



Financial Management & Accounting Policy

Financial management is more than just ensuring there is sufficient cash and keeping to budget.

Financial management involves:

- ✓ Setting financial objectives
- ✓ Planning and acquiring funds
- ✓ Ensuring funds are being effectively managed
- ✓ Management and financial accounting
- ✓ Formulating strategy
- ✓ Planning and controlling activities
- ✓ Decision-taking
- ✓ Optimising use of resources
- ✓ Disclosure to other interested parties external to the Charity
- ✓ Disclosure to employees
- ✓ Safeguarding assets.

Clear procedures are needed to ensure that the Trustees of the Charity have the tools and skills to ensure effective financial management takes place. Where staff and/or volunteers are involved, the individual responsibilities should be clear to avoid confusion, inconsistency & conflicts.

The role of the Treasurer or Chair is often crucial in discussion with key funding bodies, suppliers, commissioners of services, auditors *etc.* However, legally the Trustees are collectively/jointly responsible for ensuring that the charity's resources are properly managed and accounted for and must not assume the Treasurer and/or Chair will do everything. The following policies and procedures enable the Trustees to delegate financial management to the Treasurer.

Definitions:

The Charity: Crantock Surf Life Saving Club, registered CIO no: 1179066

Financial Year: The Charity's financial year is 1st April to 31st March.

Treasurer: The Treasurer is the member of the Committee who leads the strategic and operational responsibility for the financial management of the Charity and has the day-to-day responsibility for the administration of the Charity's financial transactions.

Authorised Person: Authorised persons are those persons authorised by the Trustees to approve financial instruments (cheques, purchase orders, invoices, *etc*) on its behalf.

Income Policy & Procedures

Purpose:

To safeguard, monitor and control income including grants, donations & contribution in the form of BACS, cheques & cash.

To outline the structure of authorisation for dealing with income, credit-control and cash management.

Invoices:

Invoices should be issued whenever it is appropriate.

Invoices should include the following details:

- ✓ The Charity's logo;
- ✓ A statement that the Charity is a registered charity, and its charity number;
- ✓ The name and address of the person or organisation being invoiced;
- ✓ The date of the invoice, which must be the date it is posted to the accounts;
- ✓ The nature of the services and/or goods being charged for;
- ✓ The rate at which services and/or goods are being charged for;
- ✓ The purchase order number (where available) and/or any other appropriate identification information provided by the person or organisation being invoiced;
- ✓ If the invoice is to a funding body it should state the funding period to which it relates;
- ✓ The invoice total;
- ✓ The Charity's payment instruction & terms of payment.

Where acceptable to the person/organisation to which it is addressed, the invoice may be sent electronically in PDF format. Otherwise, the invoice shall be printed and sent by post. In either case the invoice should be despatched within 2 working days of being produced.

Outstanding invoices:

The Treasurer will review the outstanding invoices every month.

If an invoice hasn't been paid within 28 days of being issued, then a second invoice should be issued. The second invoice should be a copy of the first, but with "REMINDER" added to it.

Any invoice which remains unpaid for more than 56 days must be brought to the attention of the Board to determine what further action should be taken.

Unless there are extenuating circumstances, debtors with invoices more than 56 days overdue will not be allowed any further credit (*eg*: the provision of goods or services, or access to any of the Charity's facilities or resources) until the outstanding debt has been repaid in full.

Bad debts will be formally written off annually by the Board as part of the preparation for the audited/examined accounts.

Recording Payments:

Payment by BACS:

Where payments are made directly into the bank account via the BACS payment system the Treasurer will check for such direct payments each time a bank statement is received, or on-line as circumstances require.

When payment by cheque or cash is received:

Cash collected from donations &/or events should be counted on the day of the event by two people and a note produced with

- The sum total
- Names of the people who counted
- Signatures

Cheques or cash collected needs to be stored in a safe place with one of the committee members, and either banked or given to the Treasurer as soon as is reasonably practical. Definitely by the next committee meeting.

Cheques and cash received should be banked the same day where possible but at least once per week. A maximum of £1000 cash may be held in exceptional circumstances i.e. out of banking hours.

When cheques or cash arrive, the Treasurer will ensure that cheques are properly signed and made payable to the Charity and will record their arrival in the accounts.

If cheques cannot be submitted to the treasurer within 24 hours any one of the authorised signatories holding a bank card should take receipt of the cheque and bank it.

Cash in Transit:

All persons carrying cash to or from the bank are instructed to put their personal safety first in the event of any attempt to steal the money.

In the event of losses of cash in transit, the Treasurer must be informed immediately and take the appropriate action.

The times and days of taking cash for banking should be varied and an innocuous plain bag must be used for carrying the money.

Budgeting Policy and Controls:

Purpose:

To provide a means of balancing projected expenditure against projected income and ensuring resources are allocated fairly.

To provide a structure for monitoring and controlling expenditure.

To ensure that the funds' cash flows can be effectively and efficiently managed to ensure that there are always sufficient accessible funds available to meet the financial commitments as they arise.

Policy:

The annual budget will be based on routine expenditure and the number of expected members.

This will be reviewed annually and authorised by the committee.

Winter activities (pool swimming, circuits) and extra activities will be budgeted individually to ensure that the income from those activities covers the expenditure.

New equipment for the club and major repairs to the clubhouse will be budgeted on an ad-hoc basis where the projected expenditure will need to be covered by specific fundraising.

These budget streams will be monitored separately by the trustees.

The amounts budgeted for the income and expenditure, both within budget categories and overall, of the Charity cannot be exceeded, transferred or altered without the authorisation of the committee.

The Treasurer will provide the committee with regular (informal) reports at the committee meetings when appropriate.

Expenditure exceeding £500 will be highlighted to the committee via meetings or informal electronic communication. This should include a statement of the actual cost versus the expected cost.

Monitoring and Revision:

The Treasurer will monitor income and expenditure and ensure that the Committee receives accurate and up to date information regarding any shortfall in projected income or increase in expenditure.

Where necessary, the Treasurer will make recommendations on various options for remedial action.

Purchasing Policy and Procedures:

Purpose:

To ensure that all expenditure is properly authorised and provide a standardised procedure for dealing with expenditure items.

Orders – Goods and Services:

Quotes for goods or services above the value of £500 shall be obtained.

The value of an order/purchase to be shown along with delivery charges where appropriate and both inclusive of VAT.

The committee must authorise all orders/purchases above the value of £300.

The treasurer is authorised to pay for sundry purchases of up to £300 without seeking authorisation from the committee.

Authorisation card holders can pay for sundry purchases of up to £100 without seeking authorisation from the committee.

For any purchase over £1000 in value, at least 3 quotes must be obtained in order to ensure a competitive price is paid unless the committee explicitly waives this requirement and records in the minutes of the committee meeting the justification for the waiver.

Invoices must be checked against the quotes and dated when received by the Treasurer before payment.

For any purchase over £5000 the board of trustees must agree to the purchase by a simple majority.

Where orders/purchases are approved by the committee using electronic messaging, that decision shall be formally noted at the next committee meeting and added to the minutes.

Payments by Cheque and Other Instruments (eg: On-Line BACS, Direct Debit):

Where appropriate, authorised persons who are not Trustees may be established by resolution of the committee. The resolution must state the reason for the authorisation and the date on which it will expire.

Where a cheque or any other form of payment is being made to an authorised person that person may not be a signatory on the cheque or other instruction for payment;

The Accounting and Audit Procedure:

Purpose:

To ensure that the Charity meets the statutory accounting requirements of the Charities Commission and Companies

To provide accurate and useful data for the committee and trustees.

Procedure:

The Charity's accounts will be managed electronically using appropriate software approved by The committee and the Charity's Auditor/Examiner;

The Board of Trustees appoints the Auditor/Examiner at the AGM, or at other times when circumstances require;

The Treasurer will ensure that all financial records, supporting documentation and reconciliations are accurately maintained, up to date and easily retrievable for analysis and examination purposes;

The Treasurer will prepare timely and accurate year-end accounts in the appropriate format with the required supporting working papers and relevant reconciliations.

The Annual General Meeting has agreed that: *"That, for as long as it is entitled to do so under the relevant Companies legislation, The Charity will exercise its option to exemption from the requirement to obtain an audit of its financial activities"*

The Treasurer will meet with the Auditor/Examiner to ensure that audit/examination queries are resolved and that accounts are completed and signed within six months of the year end.

The Treasurer will ensure that the audited/examined accounts are filed with:

- ✓ Companies House within 9 months of the financial year end;
- ✓ the Charity Commission within 10 months of the year-end.

Authorised Persons:

Belinda Perkins, Ben Sousek, Emmie Seward-Adams, Lisa Sensier (Trustees of Committee)

Donation Accounts:

Just Giving

PayPal Giving

Change Record

| Date of Change: | Changed By: | Comments: |
|-----------------|-------------|---|
| 16/03/24 | BP/MC | Draft written |
| 26/3/24 | MC | Clauses ref formal log of electronic message authorisation & trustee agreeing >£5k added. Committee approved policy 25/3/24 |
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**CSLSC credit Small Charity Support for providing a template for this policy
CSLSC have adapted the template for our requirements**