



**STEVE BERNARD
FOUNDATION**

Financial Controls and Procedures

1. Introduction

- 1.1 Financial records will be kept so that the Steve Bernard Foundation can:
 - a. Meet its legal and other obligations, e.g., Charities Acts, HMRC, Common Law.
 - b. Enable the Trustees to have control of the organisations finances.
 - c. Enable the organisation to meet contractual obligations and the requirements of funding bodies.
- 1.2 Steve Bernard Foundation will keep proper books of account (which may be electronic) and appropriate backups, which will include:
 - a. A cash book analysing all the transactions in its bank account detailing any transactions relating to restricted funds.
 - b. Petty cash records.
 - c. Payments of salaries, with deductions, to staff.
- 1.3 The financial year for Steve Bernard Foundation will end on 28th February
- 1.4 Accounts and Trustees Annual Report according to the Charity SORP will be drawn up after each financial year within 4 months of the end of the year and presented at 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 The Trustees will receive regular financial reports in an agreed format that is understandable, accurate and timely, to be sent to members at least 7 days before the meeting.
- 1.7 A paper comparing actual income and expenditure with the budget, with explanations of any significant differences, will be presented to the Trustees every 3 months as a minimum.
- 1.8 The Trustees will appoint, as necessary, an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM.

2. Bank

- 2.1 Steve Bernard Foundation will bank with Lloyds and Santander where a current account will be held in the name of Steve Bernard Foundation as agreed and approved by the Trustees.

- 2.2 A deposit account in the name of Steve Bernard Foundation will be maintained with Lloyds and Santander Banks as agreed and approved by the Trustees.
- 2.3 Bank mandates (list of people who can sign cheques, authorise direct debits, make changes to the mandate on the organisation's behalf) will always be approved and minuted by the Trustees as will all changes to it.
- 2.4 Steve Bernard Foundation will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the Trustees.

3. Receipts (income)

The aim is to demonstrate that Steve Bernard Foundation has received all the income to which it is entitled and that it is all reasonably evidenced.

- 3.1 All cash income will be banked as soon as possible without deduction of expenses.
- 3.2 All monies received will be recorded promptly in the cash book and banked without delay (note this includes sundry receipts such as payments for telephone calls, photocopying, etc.). The organisation will maintain files of documentation i.e. invoices, letters from funding bodies to back this up.
- 3.3 Money from each fundraising event will be counted in the presence of two people and separately recorded.
- 3.4 Any unbanked cheques or income will be securely stored.
- 3.5 Fundraising income will be analysed to ensure any grants, donations or other funds that are subject to restrictions in their use are correctly identified.
- 3.6 Where the charity receives restricted funds a detailed summary will be maintained of each fund and the expenditure in relation to that fund will be allocated accordingly.

4. Payments (expenditure)

The aim is to ensure that all expenditure is on Steve Bernard Foundation 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.

- 4.1 Payments in cash should be kept to a minimum and generally for small amounts through the petty cash system. Otherwise all payments should be by cheque, electronic payments or direct debit.
- 4.2 The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept secure.
- 4.3 Blank cheques will **NEVER** be signed.

- 4.4 Whenever possible, the same person should not be responsible for ordering, processing and checking invoices as well as raising cheque requisitions, signing cheques and payments.
- 4.5 The relevant payee's name will always be written on the cheque before signature, the cheque stub will always be filled in.
- 4.6 No cheques will be signed without original documentation and the bank will be instructed that each cheque will require two signatories.
- 4.7 Money will only be spent in pursuance of the Objects of the Constitution and, when appropriate, to meet conditions and requirements of the funding bodies.
- 4.8 The signatories shall not approve an overspend on a particular budget heading of more than 10% unless this approval should be written down, signed by both people approving it, and reported to the next Trustee meeting.
- 4.9 Payments, other than for salaries, may be signed or authorised for electronic payment by the following:
- up to £500 by at least one trustee
 - up to £1,000 by any two trustees
 - over £1,000 by the Treasurer and Chair
- 5.0 Any payment to a trustee must be in accordance with the Charity's rules and those laid down by the Charity Commission and where appropriate written approval will be obtained from the Charity Commission for any such payments. The payments will be at no more than market rate and be approved at a Trustee meeting.

5. Payment Documentation

- 5.1 Every payment out of the organisations bank accounts will be supported by an original invoice (never against a supplier's statement or final demand). That original will be filed and kept for seven years.
- 5.2 The people who sign the cheque should ensure that the invoice is referenced with:
- Cheque number
 - Date cheque drawn
 - Amount of cheque

If authorising an electronic payment each person should check payment details against the invoice for:

- Bank details
 - Amount
- 5.3 The only exceptions to cheques not being supported by an original invoice would be for such items as PAYE payments to HMRC, advanced booking fees for a future course, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.

- 5.4 Wages and Salaries - There will be a clear trail to show the authority and reason for payment e.g. copy of payslip, copy of PAYE payment, a cheque requisition slip showing who has authorised the payment and what it was for i.e. salary, temporary work, HMRC, etc. All employees will be paid within the PAYE and National Insurance rules.
- 5.5 All staff appointments will be authorised by the Trustees, minuting the dates and salary level. Similarly, all changes in hours and other payments such as overtime, etc. will be authorised by the Line Manager/Treasurer.
- 5.6 Petty cash will always be maintained on the imprest system whereby the Manager is trusted with a float as agreed by the Trustees. When that is more or less expended, a cheque will be drawn for sufficient bringing up the float to the agreed sum (currently agreed at £100), the cheque being supported by a complete set of expenditure receipts, totalling the amount spent, analysed as required and authorised by the Treasurer. A trustee will spot check the float at least once a year.
- 5.7 Expenses/Allowances – Steve Bernard Foundation will, if asked, reimburse expenditure paid for personally by staff/volunteers/trustees, providing:
- An appropriate claim form is completed declaring the expense was carried out in the course of Steve Bernard Foundation business
 - Fares are evidenced by tickets (where possible).
 - Other expenditure is evidenced by original receipts.
 - Mileage is based on a rate agreed by the Trustees (currently 45p) up to the tax free maximum allowed by HMRC.

6. Cheque Signatures, use of cards and electronic banking

- 6.1 Each cheque or electronic authorisation will be signed by at least two people who are unrelated.
- 6.2 No cheque must be signed by the person to whom it is payable or connected to personally or through a business relationship.
- 6.3 Steve Bernard Foundation will apply for Lloyds and Santander Bank charge cards for the use of the Treasurer and Trustee. Each card will have a maximum credit of £500 and will be paid off monthly by direct debit, with each cardholder supplying receipts and invoices to support all expenditure and recorded in the cash book. The cardholders will keep the card secure, not give them to anyone else other than the Treasurer, and the PIN number will only be shared with the Treasurer. If either of the cardholders leave their card must be handed to the Chair for secure disposal. The card will only be used for authorised the charity's expenditure. The Trustee will use the card for day to day payments where individual items will be no more than £50. For any expenditure of more than £50 authorisation must first be obtained from the Treasurer. As well as day to day expenditure the cards can be used for online payments where an invoice cannot be obtained or BACS payment made.
- 6.4 All electronic payments will use a double authorisation system. Once a payment is set up by a signatory, a second signatory will be e-mailed with a request to authorise the payment. The second signatory will be sent evidence of payment as set out in Section 5 and will compare this with the electronic payment request. Once payment has been made a print off of the authorisations will be filed with other evidence of expenditure.

Any computer must be secure, with appropriate up to date security software installed, and passwords/PINs kept secret and periodically changed.

7. Other Undertakings

- 7.1 Steve Bernard Foundation does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facia, likely to exceed in total £1,000 must be authorised and minuted by the Trustees. In exceptional circumstances such undertakings can be made with the Chair's approval who will circulate the Trustees for their comments and approval and then provide full details to the next Trustee meeting. (This covers such items as new service contracts, office equipment, purchase and hire).
- 7.2 All fund raising and grant applications undertaken on behalf of Steve Bernard Foundation will be done in the name of the organisation with prior approval of the Trustees or in urgent situations the approval of the Chair who will provide full details to the next Trustee meeting. All such fundraising will be according to charity law and will follow the Fundraising Code.

8. Confidentiality

- 8.1 Trustees, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information.

9. Other rules

- 9.1 The Trustees will consider the level of reserves that is prudent for the Steve Bernard Foundation to have at least once per year and detail this in its Reserves Policy. Consideration will be given to any significant factors that should be taken into account were Steve Bernard Foundation to close.
- 9.2 Steve Bernard Foundation will maintain adequate insurance to protect its assets including equipment, cash in hand and transit as appropriate. It will review insurance cover each year.
- 9.3 Steve Bernard Foundation will adhere to good practice in relation to its finances at all times, e.g. it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of the asset(s).
- 9.4 Any incidence of theft or other financial crime or abuse will be reported to the appropriate authorities.
- 9.5 These controls will be reviewed at the first Trustee meeting after the AGM.

Approved by the Trustees on *Date*

Signed by

Treasurer:

Date:

Chair/Vice Chair of Trustees:

Date:
