



Bournemouth Council for Voluntary Service

Registered Charity No: 1081381 - Company Reg'd in England & Wales No: 4024662

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FINANCIAL MANAGEMENT AND CONTROLS

1) INTRODUCTION

- a) Financial records will be kept so that BCVS can:
 - i) Meet its legal and other obligations e.g. Charities Acts, Inland Revenue, Customs & Excise, Companies Act, Common Law.
 - ii) Enable the Trustees/Directors to have control of the organisation's finances.
 - iii) Enable the organisation to meet contractual obligations and the requirements of funding bodies.
- b) The organisation will keep proper books of account, which will include:
 - i) A cash book and/or computerised system analysing all the transactions in the organisation's bank account(s).
 - ii) A petty cash book (electronic or manual) if cash purchases are being made
 - iii) Inland Revenue/Payroll records either electronic or manual.
- c) BCVS will ensure that separate recording/reports are kept for restricted funding.
- d) Before the start of each financial year, the Trustees will approve a budgeted income and expenditure account for the following year. The budgets will be regularly monitored and, if necessary, revised during the year.
- e) A financial report comparing actual income and expenditure with the budget will be presented to the Trustees at least every 3 months and to the Chief Executive on a monthly basis.
- f) The financial year for BCVS will end on 31st March.
- g) The Trustees Annual Report, including the Annual Accounts will be drawn up after each financial year within 3 months of the end of the year and presented at the next Annual General Meeting.
- h) An appropriately qualified auditor will be appointed at the AGM to audit/inspect the accounts for presentation to the next AGM. The audit/inspection must meet the requirements of the Charity Commission and Companies House under relevant SORP regulations.

2) **BANK**

- a) BCVS will bank with the Cooperative Bank, Skelmersdale, and with Charities Aid Foundation, West Malling, Kent where accounts will be held in the name of Bournemouth Council for Voluntary Service. The following accounts will be maintained: Current and Deposit as agreed and approved by BCVS Trustees. Bank accounts should be regularly reviewed to ensure BCVS realises best value and interest rates.
- b) The bank mandate (a list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the Trustees as will all changes to it.
- c) BCVS will require the bank to provide statements every month and these will be reconciled with the financial records every month and signed by the Chief Executive. The Treasurer will spot check that this reconciliation has been done at least twice a year and sign the statement.
- d) BCVS will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the Trustees.

3) **INCOME (Receipts)**

- a) The aim is to demonstrate that BCVS has received all the income to which it is entitled and that it is all reasonably evidenced.
- b) All cheques received in the post will be logged by the Administrator. The log will be countersigned by another member of staff and the cheques passed to the Finance Officer to be held securely for payment into the bank within a fortnight, without deduction of expenses, receipts to be given where necessary. Files of documentation i.e. letters from funding bodies, will be kept to back this up. All sundry income paid into the bank must be supported by a receipt and cross-referenced to the invoice.
- c) No more than £250 in cash and £250,000 in crossed cheques shall be held on the premises at one time, in accordance with Insurance cover limits.
- d) All petty cash income will be kept separately from the petty cash float, in an income tin and receipts given, and kept in a locked drawer to be accessible by all BCVS employees. Petty Cash income receipts will be processed through the financial records on a monthly basis and a monthly reconciliation undertaken by the Finance Officer. A spot check will be undertaken by the Chief Executive or other nominated person on a twice yearly basis.

4) **EXPENDITURE (Payments)**

- a) Money will only be spent to meet the conditions and requirements of the funding bodies and in pursuance of the objectives of the Memorandum and Articles of Association.

- b) The Chair and/or Chief Executive with one other Trustee will only approve expenditure of more than £500 or an overspend on a particular budget heading of more than 10% if it has already been agreed within budget limits.

This approval should be written down, signed by both people, and reported in the minutes of the next Finance and Personnel Committee meeting and reported at the next meeting of the Board of Trustees.

- c) The Finance Officer will be responsible for holding the cheque book (unused and partly used cheque books) which should be under lock and key.
- d) Blank or uncompleted cheques will NEVER be signed.
- e) Cheques should not be signed or payment made by the person who is responsible for ordering, processing and checking invoices and raising cheque requisitions.
- f) All requests for payment must be authorised.
- g) The relevant payee's name will always be inscribed on the cheque before the signature and the cheque stub will always be filled in.
- h) No cheques will be signed without original documentation.
- i) Direct debits and standing orders will only be set up with the approval of the Treasurer. A monthly requisition will be undertaken reconciling supplier invoices with direct debits taken against the bank statement and bank reconciliation.
- j) Only essential payments are to be made in person, over the telephone or internet with a BCVS debit card and must only be made with the authority of the CEO. A debit card will be held in the name of the Chief Executive only.
- k) Access to internet banking will be by the Finance Officer or Chief Executive only and is for the purpose of tracking/identifying transactions and internal transfers and payments between/to nominated accounts only. Bank login details will be kept separate from the actual bank statements, held by the Finance Officer, in a locked drawer.

5) PAYMENT DOCUMENTATION

- a) Every payment out of the organisation's bank accounts will be supported by an original invoice (never against a supplier's statement or final demand). That original will be filed and kept for seven years. The person who signs the cheque should ensure that the requisition stamp is completed with the initials of the person authorising the payment, amount, initials of person processing payment, cheque number, date of cheque, initials of signatories.
- b) The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees for a future course etc.

In such cases a copy of the booking form should be processed in the same way as invoices.

- c) Salaries – there will be a clear trail to show the authority and reason for payment, especially in the case of salaries varying from the regular monthly amount. All employees will be paid within Government legislation and rules for NI and PAYE. The Finance Officer will process the salaries. Payments to staff will be made by BACS transfer a few days prior to the end of each calendar month. The BACS transfer form, which should be signed by the Business Payments authorised signatory, must be supported by the relevant payroll processing documentation. This supporting documentation must be signed by the Chief Executive or a Trustee in the absence of the CEO before the BACS payment is processed.
- d) All staff appointments will be authorised by the Finance & Personnel Committee, minuting the dates and salary level. All changes in hours and other payments such as overtime etc will be authorised by the Chief Executive and reported back to the Finance & Personnel Committee.
- e) Petty Cash controls will be in place as follows:
 - A petty cash float will be kept in a cash box in a locked drawer separate to the income tin, for access by the Finance Officer or CEO only.
 - Cash will be withdrawn from the bank by the Chief Executive or Finance Officer as required. In general the maximum amount to be withdrawn is £50, however, in exceptional circumstances a greater appropriate amount can be withdrawn, stating the reason on the petty cash withdrawal form.
 - A receipt for the withdrawal must be obtained from the bank and attached to the petty cash withdrawal form, which is then processed and kept with the financial records.
 - All petty cash advanced for expenditure and petty cash expenditure incurred must be documented on a petty cash voucher. Receipts must always be obtained for the expenditure incurred and produced before cash is re-imbursed.
- f) A monthly petty cash reconciliation will be undertaken by the Finance Officer, and a spot check undertaken by the Chief Executive or other nominated person on a twice yearly basis.
- g) Expenses/Allowances – BCVS will reimburse relevant authorised expenditure paid for personally by staff, volunteers and Trustees, in line with the Staff Expenses Policy, providing the appropriate form is completed and authorised and:
 - i) Fares are evidenced by tickets where practicable.
 - ii) Other expenditure is evidenced by original receipts
 - iii) Car mileage is based on a rate agreed by the Trustees up to the maximum HMRC mileage rates.

6) CHEQUE SIGNATORIES, DEBIT CARDS AND ELECTRONIC BANKING

- a) Each cheque will be signed by two of the authorised signatories, one of which must be a Trustee. The person processing/administering the account must not be an authorised signatory.
- b) Debit cards will only be held by the Finance Officer and Chief Executive. Expenditure by debit card, should be within the set limits as agreed by the Finance and Personnel Committee or as authorised by the Chief Executive and must be accompanied by authorised documentation.
- c) If electronic banking is used for payments then a double authorisation system must be used and a print off filed with the relevant authorised documentation. Any computer must be secure, with appropriate up-to-date security software installed, and confidential passwords/PINs which should be periodically changed.

7) OTHER UNDERTAKINGS

- a) BCVS does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facia, likely to exceed £500 in total must be authorised and minuted by the Trustees (this covers such items as the new service contracts, office equipment purchase and hire etc).
- b) All fundraising and grant applications undertaken on behalf of BCVS will be done in the name of the organisation with prior approval of the Trustees, or in urgent situations, the approval of the Chair who will provide full details to the next Board Meeting. Signatures for funding applications or agreements should only be undertaken by a Trustee and/or the Company Secretary.

8) CONFIDENTIALITY

- a) The confidentiality of employees' financial circumstances will be respected at all times.
- b) Committee members, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest, will not divulge sensitive information.


9) OTHER RULES

- a) The Trustees will consider the level of reserves that is prudent for BCVS to have, at its first meeting after 1st April each year. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account were BCVS to close.
- b) BCVS will maintain adequate insurance to protect its assets including equipment, cash in hand and transit as appropriate. It will review insurance cover each year.
- c) BCVS will adhere to good practice in relation to its finances at all times, 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 of the asset(s). If it holds stocks of goods, e.g. books etc of significant value it will maintain proper records.

- d) These controls will be reviewed at the first Finance & Personnel Committee meeting after the AGM.
- e) All funding contracts must be signed by the Chair or his/her authorised representative.

Approved by the Trustees on: 13TH JUNE 2013

Signed on behalf of the Trustees: 

Date: 21ST JUNE 2013