

ARIF-GENERATION

FINANCIAL CONTROL POLICY

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FINANCIAL CONTROL POLICY

1. Introduction

- 1.1. Financial records will be kept so that Arif-Generation can:
 - a) Meet its legal and other statutory obligations such as Charity Acts, HMRC, and common law.
 - b) Enable the trustees to be in proper financial control of Arif-Generation.
 - c) Enable Addis Horizon to meet the contractual obligations and requirements of funders.

- 1.2. Charity will keep proper books of accounts, which will include:
 - a) A cashbook analysing all the transactions in Charity's bank account(s).
 - b) A petty cash book if cash payments are being made.
 - c) Relevant HMRC taxation records in accordance with current legislation and reporting requirements

- 1.3. The financial year will end on August 31st each year.
Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting.

- 1.5. Before the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.

- 1.6. A report comparing actual income and expenditure with the budget will be presented to the trustees every three months.

- 1.7. The AGM (Annual General Meeting) will appoint an appropriately qualified auditor to audit/examine the accounts for presentation to the next AGM.

2. Banking

- 2.1. Arif-Generation will bank with NatWest Bank plc at its London Wood Green Branch. Accounts will be held in the name of the Charity. The following accounts will be maintained:
Charity Account No 1 (Current account)
Charity Investment Account (Deposit account)

- 2.2. The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the trustees.

- 2.3. The Charity will require the bank to provide statements every month and these will be reconciled with the cash book no less frequently than every three

months. The Treasurer will spot-check that this reconciliation has been done at least twice a year, signing the cash book accordingly.

- 2.4. The charity will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the trustees.

3. Receipts (income)

All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying, etc.). Small Charity will maintain files and documentation to back this up.

4. Payments (expenditure)

The aim is to ensure that all expenditures can be demonstrated to be the charity's business and is properly authorised. Whilst an approved budget sets out the planned level of expenditure within the year, signatories should not incur expenses that are outside of their authorised expenditure level, as set out in Appendix 1

- 4.1. The Director will be responsible for holding the cheque book (unused and partly used cheque books including online banking credentials) which should be kept under lock and key
- 4.2. Blank cheques will NEVER be signed.
- 4.3. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. Supporting documentation will always be presented to the signatory when a request is made to approve a cheque or online transaction.
- 4.4. No cheques should be signed, or online transaction approved without original documentation (see below).

5. Payments documentation

- 5.1. Every payment from Arif-Generation's bank accounts will be evidenced by an original invoice (never against a supplier's statement for final demand). That original invoice will be retained by Arif-Generation and filed. The cheque signatory should ensure that it is referenced with:

Cheque number
Date cheque drawn.
Amount of cheque
Who signed the cheque

- 5.2. 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, a deposit for a venue, VAT, etc. Here a cheque requisition form will be used, and a photocopy of the cheque kept.

- 5.3. Wages and salaries. There will be a clear trail to show the authority and reason for EVERY such payment, e.g. a payment requisition asking for payment to an employee, the HMRC, etc. All employees will be paid within the PAYE National Insurance regulations.
- 5.4. All staff appointments/departures will be authorised by the trustees, minuting the date and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the trustees.
- 5.5. Petty cash will always be maintained on the system whereby the Administrator is entrusted with a float as agreed by the trustees and currently set at £300.00. When that is within £200 of being expended, a payment requisition will be raised for sufficient funds to bring up the float to the agreed sum, the cheque or online transfer being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required
- 5.6. Expenses/allowances. The Charity will, if asked, reimburse expenditure paid for personally by staff, providing:
 - Fares are evidenced by tickets.
 - Other expenditure is evidenced by original receipts
 - Car mileage is based on local authority scales.

No cheque signatory signs for the payment of expenses to themselves.

6. Cheque Signatures and cash cards

- 6.1. Each cheque will be signed by at least two people.
- 6.2. A cheque must not be signed by the person to whom it is payable.
- 6.3. ATM cash cards will not be used and if issued by the bank they will be immediately destroyed.

7. Other undertakings

- 7.1. Arif-Generation does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, *prima facie*, likely to exceed in total £100.00, must be authorised and minuted by the trustees. In exceptional circumstances, such undertakings can be made with the Chair's approval who will then provide full details to the next meeting of the trustees. (This covers such items as new service contracts, office equipment, purchase, and hire).
- 7.2. All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the Charity with the prior approval of the trustees or in urgent situations the approval of the Chairperson who will provide full details to the next trustee's meeting.

8. Other rules

Arif-Generation will adhere to good practice concerning 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. Additionally, the Charity will maintain a property record of items of significant value, with an appropriate record of their use.