



Herts Disability Sports Foundation

FINANCIAL CONTROLS POLICY

Version control : 1.0

Date of Policy – January 2018

Date for Review – Annually

Approved Date

(Signature of Chair)

Policy statement

This policy has been adopted in an attempt to safeguard the assets of Herts Disability Sports Foundation so far as possible and to provide clear procedures for controlling the finances of the organisation. They may not be exhaustive. Vigilance is needed at all times from all concerned with finance, both paid staff and Trustees, and any matters of concern should be discussed with the Treasurer or Chair, as appropriate.

Responsibility for Implementing this Policy

Both the Trustee Board and paid staff share responsibility for implementing this policy and the sound management of the organisation's assets as a whole. The Treasurer is delegated the task of reporting to the Trustee Board on the financial position of the organisation and issues relating to this policy. All Trustees and paid staff are required to abide by these policies and procedures. Where specific responsibilities are allocated, these are stated within the policies and procedures.

These financial controls will be reviewed annually.

The financial duties of the Administration Manager are listed at Annex A.

Bank Account

- A current cheque book bank account will be administered in HDSF's name at a bank chosen by the Trustee Board, currently Barclays Bank.
- The account will require 2 signatories for any payments; the Treasurer and Chair. Two members of staff will also be authorised to sign but are not permitted to do so without the express consent of both the Chair and Treasurer. Online payments will require one person to initiate the payments and one other to confirm authorisation. Online payments may only be processed with the approval of both the Chair and the Treasurer.
- The bank mandates will always be approved and minuted by the Trustee Board as will all changes to it.
- The bank will be chosen according to quality of service (including value for money in terms of interest paid, bank charges, etc.). No borrowing will be undertaken by HDSF without a decision being taken at a meeting of the Trustee Board.
- A deposit account may also be administered in HDSF's name in an appropriate Society or Company and surplus funds may be invested in appropriate Societies in accordance with the Trustees Investment Act (which allows part of the funds to be invested in equities as well as fixed interest stock). HDSF will not speculate with funds in investments which carry any significant risk.

Authorisation of Expenditure

- Authorisation to sign a new contract, legal agreement or lease committing HDSF to over **£2,000** expenditure must be taken at a meeting of the Trustee Board.
- Before committing HDSF to any expenditure, staff need to obtain authorisation from both the Chair and Treasurer. This authorisation may be by email in the first instance, provided that the Treasurer reviews the paper evidence within 1 month.
- The Chair and Treasurer (jointly) can authorise expenditure up to **£2,000** if it is in the HDSF budget and up to **£1,000** if it is not in the budget but there are sufficient funds to meet the cost. Expenditure over these amounts will be referred to the Trustee Board.
- All invoices will be annotated with full details of the account heading, payee and amount, signed by the Sports Project Officer before approval for payment.
- Both e-payments and cheque payments must be authorised/signed by the Chair and Treasurer.
- Blank cheques will never be signed. The relevant payee's name will always be inscribed on the cheque before signature; the cheque stub will always be completed. Cheques must not be signed by the person to whom they are made payable. If the recipient is either the Chair or the Treasurer, the invoice or claim for expenses must be signed as approved by a 3rd Trustee. The recipient will not be either the cheque signatory nor part of the online authorisation process.
- No payment should be authorised until the signatory is satisfied, through sight of an order form, invoice, or similar written evidence, of the validity of the payment.
- All invoices received for payment should be reviewed and signed, where possible, by the **Treasurer**.

Bank Debit Card

- HDSF has one debit card linked to the bank account. The card is used for unexpected urgent expenditure e.g. the purchase of small parts to repair equipment to allow an activity session to be delivered. The card cannot be used for purchases that can be anticipated – these purchases must be authorised as detailed above.
- The debit card may be used for purchases up to the value of £30.00.
- The Administration Manager will be advised of any purchases and supplied with receipts/written evidence to support the purchase. Purchases will be entered on the Excel Cash Book record and then compared against subsequent bank statements.

Banking Cheques and Cash

Cash receipts will be banked intact, credited to the appropriate budget head and not used for other purposes. Payments received will be entered into the book kept by the member of staff receiving the payment. Receipts will be issued on request. Cash receipts should be paid in monthly (or sooner if the total amount exceeds £50) and the Administration Manager should be advised of the payment details, to be entered on the Excel Cash Book record and compared against subsequent bank statements.

Cheque receipts will be banked weekly (or sooner for large receipts, particularly for grant funding) and be entered on the Excel Cash Book record and credited to the appropriate budget head.

Paypal payments

HDSF operates a Paypal account to receive payments for holiday sessions, using the booking system on the website. Where there are issues with booking system. The Sports Project Officer is authorised to raise Paypal invoices to allow the booking and payment to proceed. The Administration Manager will review payments to account on a monthly basis and keep a record of payments received. The Administration Manager will monitor and review the Paypal Account balance on a monthly basis and advise the Treasurer of transfers required to the Bank account, (where the balance in the account is in excess of £500). Appropriate records of any transfers will be maintained by the Administration Manager.

Annual Budget

Annual estimates of income and expenditures need to be made and reported to the Trustee Board by the Treasurer in consultation with the Administration Manager and Sports Project Officer.

The estimates shall show the actual expenditure and income for the preceding financial year, the original approved and revised estimates for the current year and the estimated income and expenditure for the ensuing year.

Financial reports and Audit

The Administration Manager, in conjunction with the Treasurer, will prepare regular reports to the Trustee Board on the organisation's financial situation and any issues requiring the Board's approval or action. These will include quarterly reports setting out actual income and expenditure compared to the budget.

An annual independent examination (as required by the Charity Commission) will be carried out by a qualified auditor (or independent examiner), appointed each year by the Trustees, in accordance with the requirements of the Charities Act and Companies Act. The auditor's report will be discussed and approved by the Trustee Board

Records

- Careful records will be kept of all income and expenditure, using a system and books approved from time to time by the Treasurer.
- All payments will be recorded and cross referenced in a file containing supporting information (such as order form/letter, invoice or claims form), approved and initialled by the Treasurer.
- Transactions will be reconciled against bank statements monthly by the Administration Manager and the reconciliation will be reviewed monthly by the Treasurer.
- Transfer of funds between bank accounts will be initially authorised by two signatories.
- Chief responsibility for the maintenance of records will rest with the Administration Manager. All HDSF financial records shall be treated confidentially. All HDSF financial records will be kept for seven years in accordance with the Charity Act 2011.

Claims for Expenses and Allowances

Rates for expenses or allowances will be those agreed from time to time by the Trustee Board and published in the appropriate Expenses policy. Staff, volunteers and Trustees must complete and sign a claim form. Whenever possible, receipts should be provided (for all claims other than motor mileage allowance) and if not possible, the reason must be submitted in writing to the Administration Manager.

Insurance

The Administration Manager, in conjunction with the Treasurer, will effect insurance cover at a sufficient level to cover assets and possible liabilities as directed by the Trustee Board.

Inventories

An inventory shall be maintained of all furniture and equipment worth in excess of **£1000**. The inventory will be reviewed annually

Fixed Assets

Fixed Assets will be capitalised (above a level of £1000) and written off over their useful lives on a straight line basis. The useful lives are estimated to be:

Leasehold Improvements	5 years
Computer & Office Equipment	3 years

Salaries and Pensions

The Administration Manager will ensure that all salaries, wages and other emoluments to all employees of HDSF are paid in accordance with statutory requirements and any policies adopted by HDSF. Salaries due to be paid to staff will be confirmed by a Trustee (usually the treasurer) before payment is processed.

Data Protection

The Administration Manager will ensure that HDSF complies with the Data Protection Act.

Financial duties of the Administration Manager - HDSF

Even when using a payroll service an organisation has to ensure that monthly and annual tasks are completed and can be fined by (HMRC) if they are not done by the due date. You are also responsible for supplying the correct information to the payroll service.

- In conjunction with the Sports Project Officer, draw up draft annual budgets for the management of the organisation, to be completed two full months before the end of the financial year.
- Draw up draft budgets for fundraising.
- Maintain proper books of account and undertake a bank reconciliation on a monthly basis.
- Ensure that the bookkeeping system and audited accounts comply with the requirements of the Charities Acts and any additional practices requested by the Trustees or directed by legislation.
- Review the cash flow on a monthly basis, schedule payments and arrange for the transfer of funds between accounts as appropriate
- Arrange for the payment of bills on a monthly basis
- Check that appropriate rises are paid to staff on scale posts including inflationary increases, incremental increases approved by the management committee and changes to London weighting.
- Instruct the payroll service on a monthly basis and oversee their work,
- Arrange for the correct payments to be made to HMRC monthly. [If they are not your organisation will accrue fines.]
- Undertake an analysis of unit costs as required.
- For each major grant and/or cost centre compare on a monthly basis the budgeted income and expenditure with actual income and expenditure.
- Produce and present a quarterly comparison of expenditure and income against the budget for the Trustee Board, together with a balance sheet.
- Liaise with the Treasurer on a monthly basis.
- Prepare documents and schedules for the independent examiner or auditor and liaise with them
- Check from time-to-time and at least annually that adequate insurance cover is taken out for the organisation or make written recommendations to the Treasurer
- Each year arrange for employees to be given a P60 and ensure that annual submissions have been made to HMRC, including details of employee benefits and expenses and updated employee record details.
- Undertake an annual assessment of volunteer expenses, and other payments to individuals to ensure that your organisation has no tax liability.
- Submit annual return online to the Charity Commission.
- Check that the organisation is registered with [HMRC for Gift Aid](#) and so it can claim back 25p in the £1 made by individual taxpayers.

- Check at least annually that reserves are invested in a risk-free account and receiving a good rate of interest
- Ensure that the organisation's financial controls are observed and good current practice; review the financial procedures and controls of the organisation annually and report in writing to the Treasurer and Trustees.
- Review the organisation's reserves policy annually and make recommendations to the Treasurer, including an assessment of the redundancy cost that would be incurred if the organisation were to close and an assessment of other contractual liabilities such as property leases and equipment lease-purchase agreements
- Maintain a fixed asset register.