* Subsequent to the annual review, insurance cover is reviewed to prevent being under or over insured.
* Staff do not remove assets or items of equipment without prior approval.
 |
| TRAINING: | All Trustees will be provided with a copy of this policy during induction. |
| REVIEW DATE: | As appropriate. |
| DATE P&P CREATED/UPDATED: | 4th November, 2023 |
| DATE APPROVED BY TRUSTEES: |   |