

Model Financial Policy and Procedures

This is a basic policy for a new organisation but you may not need all of it, for example if you don't intend to employ anyone. As you expand, check this policy regularly to make sure it is still fit for purpose.

Financial Policy

1. The Board of Trustees/Committee 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, Companies Acts etc).
 - Preparing Annual Accounts in accordance with the governing document and relevant legislation
2. To enable the Committee members to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all Committee members, staff and volunteers.
3. A copy of this policy and procedures will be given to all Committee members on their election/appointment to the Board, and to all relevant staff and volunteers.
4. The policy and procedures will be reviewed annually by the Committee and revised as necessary.

Financial Procedures

1. Organisational Information



a) Our Financial Year runs from.....

b) Name of Bankers.....

c) Name of Auditor/Independent Examiner.....

2. Bank Accounts

- a) All bank accounts must be in the name of the organisation.
- b) No account may ever be opened in the name of an individual or individuals.
- c) New 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, which must be minuted.
- e) Two people should be involved in counting cash receipts.
- f) All payments, including online and cheques must be signed/authorised by two signatories.
- g) The signatories are responsible for examining the payment details for accuracy and completeness.
- h) The Treasurer is responsible for ensuring accuracy and completeness prior to transmission.
- i) The signatories are responsible for examining the payment documentation (purchase invoice etc) prior to signing the cheque or authorising an Internet Transfer.
- j) Blank cheques must **never** be signed.

3. Signatories to the accounts:

i) Name:

Role/Job Title:

ii) Name:

Role/Job Title:

iii) Name:

Role/Job Title:

4. Annual Budget



Voscur is a registered charity (No. 1148403) and company limited by guarantee (No. 3918210). VAT No. 974 3387 81

- 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 before the start of each financial year.

5. Financial Reports

- a) An up to date financial report will be prepared for every Board of Trustees meeting.
- b) The financial report will show:
- Current funds
 - How spending matches the agreed budget
- c) Each Financial Report will be circulated at least 7 days ahead to all Board of Trustees members and discussed at the following committee meeting.
- d) The reports will be prepared by the treasurer

6. Accounting and other financial records

The organisation maintains a computerised accounting system which records:

- Cheques and cash received and banked
- Cheque payments, Internet Banking Transfers and other amounts paid from the bank accounts

- a) Every transaction will be entered into the appropriate place and will include:

- The date of the transaction
- The name of the person money was received from or paid to and the full amount
- A brief description of why the money was received or paid
- An analysis of each amount under its relevant budget heading, where applicable

- b) All documents relating to receipts and payments will be filed in the month they are input into the system

- c) A regular backup copy of the accounts will be taken, saved to a suitable format and shared with another Committee member.

7. Authorisation and Payment

- a) The Chair (or Treasurer in their absence) must approve the purchase of any item over £50.
- b) No Board of Trustees or staff member may authorise payment to themselves, their partner or relatives.
- c) Invoices (or other receipts) should be checked before payment is authorised. All goods received must be signed for, if unchecked they must be checked for completeness before payment.
- d) Before cheque or Internet payment is made, it must be authorised in writing.
- e) Once payment has been made the invoice (or other receipt) should be marked "Paid", together with the cheque number and date.



f) All payments must be entered in the computerised accounting system only after being authorised.

8. 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 must be authorised and minuted by the Board of Trustees.
- c) Payroll and all calculations will be made by.....

9. Insurance

- a) Appropriate Insurance policies will be maintained to cover:
 - Employer’s Liability
 - Public Liability
 - Contents
- b) An inventory of all physical assets of the organisation will be kept and regularly updated.
- c) A copy will be kept off the premises at the address of the Treasurer.

10. This Financial Policy, and the Financial Procedures detailed above were agreed and minuted at a meeting of the Board of Trustees on:

Name:.....

Signed:.....

Date:.....



Voscur is a council for voluntary service and a development agency for the voluntary, community and social enterprise sector in Bristol.

We deliver **training** on different aspects of running a VCSE organisation. Follow this link to our VCSE Academy to look for upcoming courses: <https://www.vcseacademy.org/courses/> We can also offer bespoke training for your organisation, so do get in touch to discuss your training needs.

Voscur is here to **support** VCSE organisations. For support, advice and guidance on how to apply this information in your particular circumstances, please contact us: info@voscur.org 0117 909 9949



Voscur is a registered charity (No. 1148403) and company limited by guarantee (No. 3918210). VAT No. 974 3387 81