

Spiral Sussex

Finance

Policy and Procedure

January 2019

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Finances

Policy and Procedure

This policy and procedure has been approved by the Executive Committee of Spiral Sussex which are responsible for its review.

The original signed copy of this policy and procedure is kept at Spiral Sussex's office.

Signed: Mark Shanahan Date: 8th January 2019

Name: Mr Mark Shanahan

Chair of Trustees

Signed Marc Blackwell Date: 8th January 2019

Name: Mr Marc Blackwell

Trustee

Record of adoption and review of this policy and procedure:-

- Adopted:
- To be reviewed: (+1 years from the adopted date)

Spiral Sussex
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1. Purpose

The purpose of this policy is to ensure that ensure that the appropriate safeguards are in place to ensure that Spiral Sussex's finances are managed in accordance to regulatory and legal requirements.

It is the responsibility of all Trustees and employees to exercise care and be vigilant to issues of finance and to follow this policy and its procedures, in full.

2. Policy

It is under the duty of the Trustees to ensure that Spiral Sussex's finances are managed and used in an appropriate and lawful manner. Specifically, the Treasurer has responsibility to maintain an overview of the financial situation of Spiral Sussex and to ensure that full financial and accounting records are maintained and followed.

Any financial surplus should be kept in a number of different bank accounts to reduce risks of financial loss in the case of bank failure.

Concerns regarding any staff members, in relation to any aspect of finance, are to be reported immediately to the Chief Executive. The Chief Executive in turn must report relevant matters to the Treasurer or the Chair of Trustees in their absence. In the case of serious or significant financial matters, these will be presented by the Treasurer or Chair of Trustees at the next committee meeting, or in the case that it is deemed necessary, at a specially convened meeting.

If appropriate, reference should be made to Spiral Sussex's Whistleblowing Policy and Procedure.

3. Bank Accounts

The opening and use of bank accounts can only be done with approval of the Trustees in a committee meeting. This includes current or deposit accounts. The terms of use of the bank account will be agreed with the Trustees in the committee meeting.

Any cheque payment requires two mandated signatories.

Any bank transfer for funds to a third party below £1000 will require one mandated signature. In the case that the value of the bank transfer is over £1000, this requires two mandated signatories.

Those who are mandated to provide such signatures are the Chair of Trustees, the Treasurer, up to 3 additional trustees and the Manager.

Monthly reconciliation of Spiral Sussex's bank accounts will be carried out. Copies of the reconciliation will be inspected by the Chief Executive and the Treasurer who will sign to signify their approval.

It is the responsibility of the Office Manager/Chief Executive to ensure that the current account has enough money available to cover all obligations for a specific period. Where there is excess cash in the account, this should be moved to an interest bearing, instant access savings account with the same bank.

Between these two accounts, money can be moved as needed by the Office Manager however each transfer must be authorised by the Chief Executive and/or a trustee including their signature provided on the screen print of the confirmation.

All movement of funds should be recorded and reconciled on a monthly basis during the bank reconciliation process.

An information pack will be given to all trustees prior to the Executive Committee Meeting which will include the record of reconciled balances for all Spiral Sussex accounts.

4. Contractual commitments

Any entry into any contractual commitments must be approved by the trustees at an Executive Committee Meeting and will take into account actual and possible liabilities.

5. Making Payments

All payments due and payable to creditors should be paid promptly and in the normal course of business.

Other than in cases of emergency, the Office Manager is responsible for raising cheques or making payments by internet bank transfer.

Requests for raising any cheque or request for a payment by internet bank transfer must be initiated by the Chief Executive, or the Project Manager responsible for the budget from which the payment is concerned.

A written invoice should be provided for any cheques or payments by internet bank transfer or order form or other relevant written request or evidence of the need for payment. The person responsible for incurring this expenditure must sign or confirm the request in writing before any payment is made.

In the absence of the Chief Executive, the Treasurer or the Chair of Trustees or, in their absence, another Trustee can authorise the raising of the cheque.

All cheque stubs must be completed legibly and provide all relevant details.

Full records must be kept for auditing purposes that includes showing the invoice and cheque details.

For payments made by internet transfer, a screen print of payments should be kept and treated as a cheque for the purposes of audit. It should be kept in organised paper files arranged by date, budget codes etc.

Any signatory to cheques or internet bank transfers must see a copy of the relevant invoice, order form or other written request or evidence of the need for payment signed by the person responsible for the expenditure, before initiating the payment.

Online Payments

Other than online bank transfers as discussed above, a bank debit card is available for on-line purchases. This card is to be strictly used for on-line purchases for Spiral Sussex and no other card should be used unless directed by the Chief Executive or Chair of Trustees. Other than the Chief Executive and the Chair of Trustees, the Office Manager is the only person authorized to make payments using the debit card. The card must at all times be kept in securely in the Spiral Sussex office when not in use.

Evidence must be collected for all online payments such as an invoice or on-line order form. Any such payment must have been initiated by the person responsible for the budget related to the purchase, such as the Project Manager or Chief Executive. Payment confirmation pages must be printed out and saved in online files. Printed copies should be attached to relevant invoices and signed by the authorised person.

Weekly spreadsheets that lay out the expected payables should be created and managed by the Office Manager. Payee reference numbers should be included on the accounting system, the account details, invoice date and payable amount. The treasurer will audit this spreadsheet on a monthly basis together with the Office Manager.

Payments in Cash

Cash payments are to be made following the below petty cash procedures and only in response to an invoice, receipt of other payment request evidence. Cash reimbursements can be made up to the value of £400

A bank debit card is available for withdrawing petty cash. When not in use the debit card shall be kept securely at the Spiral Sussex offices.

All receipts and petty cash payments must be recorded on a spreadsheet under the responsibility of the Office Manager. Petty cash payments must be reconciled with physical cash on a monthly basis. Any supporting evidence should be attached to the spreadsheet.

6. Handling receipts

Postal receipts

Post should be opened daily and on the day of receipt, or as soon as possible. Any receipts that arrive by post such as cheques or cash, must be recorded daily in Spiral Sussex's financial records and recorded in the relevant spreadsheet. Post should only be opened by the Office Manager, Chief Executive or other senior staff member given prior permission by the Chief Executive.

Cheque receipts

Any cheques received must be given as soon as possible to the Office Manager or Chief Executive, who are responsible for keeping cheques secure whilst pending deposit in the bank. All cheques received must be banked as soon as possible. All cheque receipts must be recorded in the relevant spreadsheets and kept in the finance records.

Cash receipts

Any cash received must be given to the Office Manager or Chief Executive who are responsible for keeping all cash and cash receipts secure. All cash received will be banked as soon as practicable. Cash over £2000 should never be held overnight at Spiral Sussex offices.

Top Up Cards

Top Up Cards may be given to those responsible for managing and paying out petty cash or to drivers for fuel. Top Up Cards may be used to make purchases or to withdraw cash. Any overspending on Top Up Cards be taken as a disciplinary offence. No purchases other than those authorised, may be made with Spiral Sussex's Top Up Cards or cash.

The Chief Executive will be provided by the Office Manager, on a weekly basis, with a spreadsheet regarding active Top Up Cards and the identity of those who have made a Top Up request including the purpose for which the top up is required and the amount requested.

The Chief Executive must approve and sign any such requests before the Office Manager tops up any cards. Top ups will be made via the bank account, ensuring that a reference is provided showing each action.

In the case that Team Leaders or Project Managers are managing Top Up Cards and/or Petty Cash, must provide the Office Manager or Chief Executive, monthly spreadsheets with attached receipts that detail all transaction and payments made in regards to the project. Withdrawal of

cash from the Top Up Cards by Team Leaders, must have prior approval from the Chief Executive. Full details of any cash withdrawn from the Top Up Cards, must be included in the spreadsheet, including the purpose of withdrawal.

The Office Manager will check purchases recorded against the card statement to ensure that there are no discrepancies. Responsibilities for any discrepancies are the Team Leader's who must explain these to the Office Manager and Chief Executive.

In the case that any cards are lost or stolen these must be reported to the Office Manager and Chief Executive immediately.

7. Claims for reimbursement of sums paid on behalf of the charity

All reimbursement claims must be made in writing in the expenses form and given to the Office Manager or Chief Executive. Reimbursements are made following authorisation by the Chief Executive, the Treasurer, the Chair of Trustees or other Trustee and is supported by the relevant original receipt or other satisfactory documentary evidence of payment. Reimbursements must be recorded in the weekly Petty Cash spreadsheet produced for debit card purposes.

Claims for expenses or allowances

Claims for any expense or allowance associated to carrying out duties relating to Spiral Sussex, must be in writing in the expenses form. Expenses claimed must have prior authorisation by the Chief Executive, the Treasurer, the Chair of Trustees or other Trustee, and be supported by the relevant original receipt or other satisfactory documentary evidence of payment.

Payroll

Spiral Sussex's payroll is operated by an external accountancy company – Hacker Young. The Office Manager is responsible for preparing a monthly Payroll Summary that details staff salaries and overtime. The Office Manager will pass the Payroll Summary to Hacker Young by the agreed deadline date for payment.

Record Keeping and Reconciliation

At all times, record keeping should be up-to-date, accurate and be able to sufficiently show and explain the charity's transactions and the financial position of the charity.

Hard copies of evidence in relation to all receipts and payments will be kept and filed chronologically on a regular basis. All financial transaction details regularly, normally weekly. Recording should enable identification of individual project/service income and expenditure.

Financial records will be retained for 7 years in accordance with the requirements of charities legislation.

8. Security

Reference should be made to Spiral Sussex's policy and procedure on 'Data Protection, Confidentiality & Security of Information'.

Office

All financial items and records must be stored securely and are under the responsibility of the Office Manager (e.g. Debit Cards, Top-Up Cards, Cheque & Paying in books, bank statements). Safe storage must include ensuring that these cannot be accessed by unauthorised parties without permission of the Chief Executive or Chair of Trustees).

Cash withdrawals

When making cash withdrawals at the bank, the Office Manager will use a zipped bag. For withdrawals over £1,000, the Office Manager will be accompanied to/from the branch.

On-line purchases

When making on-line purchases, the person making the purchase should ensure that the secure padlock icon is displayed.

Cash handling

The lowest possible amount of petty cash should be provided, where necessary, by the Office Manager to Team Leaders for use at projects. Top-Up cards are the preferred means.

Written logs must be kept and signed by both parties, of any transference of cash from one person to another (e.g. from the Office Manager to Team Leader).

The Project Manager, or Team Leader are responsible for ensuring subs collected at projects are returned safely to the Office Manager. A time and date should be agreed with the Office Manager to visit the office to transfer the money to them.

9. Budgets

Prior to the beginning of each financial year, the Chief Executive will draw up an annual budget with the assistance of the Treasurer. This must be presentation to and approved by the board of Trustees prior to the commencement of the financial year. The budget shall be monitored and reviewed against actual receipts and expenditure throughout the financial year by the Chief Executive (with the same assistance). Any revisions sought to the budget must be approved by the Trustees.

Any employees who are responsible for keeping any aspect of service provision within budget will receive details of these figures and will be required to report to their line manager regularly.

10. Reporting and Management Accounts

Reports will be drawn up every two months that detail receipts and payments against the budget by the Chief Executive with assistance from the Treasurer. This should be presented to the Trustees. The Chief Executive or in his absence the Treasurer will report as necessary to the Trustees when presenting such report on any issues relating to Spiral Sussex's finances or overall financial position.

Every two months, Management Accounts will be produced. The Treasurer will produce these under the supervision of the Chief Executive. They will be produced within 14 days of the end of each 2-month period by the Treasurer or Finance Consultant who will produce the management accounts. These accounts will be presented to the Trustees within 28 days of the end of the two-month period, by the Treasurer. In the case that no Finance Consultant is contracted,

responsibility for producing management accounts shall be determined by the Chief Executive and the Treasurer for approval by the Trustees.

11. Internal audit

Every 3 months, the Treasurer will conduct an internal audit of Spiral Sussex's general finances. A report of findings and necessary actions will be presented to the Executive Committee. Please see the Audit Guidance table at the end of this document for which areas will be covered.

An independent, qualified examiner or auditor will conduct an annual inspection of Spiral Sussex accounts. This person will be appointed annually by the charity at its Annual General Meeting in accordance with the requirements of charities and companies legislation. Draft financial statements will be presented to the Trustees for discussion and approval at least 28 days before Spiral Sussex's Annual General Meeting. It will then be presented to the charity's members at that meeting.

Audit Guidance

| Check | Evidence |
|---|---|
| Cheques | |
| Is there evidence of a written invoice, order form or other written request or evidence of the need for payment is on file for cheques raised? Have signatories have initialled and dated to show agreement to payment being made? | View payment file |
| Are stubs are legible and fully completed? | Check Cheque & Paying-in books |
| Is the cheque record is up to date? | View Cheque record / speak to Office Manager |
| Are the CEO & Office Manager aware of number of signatories needed for cheque amounts? | Ask Office Manager and Chief Executive |
| Internet bank transfers and on-line purchases | |
| Is the on-line purchase record up to date? | View on-line purchase record |
| Have on-line purchases not exceeded budget/authorisation level? | View on-line purchase record and latest management accounts |
| Top-Up Cards | |
| Are top-up card records up to date? | View Top-Up record |
| Are withdrawals and purchases appropriate to the business? | View Top-Up record Speak to Projects Managers about purchases made for their projects |
| Security and Filing | |
| Are cheque books, cards and financial records stored securely? | Check their whereabouts |
| Is incoming post filed and up to date? | Check files |

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| Are there any urgent or outstanding actions? | Check files; speak to Office Manager & CEO |
| Management Accounts | |
| Are schedules being followed – are management accounts being generated as require? | Speak to CEO |
| Payroll | |
| Is payroll prepared and sent to provider as required? | Check payroll files; Speak to Office Manager |
| General | |
| Are there are any finance related problems emerging? | Speak to CEO Speak to Office Manager Check files |