



Financial Controls Policy.

August 2024

1. Introduction

1.1 Financial records will be kept so that the Charity can:

(a) Meet its legal and other obligations, e.g. Charities Acts, Company Law, HMRC and common law.

(b) Enable the trustees to be in proper financial control of the Charity.

(c) Enable the Charity to meet the contractual obligations and requirements of funders.

1.2 The Charity will keep a proper accounting system, which will include:

(a) A cashbook analysing all the transactions in the Charity's bank account(s). This may be a computer package, excel or paper.

(b) A petty cash book if cash payments are being made.

(c) HMRC and records which may be kept by a pay roll bureau.

- 1.3 The financial year will end on the 31st March each year.
- 1.4 Accounts will be drawn up after each financial year within five months of the end of the year and presented to the next Annual General Meeting.
- 1.5 Prior to 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 A cash flow will be produced each month if the charity is in financial difficulties or reserves are less than three months expenditure.
- 1.8 The AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM, filing with the Charity Commission when the appropriate threshold is exceeded and if appropriate filing with Companies House.

2. Banking

- 2.1 The West London Schools FA will bank with Zemplar Bank. Accounts will be held in the name of West London Schools FA. The following accounts will be maintained:

West London Schools FA
West London Schools FA Investment Account
- 2.2 The bank mandate (list of people who can sign cheques or authorise electronic payments on the organisations behalf) will always be approved and minuted by the trustees as will all the changes to it.
- 2.3 The charity will require the bank to provide statements every month or access to electronic statements. These will be reconciled with the bookkeeping system at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, sign the reconciliation document accordingly. If only electronic statements are available they will be printed off and filed every month.
- 2.3 The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.

3. Receipts (income)

- 3.1 All monies received will be recorded promptly in the bookkeeping system and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). The Charity will maintain files of documentation to back this up.

3.2 Money credited to the bank electronically.

The charity will issue reference numbers to customers for them to use when making electronic payments, to ensure that receipts into the bank account can be traced to the customer easily.

The charity will set a limit of [£10,000] for the maximum balance for the account whose details are publicised widely for the receipt of payments.

If the charity runs any form of electronic bookings for its customers it will ensure that the system is reconciled to the bookkeeping system and that all customers who should be invoice are invoiced.

The Charity will keep a record of aged debtors and contact debtors every month.

4. Internet Purchases

When purchases are made over the internet the charity will ensure that only well known bona fide sites are used for purchasing and that they have appropriate security as illustrated by a lock padlock in the bottom right hand side of the screen when a payment is being made. Such purchases will be properly authorised in a similar way to other purchases.

5. Payments (expenditure)

The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.

- 5.1 The [Director] will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- 5.2 Blank cheques will NEVER be signed.

- 5.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 5.4 No cheques should be signed without original documentation (see below).
- 5.5 Payments by debit card. When the charity issues a debit card to an employee or trustee it will be administered in a similar to way petty cash (see below). The card holder will be personally responsible for any undocumented expenditure and this is detailed in their contract of employment.
- 5.5 **Electronic banking.**
Each signatory and the banking administrator will have a unique password which will be made up of lower and upper case letters, numbers and symbols.

The [banking administrator: director bookkeeper etc.] will be able to access the electronic banking system for the purposes of putting transactions onto the system for authorisation by the cheque signatories and for assessing bank statements.

The [banking administrator: director, bookkeeper etc.] will check that purchases have been properly authorised and when appropriate there is evidence that goods in good condition or proper services have been received.

The banking administrator will scan and e-mail invoices and evidence of authorisation to the cheque signatories.

The [banking administrator: director, bookkeeper etc.] will check and enter the suppliers sort code, account number, account name into the system and provide these by e-mail to the cheque signatories.

The cheque signatories will check the payment details sort code, account number, invoice and amount. If these are accurate the cheque signatory will authorise the payment.

Authorisation from two cheque signatories will be required for each payment.

Following authorisation the cheque signatory will e-mail the administrator to confirm their authorisation. This e-mail will act as evidence for the Independent Examiner as to who authorised the payment.

The banking administrator may / may not also be a cheque signatory.

6.0 Pay Pal

A named signatory and [] will each hold the log in details and pass word for Paypal and will authorise payments from Paypal. Details of payments and transfers will be e-mailed to the banking administrator immediately they have been made.

Two signatories will be required for credits from the charities bank account to Paypal.

The balance in Paypal will not exceed [£1,000]. Appropriate transfers will be made the Charites bank account to ensure that this amount is not exceeded.

7. Payment documentation

- 7.1 Every payment out of the Charity's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by the Charity and filed. The cheque signatory should ensure that it is referenced with:

Cheque number or electronic authorisation reference
Date cheque drawn or paid electronically
Amount of payment
Who signed or authorised the payment.

- 7.2 The only exceptions to cheques or electronic payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.
- 7.3 **Wages and Salaries.** There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition, asking for payment to an employee, HMRC etc. All employees will be paid within the HMRC regulations.
- 7.4 All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc., will be authorised either by the trustees.
- 7.5 **Petty cash** will always be maintained on the imprest system where by An individual is entrusted with a float as agreed by the trustees. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

- 7.6 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, authorise electronic payments to themselves.

8. Cheque Signatures and cash cards

- 8.1 Each cheque will be signed by at least two people.
- 8.2 Electronic bank payments will be signed by at least two people.
- 8.3 A cheque must not be signed by the person to whom it is payable.
- 8.4 Hole in the wall type cash cards access any of the charities bank accounts will not be used and if issued by the bank they will be immediately cut in half.
- 8.5 Top up debit cards may be issued to [named post holders]. The top up limit per card will be [£1,000]. The card will be administered in a similar way to a petty cash imprest system. The card will be topped up to a pre-set (float) amount by the amount of documented legitimate expenditure that has accrued. The expenditure records will be filed by the banking administrator.

9. Other undertakings

- 9.1 The West London Schools FA 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 [£5,000], must be authorised and minuted by the trustees. In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the trustees. (This covers such items as the new service contracts, office equipment, purchase and hire).

9.2 All fundraising, contract bids and grant applications made 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.

9.3 Copies of grant application will be kept and available to trustees on request. When bids are made using internet portals electronic or paper copies of the bid will be kept.

9.4 Any funding contracts or grant acceptance documentation exceeding [£5,000] will be brought to the trustee's attention for approval. In urgent situations this may be by e-mail to all trustees.

10. Other rules

10.1 The Small Charity 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. Additionally the Charity will maintain a property record of items of significant value, with an appropriate record of their use.

10.2 The charity will maintain up to date good quality antivirus and anti-phishing software on all computers that connect to the internet.

This policy was adopted by the trustees on / /

The next review date is on or before / /