

Policy: Financial Controls Policy

Date previously approved 10 March 2016

Date for Review Deferred from October 2019

1.0 Financial Records and Accounts

1.1 Financial records must be kept so that:

- The Triangle Trust meets its legal and other statutory obligations, such as Charity Acts, Her Majesty's Revenue & Customs and common law.
- Trustees have proper financial control
- The Triangle Trust meets the commitments made to grant and gift recipients.

1.2 The trustees will approve a budgeted income and expenditure account prior to the start of each financial year.

1.3 All income and expenditure is recorded in the SAGE accounting system, where the payer/payee and Nominal record code for each transaction is recorded.

1.4 Management accounts comparing actual income and expenditure with the budget will be presented to the Trustees at every ordinary Board meeting. A cash flow projection will also be presented and the Treasurer will provide a verbal report highlighting any issues that Trustees should be aware of.

1.5 The Trustees will appoint an appropriately qualified auditor to audit the accounts before they are approved by the Trustees and submitted to the Charity Commission. The auditor will be reviewed every three years.

2.0 Banking

2.1 The Triangle Trust currently banks with CAF Bank and the following accounts are maintained;

- CAFCash – current account (where a minimum balance of £5,000 is held)
- CAFGold – savings account

2.2 The bank mandate (list of people who can authorise payments) will always be approved and minuted by the Board of Trustees and changes made confirmed with the Chair. The current bank mandate includes the Director, Chair, Vice Chair and Treasurer.

2.3 The charity will require the bank to provide statements every month and these will be reconciled on SAGE monthly.

- 2.4 The charity will not use any other bank of financial institutions or use overdraft facilities or loans without the agreement of the Board of Trustees.
- 2.5 An investment policy is in place for the management of the Triangle Trust's endowment.

3.0 Receipts

- 3.1 Where possible any income received will be via electronic transfer, otherwise any cheques or cash will be banked without delay.

4.0 Payments (expenditure)

- 4.1 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 Director has the authority to commit to expenditure within the agreed budget, not beyond it unless specifically agreed and minuted by the Board of Trustees. Reasonable small budget increases can be approved by the Chair outside of a Board meeting.
- 4.2 The Charity does not accept liability for any financial commitment unless properly authorised.
- 4.3 Where possible payment will be made by electronic transfer with the requirement for authorisation by two signatories, one of which may be the Director. The Director is responsible for creating the electronic transfer instruction to be authorised by a second bank signatory, usually the Chair or Vice Chair. The second signatory will receive a PDF of the invoices or other documentation for all payments to be authorised. In the absence of the Chair or Vice Chair being available the Treasurer will authorise payments. Signatories are not able to second authorise payments to themselves.
- 4.4 The Director and Chair are both named holders of a CAF business credit card. The Director has the authority to make purchases up to the value of £500 on the credit card. All receipts for expenditure are to be entered onto SAGE and reconciled against the CAFCash bank statement.
- 4.5 The Director will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key. The Director will complete the cheques and pass to a second signatory (currently the Chair) for second authorisation along with an invoice or supporting documentation for the payment.

5.0 Salaries

- 5.1 All employees will be paid within the PAYE and National Insurance regulations. A payroll processing provider (currently Easy Peasy) will be used to calculate salaries, company and employee national insurance and tax. Net salaries are paid directly to employees ensuring the salary is received by the 26th of every month. For ease of accounting tax and national insurance payments are paid directly to HMRC during the month they relate to, although there is not a requirement to pay until the 22nd of the following month.

5.2 All staff appointments/departures will be authorised by the Chair or Vice Chair, with a written salary level. Similarly, changes in hours or salary level will be authorised by the Chair or Vice Chair with a written record.

6.0 Personal Expenses

6.1 The Triangle Trust will, if asked, reimburse expenditure paid for personally by staff and Trustees providing:

- Travel fares are standard class and evidenced by tickets
- Car mileage is based on statutory scales
- Other expenditure is evidenced by original receipts

Payment will be made via electronic bank transfer.