



Finance Policy and Procedure Manual

Table of Contents

1.Introduction	3
2.General Principles	3
The Role of the Board/Trustees.....	3
3.Financial Governance	4
Financial Reserves	4
Organisational Information	4
Annual Review of Accounts and Compliance	5
4.Finance Authorisation Policies	5
Purpose of the Policy	5
Procedures	5
5.Bank Account Policy	6
Purpose of the Policy	6

1.Introduction

The Crumbs Financial Policy and Procedure Manual provides the policies and procedures for financial transactions. It also provides the guidelines Crumbs will use to administer these policies.

Crumbs will keep all financial policies current and relevant. From time to time, it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.

2.General Principles

The Role of the Board/Trustees

The Board has the overall responsibility for the financial health of the organisation whilst delegating the specific responsibilities as outlined below. The Board has the responsibility with particular regard to:

- That the assets of Crumbs both financial and physical are safeguarded.
- The keeping financial and other related records relevant to the Memorandum and Articles and any required legal or regulatory controls.
- The preparation the annual accounts in accordance with the governing documents and any legal or regulatory requirements.
- The financial authorisations and control systems that are appropriate to the organisation and in accordance with the required procedures.

A copy of this policy and procedures will be given to all members of the Board on their election/appointment to the Board, and to all relevant staff.

The policy and procedures will be reviewed bi-annually and revised as necessary.

These policies and procedures are to be read in conjunction with the Crumbs Memorandum and Articles.

A Trustee will undertake the responsibility for the oversight of the financial policies and reporting arrangements.

3. Financial Governance

Financial Reserves

The organisation should, as a matter of sound financial governance, maintain a reserve of not less than £170,000. This reserve should be kept under review and be amended and approved by the Board as appropriate, not less than on a biannual basis. This reserve is not required to be held in a separate bank account but should be the amount at which the Board should be informed and a review of the financial health of the organisation undertaken.

The amount should be reported annually to the Board in the published accounts.

Financial Procedures

Organisational Information

1. The Financial Year runs from: 1st January - 31st December

2. Name of Bankers: -

- CAF Bank - Cash and Gold Deposit Accounts
- NatWest Cash Account
- Hampshire Trust Bank - Investment Account

3. Name of Accountants /Independent Examiner - James Paget, Partners, tc Group, 10 Bridge Street, Christchurch, Dorset, BH23 1EF

4. The accounts will be maintained on an accrual basis.

5. Annual Budget

An annual budget, setting out the financial plan for the year, will be prepared and approved by the Board at the start of each financial year. The draft budget will be prepared by the Director of Finance having taken due regard of the views of the Board and the Management Team.

The budget should be prepared in order ensure a 'balanced budget' that reflects the income against expenditure, subject to any exceptional items that are approved by the Board.

6. Financial Reports

A financial report will be prepared for every Board meeting.

The financial report will consist of a view of the current financial health of the association that will include;

- An income and expenditure statement
- A statement of the bank position

- A statement of the actual -v- budget position
- The report will be circulated to the Board and discussed at the following Board meeting.
- The reports will be prepared by the Independent Examiner on the basis of the information provided by the Management Accountant.

Annual Review of Accounts and Compliance

The accounts are to be reviewed annually by a professional external accountant, in accordance with the legal and regulatory requirements. The external accountant will examine the accounts and prepare the required financial statements to International Accounting Standards and comment on the accuracy of the accounts and any matters arising.

The accountant will be appointed by the Board. The tenure of nominated accountant will be reviewed every five (5) years.

4. Finance Authorisation Policies

Purpose of the Policy

All finance transactions as noted in this policy are to be authorised by the appropriate person prior to the transaction being undertaken.

Procedures

Prior to any of the following finance transactions being undertaken, the authorising person noted must authorise the transaction.

Finance Transaction	Authorised Person	Financial Limit
Bank Accounts	Chair/ Nominated Trustees/ Head of Centre	£20,000 single authorisation
Issuing Petty Cash	Head of Centre / Head of Professional Training	£250
Authorising New Suppliers	Head of Centre/ Head of Professional Training	NA
Purchasing Stock	Head of Centre/ Head of Professional Training	£2,000
Payment of Invoices	Head of Centre/ Head of Professional Training	£2,000 per invoice

5. Bank Account Policy

Purpose of the Policy

This policy sets out the requirements for use of bank accounts, including opening, closing authorisation, variations to terms and conditions, reconciliation of bank accounts and bank account transactions.

Opening Bank Accounts

Any new bank accounts to be opened for the business must have the authorisation of the nominated trustee and the Chair of the Board.

For each new bank account opened, the financial system must be updated, and the bank account registered.

Bank Account Authorisations

For monies withdrawn from any bank account, whether by cheque, EFT or other online payment method, these must be authorised for each payment.

The authorised persons for CAF bank account payments are:

- Chair
- Nominated Trustee(s)
- Head of Centre
- Book Keeper
- Head of Professional Training

Each payment made must be supported by the appropriate documentation and authorisations.

The authorised persons for NatWest bank account payments are:

- Chair
- Head of Centre
- Head of Professional Training

Each payment made must be supported by the appropriate documentation and authorisations.

Variations to Bank Account Terms and Conditions

Any variations in the banking arrangements can be authorised or varied by the nominated trustee and the Chair of the Board.

The management accountant is responsible for updating the financial system and/or bank account register with the new information.

Closing Bank Accounts

Where it is decided that a bank account is no longer necessary, the nominated trustee and the Chair of the Board will authorise the closure of the bank account.

The management accountant will complete the following:

- ensure all transactions with respect to the account (including cheques drawn) have been completed;
- lodge with the bank a letter, signed by the Secretary General authorising the closure
- meet the bank's requirements with respect to account closure; and
- update the financial system as appropriate.

Bank Account Transactions

All deposits received into the Charity must be banked as soon as possible by Head of Centre or Head of Professional Training into the NatWest cash account weekly via the post office.

Cash revenue from Hibberd Court residents to be cashed at the end of each week and banked the following Monday at the Post Office.

The NatWest cash account balance should not exceed £10,000. Any excess funds should be transferred as soon as possible by the Head of Centre or Head of Professional Training into the CAF account

Unallocated direct deposits will be investigated fully to determine source of deposit. Where the source cannot be identified, the deposit will be allocated to unallocated members subscriptions.

Bank Account Conditions

The NatWest cash account has been opened to make paying in weekly cash easier and safer at the post office. There are no fees to this account as long as the annual turnover remains below £100k. This will need to be reviewed on an annual basis to ensure charges are not incurred.