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## Section A English for all

### a. An effective voluntary organisation is .....

The operational, financial, legal and strategic processes required for an effective voluntary organisation



To grow an effective voluntary organisation –

refer to NVCO know how <https://knowhow.ncvo.org.uk/organisation> - see table checklist **Appendix A**

## b. Getting Started- Preparation

### Creating policies and procedures

**Policies** should be clear, with simple statements of how your organisation intends to conduct its services, actions or business. They will provide a set of guiding principles to help with decision making. Policies don't need to be long or complicated

**Procedures** describe how each policy will be put into action in your organisation.

- **Who** will do what
- **What steps** they need to take
- **Which forms** or documents to use.

The format of Procedures can vary such as:

A few bullet points or instructions, forms, checklists and flowcharts.

Policies and their accompanying procedures can vary as they need to reflect the values, approaches, and commitments of a specific organisation and its culture. However they all share the key purpose of guiding the organisation with both it's essential and tailored commitments.

**It will be beneficial to** consider the following when identifying the additional policies and procedures your organisation may need:

- what policies and procedures reflect your charity framework
- the team and their roles ( consider who, what, when, how much and how often)
- how staff volunteers and trustees can support each other to understand their responsibilities, navigate the procedures and build in regular review
- how you can incorporate the discussion about steps into an induction process

## c. Policies Core and Common

This next section / chart identifies

1. the core, essential and statutory policies and procedures
2. Some of the common policies and procedures that reflect the different organisations

You will find a more detailed list of policies , procedures tools and resorces in **Appendix**

### Core Policies and procedures

- [Equality & Diversity Policy](#) (particularly anti-discrimination and harassment)
- **Financial management** <https://bvsc.co.uk/small-charitys-financial-controls-policy-template>
- Health and safety risk assessment.
- Health and safety policy is essential if you employ five or more people.
- [Safeguarding policy](#) for children and young people and/or vulnerable adult
- Financial Management policy and procedures ( procedures, systems & accounting tasks)
- Privacy Policy + [Data Protection & GDPR](#)
- [Risk management](#) (assessment & mitigation)
- [Trustee Code of Conduct](#) [Conflict of interest policy](#) (**[Board basics](#)**)

### Common policies & procedures -examples

Annual report and accounts

Lone working policy

Trustee Expenses policy

Volunteer Induction Checklist

## d. Preparing to write a financial management plan

The Charity Commission's guidance [Charity finances: trustee essentials \(CC25\)](#) -Quote

Good management of a charity's finances and other assets enables it to succeed in delivering its charitable aims

Use step by step guidance available at help websites to complete the financial plan.

This will be a working document - so change or rearrange to suit the organisation.

Consider **key** areas to develop and plan for in relation to your organisation such as:

- Financial responsibilities and accounting,
- Income and purchasing procedures and controls,
- Planning and budgeting, ( strategy, projects, resources ,monitoring)
- Record keeping, accounting and reporting, (<https://www.wycas.org.uk/help-advice/tools/>)
- Banking and investment,
- Tax and trading.
- Financial difficulties and insolvency

The resulting financial plan should include policies and a framework of key procedures as approved by the trustees. In addition a set of appendices could provide related information, points of clarification and resources that don't require approval such as:

- supportive tools and checklists
- organisational chart / flowcharts of processes such as purchasing, payments
- work plan of regular finance tasks (eg payroll, bank reconciliation, accounts).
- List of resources and index of useful addresses such as Charity commission
- Exemplar material and Reflective review

Use the Charity Commission's [internal financial controls for charities checklist](#) if you need to double check your plan.

**e. .Key sources of advice include:** ( see Appendix B policy examples & resources)

- [Charity finances: trustee essentials \(CC25\)](#)
- Small charities coalition [www.charitysetup.org.uk/](http://www.charitysetup.org.uk/)
- Small charity Support [www.smallcharitysupport.uk/index.php/example-policies](http://www.smallcharitysupport.uk/index.php/example-policies)
- NVCO Knowhow [step-by-step guidance](#)  
<https://knowhow.ncvo.org.uk/organisation/operations/policies-and-procedures>
- VAI - <https://vai.org.uk/services/policies-resources-and-toolkits/#Finance%20Section>
- <https://bvsc.co.uk/small-charitys-financial-controls-policy-template> ( Bexley)

## Section B

### Financial Management, Policies and Procedures

#### 1. Financial Management at a glance

**Financial management involves more than just ensuring sufficient funds and keeping to budget:**

- ✓ 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 English For All
- ✓ Disclosure to employees
- ✓ Safeguarding assets.

( refer to Small Charity Support)

#### 2. Introduction

The trustees of 'English for all' share overall responsibility for financial control, safeguarding the charity's funds, and ensuring that it's resources are properly managed and accounted for. Clear procedures are needed to ensure that trustees have the tools and skills they need. This document sets out the necessary statutory, regulatory and reporting procedures, and how these responsibilities will be exercised and where functions have been delegated to particular trustees of 'English for all'.

The details of the financial management plan are set out below starting at point 6 page 9.

There is a shorter financial controls policy included in Appendix B if appropriate.

## Definitions & Key Roles

Definitions	
<b>Financial year</b>	English For All's financial year is 1 January to 31 December. / 31 <sup>st</sup> march?
<b>Funding / accounting</b>	A big difference for charities is in how you account for your funding. Charity funds fall into two main categories: restricted ( includes endowment) and unrestricted.( general and designated) which impact on how you account your spending.
<b>The Budget</b>	Before the start of each financial year, the 'English for all' trustees will approve a budgeted income and expenditure account for the following year.  A paper comparing actual income, and expenditure with the budget will be presented to the 'English for all' trustees every 3 months
<b>Accounts</b>	will be drawn up after each financial year within 4 months of the end of the year and presented to the next AGM. And then submitted by treasurer / authorised trustee to the Charity Commission and to Companies House.
<b>Audit</b>	The trustees will appoint a qualified auditor/ independent examiner to audit the accounts for presentation to the next AGM. On a 3 year review process.
<b>Bank</b>	<p><b>Bank</b> - As approved / agreed by 'English for all' trustees (and noted in the minutes)</p> <ul style="list-style-type: none"> <li>✓ Nat West Bank will hold current account (and others) in the name of 'English for all'</li> <li>✓ Bank mandate identifies the people who can sign cheques on the organisation's behalf.</li> <li>✓ The bank provides monthly /regular current account statements. These statements will be reconciled with the cash book every month by the treasurer / authorised trustee and the principal trustee will sign the monthly reconciliation.</li> </ul> <p>'English for all' will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the 'English for all' trustees.</p>
<b>Best Value</b>	<b>Best value:</b> 'English for all' s aim to achieve best value for goods and services Obtain 3 quotes for amounts over <b>£5,000</b> . Service contractors (ICT, telephone and cleaning) will be invited to submit a proposal and considered in relation to specific criteria including price, service requirements and quality. Review in 3 years and aim to obtain feedback on organisations that are currently using the relevant service provider.

Key Roles	
<b>Principal trustee</b>	Authorised Person acting on behalf of trustees in role (Chair )
<b>Treasurer</b>	The Treasurer ( or chair) is the member of the Board who leads the strategic and operational responsibility for the financial management of English For All.
<b>Finance officer</b>	The Finance Officer is the person who has the day-to-day responsibility for the administration of English For All's financial transactions. <i>Note: It may be the case from time-to-time that the Treasurer and the Finance Officer are the same person. For that reason, these policies and procedures are constructed so that one does not act as a monitor or validator of the other.</i>
<b>Authorised person</b>	Authorised persons are those persons authorised by the Board of Trustees to support financial management and approve financial instruments (cheques, purchase orders, invoices, etc) on its behalf.
<b>The Board</b>	The Board of Trustees of English For All.

#### 4. The Role of the Treasurer (- [Treasurer Role Description](#))

The treasurer takes the lead at board level on:

- making sure English for all' keeps proper accounts
- reviewing financial performance
- ensuring policies for finance & investments are regularly reviewed
- ensuring 'English for all' has robust & effective financial controls are in place
- liaising with the chair / principal trustee about financial matters and with the auditor (or independent examiner) if required
- reporting on financial matters at the AGM

Also carrying out periodic internal checks, eg. prior to audit. ( checklist appendix / section )

#### 5. Financial records and compliance -

Keep Financial records so that:

- ✓ 'English for all' can meet its legal and other obligations, e.g., HM Revenue and Customs, Charities Acts, Companies Acts, Common Law.
- ✓ 'English for all' trustees can have control of the organisations finances.
- ✓ Organisation can meet contractual obligations & funding body requirements

English for all will keep proper account - using CC16 receipts & payments accounts,

Must  
Cash book analysing all transactions

+

As required  
Sales, purchases and nominal ledgers  
Petty cash records  
Pay roll records



# Financial Policies and Procedures in more detail

## 6. Accounting and Audit Procedure:

### *Purpose:*

- ✓ To ensure that English For All meets its legal and other statutory accounting requirements of the Charities Commission, and HMRC. If a charitable company then must also submit accounts to companies house.
- ✓ To provide accurate and useful data for the Board and staff.

### *Procedure:*

English For All's accounts will be managed appropriately in line with statutory obligations. Initially using a **cash book (spreadsheet see Appendix E 1. )** approved by the Board and English For All's Auditor/Examiner if appointed.

The Board of Trustees have proper financial control of the organisation and ensure that the organisation meets the contractual obligations and requirements of funders. The board appoints the Auditor/Examiner at the *AGM*, or at other times when circumstances require;

Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure for the following year, followed up by regular 3 monthly reports comparing income and expenditure to the trustees.

The Treasurer, in conjunction with the Finance Officer where appropriate, will ensure that all financial records, books of account, year end accounts, supporting documentation and reconciliations are accurately maintained, up to date and easily retrievable for analysis and examination purposes;

Year end accounts must be drawn up within 3 months of financial year end presented to the *AGM*.

The books of accounts must include:

- ✓ A cashbook analysing all the transactions appearing on the bank accounts
- ✓ A petty cash book if cash payments are being made.
- ✓ Sales, purchase and nominal ledgers if appropriate
- ✓ Inland Revenue deduction cards P11 (if registered for PAYE)

The *AGM* will appoint an appropriately qualified auditor/ independent examiner to audit or examine the accounts before presentation to the next *AGM*

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:

- ☑ the Charity Commission within 10 months of the year-end.

And Companies house if appropriate within 9 months of the financial year end;

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

## 7. Budgeting policy and Controls:

### **Purpose:**

To provide:

- a means of balancing projected expenditure against projected income and ensuring resources are allocated fairly;
- structure for monitoring and controlling expenditure and allow authorised budget-holders the flexibility to manage their respective budgets reflecting wishes of board.
- procedures that ensure cash flows can be effectively and efficiently managed and that funds are available to meet English For All's financial commitments as they arise.

### **Policy:**

The annual budget will provide budget-holders with the authority to spend within the amounts specified under each budget heading.

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

The Finance Officer will provide budget-holders with regular reports (informal reports will be provided monthly as appropriate, formal reports will be provided quarterly) detailing actual expenditure against budget heading and ensure that budgets are not exceeded.

The Finance Officer will ensure that the Board (via the Treasurer, where appropriate) is informed where any breaches of this policy may occur.

### **Budget-setting Process:**

A **budget** is a plan translated into money for a defined period of time. The time period is usually the financial year. The budget is prepared after English For All has clarified its aims and objectives and produced a variety of action plans to achieve them.

### **The purposes of a budget are to:**

- ✓ co-ordinate different activities towards a single plan;
- ✓ set and communicate financial targets;
- ✓ maximise and allocate resources;
- ✓ identify financial problems;
- ✓ establish a system of control by having a plan against which actual results compare;
- ✓ compel planning.

As the budget is a vital element of the procedure for negotiating grants and contracts, it is important that a budget is produced in good time .

### The Treasurer will produce a draft budget based on:

- Previous income & expenditure patterns
- Expected actual income & expenditure for the coming financial year.
- The draft budget plus explanatory notes will be circulated to the Board for comment.

Any necessary revisions will be made and a final draft budget presented to the Board for approval & adoption no later than the last day in the financial year prior to that to which it applies.

### ***Monitoring and Revision:***

- **The Finance Officer will monitor income and expenditure**
- **The finance officer will ensure that the Board 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.**
- **Where such action may affect the level of service or staff then negotiations should be initiated with the relevant parties immediately.**

## 8. 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 and include the following details:

- ✓ English For All's logo;
- ✓ A statement that English For All is a registered charity, and its charity number;  
*(delete this clause if not appropriate);*
- ✓ 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;
- ✓ Invoices to a funding body - should state the funding period to which it relates;
- ✓ The invoice total;
- ✓ English For All'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 must 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 English For All'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 Finance Officer 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:**

When cheques or cash arrive the Finance Officer will ensure that cheques are properly signed and made payable to English For All and will record their arrival in the accounts;

Cheques and cash received should be banked the same day where possible but at least once per week. Any cheques or cash not banked immediately must be locked away in the safe overnight or until it is banked. A maximum of £250 cash may be held overnight.

#### **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 or briefcase must be used for carrying the money. If the amount of cash (*ie*: excluding cheques) being banked is greater than £250 then two people should take the cash to the bank.

## 9. Fundraising, funding bids, tenders, and partnership arrangements

All fund raising, grant applications and tendering undertaken on behalf of 'English for all' will be done in the name of the organisation and will generally be based on recovery of the full cost of the proposed work

If the organisation is to subsidise the cost of any work from reserves or earned income then this must be approved by the trustees. The Principal Trustee (plus 2 other trustees \*) must approve bids and tenders to a value up to £15,000

Bids and tenders to a value of over £60,000 require the prior approval of the trustee board. ( check system for tenders / review as necessary)

Details of all funding bids and tenders will be provided to the trustee board.

### Partnership Arrangements

'English for all' may be the partner

in a bid submitted by another organisation only if this is consistent with the objectives of 'English for all' as set out in our Constitution/) The partnership arrangements must have the prior approval of the trustee board

All partnership arrangements will be reported to the trustee board. When 'English for all' will receive funding from partnership arrangements and take on financial commitments a written agreement must be in place covering the financial arrangements. In these circumstances the funding that 'English for all' receives should generally be based on recovery of the full cost of the proposed work. If the organisation is to subsidise the cost of work from reserves or earned income then this must be approved by the trustee board

The Chief Officer ( principal Trustee) must approve partnership arrangements to a value up to £15,000 The trustees who are officers (i.e. chair and treasurer) of 'English for all' must approve arrangements to a value of up to £60,000

Partnership arrangements to a value of over £60,000 require the prior approval of the trustee board. ( review as necessary)

When 'English for all' submits a funding bid or tender as the accountable body and there are partners to the bid or tender the arrangements must be agreed by the Chief Officer and trustees in accordance with the financial limits set out above. This includes the composition of the partnership. Where funds are to be dispersed or remitted to partners the partners must have in place arrangements for accounting for these funds that have been agreed with 'English for all' and that are consistent with our audit and reporting requirements. An agreement must be in place before funds are allocated to partners.

## 10. 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:*

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

Budget-holders may order items within their own budget and up to £200 in value.

For purchases outside of budget or over £200 and up to £500 value the authorisation of the Treasurer / principal trustee is required.

Items over £500 in value must be authorised by the Board.

### *Purchases - tenders:*

For any purchase over £2000 in value, at least 3 quotes must be obtained in order to ensure a competitive price is paid unless the Board explicitly waives this requirement and records in the minutes of the Board meeting the justification for the waiver.

For service contracts such as ICT, telephone and cleaning organisations will be invited to submit a proposal and these will be considered in relation to specific criteria including price, service requirements and quality. Whenever possible feedback will be obtained from organisations that are currently using the relevant service provider.

### *Delivery Notes*

Delivery notes must be checked and initialled by the budget-holder and be filed in the delivery notes file. Any discrepancy between the order and delivery notes must be notified to the supplier immediately. In the event that a discrepancy is not rectified by the supplier as soon as is reasonably practical the Treasurer must be informed.

Invoices must be checked against the relevant delivery notes, initialled and dated when received by the budget holder and forwarded to the Treasurer for payment.

In the event of any shortfall in delivery or the return of goods for any reason, the relevant credit-note must be received from the supplier before payment is made.

### *Purchases - Depreciable Assets:*

Depreciable items over £1000 (including aggregated /related items)

Record in the accounts as a tangible fixed asset and depreciated over the appropriate period of time as defined in the Annual Report & Statement of Financial Activity.

**Note: this section will not apply to charities which use Receipts & Payments accounting procedures, in which case it should be deleted in its entirety.**



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

Where appropriate, authorised persons who are not Trustees may be established by resolution of the Board, stating 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;

All cheques and other instructions to the bank, including on-line ie. for BACS payments should be signed by two authorised persons.

Payments up to £250. If practicable, the trustees can decide to approve the authorisation of one person, provided the decision and its justification are clearly recorded in the minutes of the specific meeting.

Payments over £1000 require authorisation by the Board of Trustees unless the purpose for which the payment is being made has already been approved by the Board. Authorisation of the payment can be via written resolution, e-mail where appropriate. (NOT necessarily requiring the board to meet.

## On-Line Purchases Using Credit/Debit Cards:

It is recognised that the increasing availability of on-line purchasing means that it is very often possible to secure products at very competitive prices.

If bankers do not provide a credit/debit card to allow such purchases to be on-line with direct charging to charity's bank account. Then English For All can only take advantage of competitive on-line pricing where budget-holders are willing and able to make such purchases using their own personal credit/debit card and reclaim the expenditure from English For All. English For All accepts that, with due care ( probity), this is a reasonable & beneficial procedure.

All such on-line purchases must have the prior approval of a Trustee who is not otherwise involved in the purchase, in addition to the budgetary approvals specified earlier.

On-line purchases of items for English For All must NOT include within the same order any item for the personal use of the person placing the order.

Whenever possible, the delivery address for such on-line purchases should be English For All rather than the purchaser's personal billing address.

Procedures for handling delivery notes, credit notes and invoices for purchases charged to a personal credit/debit account are the same as for purchases made directly by English For All. Reimbursement of individuals for purchases made on behalf of English For All will always be by cheque signed by two Trustees who are not otherwise involved in the purchase (including reimbursement within the single-signature limit in English For All's bank account mandate).

# 11. Petty Cash Policy and Procedure:

## **Purpose:**

To ensure all cash is properly handled including storage, payments and record keeping.

To establish accountability for the proper handling of cash.

## **Policy:**

English For All will avoid the maintenance of Petty Cash accounts except where absolutely necessary for practical operational reasons.

All cash must be kept in the Petty Cash boxes provided which should be kept in a secure place.

A signed Expenditure Voucher and point-of-sale receipt must support all transactions.

All petty cash boxes must be reconciled monthly by the petty cash holder, or named responsible person.

Requests for replacement cash must tally with the sum of the vouchers.

The Treasurer shall operate random checks on Petty Cash boxes to ensure that entries are accurate, vouchers and receipts properly stored and that the running balances are correct.

## **Administration and Accounting:**

Payments from Petty Cash are recorded and signed for using Expenditure Vouchers as they are paid out against point-of-sale receipts.

Petty Cash floats operate on the imprest system where the total of the cash and Expenditure Vouchers should always equal the amount of the agreed float. Any discrepancies must be reported to the Treasurer immediately for investigation and action. The amount of float held in a Petty Cash box will be clearly marked on the inside of the box and should be appropriate to the level of transactions passing through the box (subject to a maximum of £100).

At the end of the month the Finance Officer will enter the petty cash expenditure into the main accounts.

## 12. Payroll Policy and Procedure:

(Review if engaging employees)

### *Purpose:*

To ensure staff are paid in accordance with their terms and conditions of employment.

To ensure salary rates are competitive enough to retain staff.

To ensure statutory deductions are made and paid to the relevant authority within the time limit.

### *Payment of Salaries:*

All salaries are paid 50% in arrears & 50% in advance by cheque/direct transfer into employee's personal bank accounts on 15<sup>th</sup> of each month, or nearest day where this falls on a Saturday, Sunday or Bank Holiday.

Staff must supply the Treasurer with the name of their bank, account number and bank sort code within a week of starting. P45s must be handed in as soon as possible to ensure the correct tax code is applied. Where no P45 is available the member of staff will be required to sign a P46 (as are all volunteers who receive any expenses).

Where staff requires any other arrangement they must ask for consideration of the matter as soon as possible and the matter will be referred to the Board.

The final salary cheque of a person leaving employment with English For All must be authorised by the Board.

### *Deductions:*

Only statutory deductions will be made without the prior written and signed authorisation from the employee.

### *Overtime:*

Staff will not be paid for overtime but will be expected to take time off in lieu (TOIL) equivalent to any overtime they were required to work.

### *Termination of Employment:*

Any outstanding debts will be deducted in full from the final net salary payment. Paid annual leave taken before it has accrued will be deducted from the gross and any accrued annual leave added to the gross. The employee should receive their P45 with their final payslip.

## Timetable:

In the second week of the month the Finance Officer reconciles the previous month's salary payments to the payroll reports.

The Finance Officer must be given a written memo relating to any of the following. As much notice as possible should be given.

- New employees;
- Employees leaving;
- Details of sickness or maternity leave;
- Any permanent changes (in hours or pay for example);
- Unpaid leave arrangements;
- Any tax code changes;
- Any overtime or other agreed temporary changes.

From these the Finance Officer will calculate salaries and produce accurate payslips and deduction reports.

The Finance Officer will prepare the Inland Revenue return for the previous month and make appropriate arrangements for its payment by the due date. Whenever possible, payments will be made electronically (either by BACS or by Direct Debit) in accordance with the recommendations of HM Revenue & Customs.

Statutory Year End Annual Returns to the Inland Revenue are made, and any additional payments made, by the due date

## 13. Record of changes

### Change Record

Date of Change:	Changed By:	Comments:
dd/mm/yy	XX	Policy approved by the Trustees

## Section C

### Appendices

<b>Appendix A -</b>	<b>Grow an effective voluntary organisation - table of links to NCVO Know How</b>
<b>Appendix B -</b>	<b>Guidance and supportive resources, tools and checklists</b>  i. websites addresses ii, what trustees need to know iii , exemplar shorter financial controls policy
<b>Appendix C -</b>	<b>Financial Responsibilities and templates</b>
<b>Appendix D -</b>	<b>Record of Change template</b>
<b>Appendix E -</b>	<b>Financial account system templates and cash books</b>

## Appendix A

**Grow an effective voluntary organisation** - Check operational, financial, legal and strategic processes and information at 'NCVO know how' <https://knowhow.ncvo.org.uk/organisation>

<p><b><u>Managing day-to-day operations</u></b></p> <ul style="list-style-type: none"> <li>• <u>Digital technology</u></li> <li>• <u>Legal requirements</u></li> <li>• <u>Membership</u></li> <li>• <u>Policies and procedures</u></li> <li>• <u>Data protection and GDPR</u></li> <li>• <u>Insurance</u></li> <li>• <u>Modern slavery statements and charities</u></li> </ul>	<p><b><u>Financial management</u></b></p> <ul style="list-style-type: none"> <li>• <u>What's different about charity finance</u></li> <li>• <u>Processes, procedures and controls</u></li> <li>• <u>Planning and budgeting</u></li> <li>• <u>Reporting</u></li> <li>• <u>Banking and investment</u></li> <li>• <u>Tax and trading</u></li> <li>• <u>Financial difficulty and insolvency</u></li> </ul>	<p><b><u>Collaboration</u></b></p> <ul style="list-style-type: none"> <li>• <u>About collaborative working</u></li> <li>• <u>The collaboration spectrum</u></li> <li>• <u>Ways of working collaboratively</u></li> <li>• <u>Consortia</u></li> <li>• <u>Mergers</u></li> <li>• <u>Joint working agreements</u></li> <li>• <u>Working with local compacts</u></li> <li>• <u>Coproduction and service user involvement</u></li> </ul>
<p><b><u>Strategy and Planning</u></b></p> <ul style="list-style-type: none"> <li>• <u>Definitions and views of strategy</u></li> <li>• <u>Direction-setting</u></li> <li>• <u>Involving beneficiaries</u></li> <li>• <u>External environment analysis</u></li> <li>• <u>Internal environment analysis</u></li> <li>• <u>Developing strategic options</u></li> <li>• <u>Implementing strategy</u></li> <li>• <u>Engaging hearts and minds in strategy</u></li> <li>• <u>Strategy case studies</u></li> <li>• <u>Future foresight</u></li> <li>• <u>Types of structure</u></li> </ul>	<p><b><u>Impact</u></b></p> <ul style="list-style-type: none"> <li>• <u>About impact and evaluation</u></li> <li>• <u>Planning your impact and evaluation</u></li> <li>• <u>Measuring your impact</u></li> <li>• <u>Evaluation and impact reporting</u></li> <li>• <u>Using your evaluation findings</u></li> <li>• <u>Evaluation for funders and commissioners</u></li> </ul>	<p><b><u>Quality and Improvement</u></b></p> <p>Implementing a quality standard strengthens your organisation and draws attention of commissioners, funders, beneficiaries and other stakeholders..</p> <p><b><u>Equity, diversity and inclusion</u></b></p> <ul style="list-style-type: none"> <li>• <u>Get started with equity, diversity and inclusion</u></li> <li>• <u>The Equality Act: Your legal duties</u></li> <li>• <u>Respond to discrimination</u></li> </ul>

## Appendix B

### Guidance & Support resources tools and checklists for small charities

#### Themes include-

Day to day management / HR / Legal requirements / Insurance / Remote working / Fund raising, External relations and complaints / Governance and review / Quality and improvement / modern slavery statements for charities and more.

#### Bi Common Policies and Procedures - web addresses

Running a charity - Gov.uk <https://www.gov.uk/topic/running-charity/managing-charity>

Charity Commission Guidance - <https://www.gov.uk/guidance/charity-commission-guidance>

Guide to Financial Controls for charities [Internal financial controls for charities \(CC8\)](#)

Useful checklist for trustees to identify key points

Example policies - Small Charity Support

<https://www.smallcharitysupport.uk/index.php/example-policies>

NCVO knowhow policies and procedure

<https://knowhow.ncvo.org.uk/organisation/operations/policies-and-procedures>

Guidance and Policies - [Acas](#) and [CIPD](#) provide

Good practice in volunteer Management templates NCVO Knowhow and [liVStandardMarch2019.pdf](#)

Trusted charity essentials

<https://knowhow.ncvo.org.uk/toolsresources/Trusted%20Charity%20Essentials>

Voluntary Action Islington <https://vai.org.uk/services/policies-resources-and-toolkits/>

Tools and resources NVCO knowhow <https://knowhow.ncvo.org.uk/tools-resources>

Community accountancy self help <https://cash-online.org.uk/>

Small Charity Support -policies

<https://www.smallcharitysupport.uk/index.php/example-policies>

Examples - Bullying and Harassment Large Legacies & Donations Equal opportunities  
On Becoming a Charity Trustee Safeguarding Vulnerable Adults

[Safeguarding Adults template policy](#) Bexley)

Volunteers -interview, references, agreement, supervision [Volunteer Induction Checklist](#)

Equity, diversity and inclusion <https://knowhow.ncvo.org.uk/organisation/equity-diversity-and-inclusion>

Tools and resources <https://knowhow.ncvo.org.uk/tools-resources>

Accounting tools <https://www.wycas.org.uk/help-advice/tools/> ( W Yorkshire accounting)

[Security arrangements when planning events](#)

[Health and Safety Policy & Risk Assessment Template \(1\)](#)

## B ii What trustees need to know.

Key documents and resources to help board of trustees develop effective governance of the organisation

Sample documents and templates for trustees and boards.

### Board of Trustee Protocols

- The **Board Basics** list from NVCO know how is for guidance only not legal advice

Board basics <https://knowhow.ncvo.org.uk/tools-resources/board-basics>

#### Code of Practice

#### Conflict of interest

- [Internal financial controls for charities \(CC8\)](#) is an important guide for trustees. The checklist referred to above picks out key points.
- [Charity finances: trustee essentials \(CC25\)](#)

Record keeping and accounting templates <https://www.wycas.org.uk/help-advice/tools/>

## The essential Trustee- what you need to know

### Constitution template

Board meeting agenda

[CEO report model](#)

[Expenses claim form](#)

Tools for showing information

-charts, flow diagrams, workplans, and accounts index, examples, review

### Sample organisational chart for Risks

Risk	Likelihood	Impact	Mitigation tactics
Chief executive resigns	Low	Medium	Make sure knowledge transfer to heads of department; assign secondary staff contact to all key networking contacts of the chief executive.



## B iii An exemplar Financial Controls Policy for small Charity

**Small Charity's Financial Controls Policy Template** <https://bvsc.co.uk/resources/useful-templates>

**Financial Records and Accounts** <https://bvsc.co.uk/example-policies-small-organisations>

- Financial records must be kept so that:  
The organisation meets its legal and statutory obligations, ie. Charity Acts, HMRC, Common law  
The organisation meets the contractual obligations and requirements of funders.
- The books of accounts must include:  
A cashbook analysing all the transactions appearing on the bank accounts  
A petty cash book if cash payments are being made.  
Inland Revenue deduction cards P11 (if registered for PAYE)
- Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next Annual General Meeting.
- Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
- A report comparing actual income and expenditure with the budget should be presented to the trustees every three months or whenever meetings take place.
- The AGM will appoint an appropriately qualified auditor/ independent examiner to audit or examine the accounts before presentation to the next AGM.

### Banking

- The Charity will bank with X Bank plc at its Y Road Branch and accounts will be held in the name of the Small Charity. The following accounts will be maintained: Charity Account No 1 / Charity Investment Account
- The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the trustees as will any changes to it.
- The charity will require the bank to provide statements every month and these will be reconciled with the cash book at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly.
- The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.

### Income

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

### 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.
- 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.
- Blank cheques will NEVER be signed.
- The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- No cheques should be signed without original documentation (see below).

### **Payment documentation**

- 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 / Date cheque drawn / Amount of cheque
- The only exceptions to cheques not being supported by an original invoice are Items such 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.
- Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition form asking for payment to an employee, HMRC etc. All employees will be paid within the PAYE and National Insurance regulations
- All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours & variable payments ie. overtime, etc, will be authorised either by the trustees.
- Petty cash will always be maintained on the imprest system whereby the Administration Worker 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.

### **Other rules**

- 1) The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Charity in excess of (put your amount of money here) 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).
- All fundraising and grant applications undertaken 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.
- The 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 of assets. Additionally the Charity will maintain a property record of items of significant value, with an appropriate record of their use.

## Appendix C

### Financial Responsibilities

supportive tools Charity Commission's [internal financial controls for charities checklist](#)

Reporting to management) and external bodies - ( HMRC/ charities commission)

<https://knowhow.ncvo.org.uk/organisation/financial-management/reporting>

- organisational chart
- flowcharts of processes such as purchasing, payments
- work plan of regular finance tasks (eg payroll, bank reconciliation, accounts).

[Record keeping and accounting](#) <https://www.wycas.org.uk/help-advice/tools/>

#### [Tax and trading](#)

<https://knowhow.ncvo.org.uk/organisation/financial-management/tax-and-trading>

Banking and investment

<https://knowhow.ncvo.org.uk/organisation/financial-management/banking-and-investment>

- List of resources and index of useful addresses such and checklists
- Charity commission
- Exemplar material
- Reflective review

## Appendix D Record of Change Template

Date of Change:	Changed By:	Comments:
dd/mm/yy	XX	Policy approved by the Trustees

## Appendix E

### Financial account system templates and cash books

<https://www.wycas.org.uk/help-advice/tools/> cash book to

Resource Centre

<https://www.resourcecentre.org.uk/hidden-information/money-in-mind-project-archive/>

### Simple Accounts system

Free, simple cash and bank accounting system for small community groups.

This system is easy to use, and ideal for small groups with small, simple budgets.

- [What can I do with this system?](#)
- [Download and install the workbook](#)
- [How to get started](#)
- [About this version](#)

### *What can I do with this system?*

- Keep track of cash and bank transactions in and out.
- Easy to record each time you receive money, make a payment, withdraw cash or pay cash into the bank.
- The system keeps running cash and bank balances for you, so you can check how much you should have in your bank account and cash tin at any time.
- Produce finance reports for your group at the touch of a button.
- Perfect for groups who would like a simple system that's easy and quick to use, and who do not need to keep track of multiple grants or projects. Groups who need to keep track of multiple grants or projects should use the [Annual accounts system with grant tracking](#) instead.

[Back to top](#)

### [Download](#) and install the workbook

This system is compatible with Windows and Mac systems. It will not work on iPads or Android tablets. You will need Microsoft Excel 2003 or later.

### *Also liked these websites*

<https://vai.org.uk/services/policies-resources-and-toolkits/>

[Model cash flow template](#) from voluntary action Islington ( using this on for moment

very simple spreadsheet account suitable for small charity with funds under 25000 ( 10000

**Community accountancy self help** <https://cash-online.org.uk/>

***Produced some fact sheets to help small voluntary organisations manage their finances. In particular the following may be of help to our members:***

- model [financial controls policy](#) for a small charity
- information about [accounting for cash](#) including petty cash
- paper on preparing [budgets](#)
- [fixed asset registers](#) fact sheet
- guidance on [preparing for audit/independent examination](#)
- information about [bank reconciliation](#) and
- handling conflicts of interest.