

Finance Policy



Introduction

As a registered charity and company limited by guarantee it is imperative that we adopt rigorous financial controls and procedures throughout the organisation, which will enable us to fulfil the expectations of the Charity Commission, and ensure financial viability for the future of the organisation. This policy has been designed to be flexible enough to allow the organisation to grow.

Board of Trustees

The Board of Trustees is responsible for:

- Safeguarding the assets of the charity
 - Preventing fraud
 - Avoiding mistakes
 - Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts).
 - Preparing Annual Accounts in accordance with the governing document and relevant legislation.

The Board of Trustees responsibilities are achieved through designating responsibilities to the Operations Managers.

To enable the Board of Trustees to carry out these responsibilities, the Finance Policy must be followed at all times by all Board of Trustee members, staff and volunteers. This policy in exceptional circumstances may be overridden with the approval of the Operational Managers; any such override will be immediately reported by the Operational Managers to the Board of Trustees. A Board decision may also override the policy in exceptional circumstances.

A copy of this policy will be given to all Board of Trustee members on their election/appointment to the Board, and to all relevant staff and volunteers.

Organisational Information

- a) Coalway Early Years financial Year runs from 1st September to the 31st August

- b) Name of Bankers **Lloyds Bank**
- c) Name of Auditor **Joanne Young**

Bank Accounts

- a) All bank accounts must be in the name of the
- b) No account may ever be opened in the name of an individual or individuals.
- c) New organisational accounts may only be opened by a decision of the Board of Trustees, which must be minuted.
- d) Changes to the bank mandate may only be made by a decision of the Board of Trustees and/or with consent from the Chair and Treasurer of the board, which must be minuted.
- e) Two people must be involved in counting cash receipts.
- f) All cheques must be signed by two signatories.
- g) The signatories are responsible for examining the cheque for accuracy and completeness.
- h) All Internet Bank Transfers must be authorised by two signatories.
- i) The Finance Officer and a Manager is responsible for ensuring accuracy and completeness prior to transmission.
- j) The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an Internet Transfer.
- k) Blank cheques must never be signed.

Signatories to the accounts:

Role/Job Title: Operational Managers

Role/Job Title: Finance Officer

Role/Job Title: Treasurer

Annual Budget

- a) An annual budget, setting out the organisation's financial plan for the year, will be prepared so that the Board of Trustees can approve it during the final meeting before the next financial year.
- b) The draft budget will be prepared by the following personnel:
 - Operations Manager

- Finance Officer

Financial Reports

- a) A monthly Management Accounts report and a Cash Flow Report will be prepared for monthly meetings with the Managers.
- b) The report will consist of:
 - Income and Expenditure Accounts
 - Balance Sheet
 - Notes to the accounts and commentary
- c) Reports will be disseminated 2 days in advance of each Managers meeting to enable Managers to scrutinise in readiness for discussion at the next meeting and/or Board of Trustees meeting.
- d) All reports will be prepared by the Finance Officer.

Accounting and other Financial Records

The organisation has robust procedures in place to ensure that all legal and statutory responsibilities are upheld.

The organisation maintains a computerised accounting system which records:

- Cheques and cash received and banked
- Cheque payments and Internet Banking Transfers
 - a) Every transaction will be entered into the appropriate system and will include:
 - The date of the transaction
 - The name of the person or organisation money was received from or paid to and the full amount
 - A brief description of why the money was received or paid
 - b) All documents relating to receipts and payments will be filed appropriately and reconciled accordingly.

Authorisation and Payment

- a) In order to ensure compliance with any statutory requirements whilst allowing the organisation to meet its objectives, to help ensure that all purchasing is undertaken using the same principles and the most effective use of funds.
- b) All purchases MUST be approved before an order is placed by the Operations Manager and Finance Officer.

Purchases of items may be approved as per below:

Up to £1.5K – Operations Manager and Finance Officer

Over £1.5K – Board of Trustees

- c) No Trustees or staff member may solely authorise payment to themselves, their partner or relatives.
- d) All goods received must be signed for; if unchecked they must be checked for completeness before payment.
- e) Once payment has been made, the invoice (or other receipt) should be marked “Paid”, together with the date.
- f) All payments must be entered on to the computerised accounting system on receipt.

Card Payments

All expenses incurred using a card must go through the usual authorisation processes.

Regular Bank Payments

There will be a quarterly review to ensure no redundant regular payments (standing orders or direct debits) are being made. If any redundant payments have been made, then a refund will be requested from the service provider.

Reimbursement of Expenses

All expense payments, without exception will be authorised by two senior members of the management team (Managers, Finance Officer, Deputy Manager.)

Staff Payroll

- a) All employees (including sessional and part time employees) must be asked to complete the relevant PAYE form/s before they receive any payment.
- b) All staff changes and changes to terms and conditions of employment need to be approved by the Board of Trustees and will be processed by the Operations Manager.
- c) Payroll and all calculations will be made by the Finance Officer and authorised by a Manager and/or Treasurer.
- d) Coalway Early Years does not issue loans or salary advances under any circumstances.

Insurance

- a) Appropriate Insurance policies will be maintained to cover:
Employer's Liability, Public Liability, Buildings and any other relevant policies.

Collections, Donations and Gift Aid

Coalway Early Years is aware of and will ensure that all fundraising activities are carried out in line with its legal responsibilities and the Charity Commissions best practice guidance.

Other Undertakings

All fund raising and grant applications undertaken on behalf of Coalway Early Years will be done in the name of the organisation and full details will be given at the next Board Meeting. The Board of Trustees, the Finance Officer and the Managers will consider the level of reserves that is prudent for Coalway Early Years to have. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account if Coalway Early Years were to close.

Confidentiality

The confidentiality of employees' financial circumstances will be respected at all times. Board members, volunteers and employees will at all times act in the best interest of the organisation.

Policy Revisions

This policy will be reviewed annually and amended as necessary, or earlier in accordance with any forthcoming legislation or changes to the operations or premises of the organisation. All employees should pass suggestions or recommendations for the revision of any aspect of the policy through normal channels to the Managers.

This policy was adopted on	Signed (nursery manager)		
	Signed (Chair or Committee)		
Date for review		Date for review	
Date for review		Date for review	