



## **FoBP Financial Controls Policy**

Produced by: Finula Cilliers

Approved by: David Williamson

Date: 09/05/25

FoBP Charity No: 1210927

Revision Log:

<b>Revision</b>	<b>Amendments</b>
01	Drafted
02	Trustees feedback

Next review of document: 09/05/26

---

## **Financial Controls Policy for the Friends of Broomfield Park (FoBP)**

As a voluntary and community organisation working for the public benefit, Friends of Broomfield Park (FoBP) recognises the importance of managing its finances with integrity, transparency, and accountability. It is essential that all funds received are used responsibly and in line with the group's aims and objectives.

Sound financial management not only ensures the effective use of resources but also protects the reputation of the organisation and those involved in its governance. Even unfounded concerns about financial mismanagement can cause significant reputational harm.

Ultimate responsibility for the financial affairs of FoBP lies with its Trustees. If FoBP operates as a registered charity, the Trustees also have specific legal obligations under charity law. To meet these responsibilities and to promote good governance, FoBP maintains clear, written procedures for the handling, recording, and reporting of all financial matters. These procedures are regularly reviewed to ensure they remain effective and compliant with current best practice and legal requirements.

### **Basic principles of financial policy:**

To promote accountability and protect both individuals and the organisation, FoBP follows these principles of financial management:

- **Shared Responsibility:** Financial responsibilities are never assigned to a single individual. Wherever possible, at least two people are involved in authorising and overseeing financial transactions, to safeguard both the individual and the organisation.
- **Documented Transactions:** All income and expenditure must be supported by appropriate documentation, such as receipts, invoices, or grant award letters.
- **Use of a Bank Account:** All financial transactions should, where feasible, be conducted through the organisation's bank account to ensure transparency and accurate record-keeping.
- **Regular Financial Oversight:** Routine checks and reconciliations are carried out to verify financial records, monitor budget adherence, and identify any irregularities at an early stage.

### **1. Introduction**

1.1 Financial records will be kept so that FoBP can:

- a. Meet its legal and other obligations, e.g., Charities Acts, Inland Revenue, Customs & Excise, Companies Act, Common Law.
- b. Enable the Trustees to have control of FoBP's finances.
- c. Enable FoBP to meet contractual obligations and the requirements of funding bodies.

1.2 FoBP will keep proper books of account, which will include:

- a. A cash accounting record analysing all the transactions in the organisation's bank account(s).
- b. A petty cash book if cash purchases and sales are being made.
- c. Anything necessary for the Inland Revenue for the purpose of reclaiming Gift Aid

1.3 The financial year for FoBP will end on 31st March each year.

1.4 An independent examiner will be appointed by the Trustees to examine the accounts annually before presentation to the Annual General Meeting (AGM) and filing with the Charities Commission

1.5 Accounts will be drawn up after each financial year within 6 months of the end of the year and the examined accounts will be presented to the next AGM.

1.6 Accounts will be filed with the Charities Commission with seven months of the financial year end

1.7 Before the start of each financial year, the Trustees will approve a budgeted income and expenditure account for the following year.

1.8. A paper comparing actual income and expenditure with the budget will be presented to the Trustees every year as a minimum.

1.9. The AGM or in the case of the first AGM following incorporation as a Charity, the Trustee Board will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM.

## **2. Banking**

2.1 FoBP will bank with the HSBC Bank at its Enfield branch where the accounts will be held in the name of "The Friends of Broomfield Park". Should a change in banking organisation be made, this policy will be updated accordingly. The Trustees will determine if any banking the stated banking organisation be changed. The following accounts will be maintained: Charities and BMM and any other project accounts as agreed and approved by the FoBP Trustees.

2.2 The bank mandate (list of people who can sign cheques / operate electronic banking on the organisation's behalf) will always be approved and minuted by the Trustees as will all changes to it.

2.3 FoBP will require the bank to provide statements every month and these will be reconciled with the cash accounting record every 6 months. The Treasurer or another Trustee (if the reconciliation is carried out by the Treasurer) will spot check

that this reconciliation has been done at least twice a year and sign the cash accounting record.

2.4 FoBP 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 FoBP has received all the income to which it is entitled and that it is all reasonably evidenced.

3.1 All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payments for telephone calls, photocopying, etc.) FoBP will maintain files of documentation i.e. letters from funding bodies to back this up.

### **4. Payments (expenditure)**

The aim is to ensure that all expenditure is on FoBP's business and is properly authorised and that this can be demonstrated. The latest approved budget provides the bank 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 electronic banking or cheque. Please see Annexe 1 on cash management

4.2 The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.

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 making 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 payments will be made / cheques will be signed without original / electronic documentation.

4.7 Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the Charitable Objects of the Constitution.

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 Electronic Payments of / Cheques up to £1000 may be signed by authorised persons. Above that number a second authorised person is also required.

## **5. Payment Documentation**

5.1 Every payment out of the organisations bank amounts will be supported by an original paper or electronic invoice (never against a supplier's statement or final demand). That original will be filed and kept for seven years. The person who makes the payment / signs the cheque should ensure that the invoice is referenced with the relevant details.

5.2 The only exceptions to payments not being supported by an original invoice would be for such items as advanced fees (deposit) for a future event, VAT, etc. Here a record of the requirement will be kept and a bank record of the payment kept.

5.5 Petty cash will always be maintained as required by the interest group, which is trusted with a float as agreed by the Trustees. When that is more or less expended, more funds can be drawn for sufficient bringing up the float to the agreed sum, the sum being supported by a complete set of expenditure receipts, totalling the amount spent, analysed as required.

### **5.6. Expenses/Allowances**

5.6.1 FoBP will, if asked, reimburse expenditure paid for personally by staff / volunteers / Trustees/ members, providing expenditure is evidenced by original / electronic receipts and is in accordance with the guidance contained in the FoBP Constitution.

## **6. Cheque Signatures, use of cards and electronic banking**

6.1 Each cheque will be signed by at least two Trustees (preferably 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 If FoBP applies for debit, credit or charge card then a policy on each card's use will be agreed by the Trustees including any restriction on user, amount per transaction, types of retailers, cancellation/destroying, etc. Evidence of each transaction must be obtained and recorded in the cash accounting record.

6.4 If electronic banking is used for payments, then a double authorisation system must be used above £1000 and an electronic or paper record filed with other evidence of expenditure. Any computer must be secure and passwords/PINs kept secret and periodically changed.

## **7. Budgeting**

7.1 the budgeting period will run from 1/4 to 31/3 each year

7.2 Each interest group will prepare a budget for submission to the last Trustee meeting of the year for approval

7.3 The budget will consist of planned sources of income and items of expenditure

7.4 Each groups budget will allow for up to 10% of income being allocated to FoBP overheads

7.5 For large items of expenditure (above the likely income) groups can apply to the Trustees for funding saying how the expenditure meets the charitable objects and the FoBP priorities. At the first Trustee meeting in the new financial year the Trustee committee will assess and allocate funds according to affordability, charitable objects and FoBP priorities

7.6 A pro forma budget form can be found as Annexe 2

## **8. Other Undertakings**

8.1 FoBP does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, 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 FoBP Chair's approval who will then provide full details to the next Trustee meeting. (This covers such items as new service contracts, office equipment, purchase and hire).

8.2 All fund raising and grant applications undertaken on behalf of FoBP will be made in the name of Friends of Broomfield Park with prior approval of the Trustees or in urgent situations the approval of the FoBP Chair who will provide full details to the next Trustee meeting. The cash accounting record will record expenses against what is stipulated in the grant as authorised

## **9. Confidentiality**

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

## **10. Other rules**

10.1 The Trustees will consider the level of reserves that is prudent for the FoBP to have at its first meeting after the AGM. Consideration will be given to any significant factors that should be taken into account were the FoBP to close.



10.2. FoBP 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, and normal location of the asset(s). If it holds stocks of goods of significant value, it will maintain proper records.

10.3. This policy and controls will be reviewed within 3 years after the AGM at the Trustee meeting.

## **Annexe 1**

### **Procedures for cash handling and deposits**

FoBP teams take payments (plants, honey, crafts etc), tickets (events and activities) donations, etc.

Wherever possible we should promote card payments as a more secure method of making sales. Cashless sales are becoming the norm and we should move towards electronic payment technology.

However, there may be times when cash payments are still made and it's important that we have common internal controls in place to mitigate risk and prevent errors.

It would be helpful to have an agreed set of processes across all teams and activities. For example:

#### **Handling cash:**

Use a cash form (see below for a draft example) to record the cash at the start of a sale or event. Wherever possible have two people to check separately to agree the amount in the cash box.

Use a consistent process when counting cash, such as counting from highest to lowest denomination.

Count in private: Do not count cash out in the open, which could put you at risk of theft. Instead, count in a private area with at least two FoBP representatives present.

Ensure the cash box is attended at all times by a responsible FoBP representative.

Count cash box at the end using the same process as at start. Again, have two separate people to count up and agree on totals.

Check your work: It's a good idea to count cash twice and review your deposit slip thoroughly before completing a deposit.

When donations are given to an FoBP representative, find another representative to count the donation with you. Confirm by email to the Treasurer and pay to the Treasurer in cash or deposit into the FoBP bank account



**Annexe 2**

# Pro Forma Budget for Interest Group

**Group name:**

Source of Funding	Estimated income	Expenditure	Estimated cost
eg Sale 1 (e.g. plants, honey, crafts)	a	FoBP overhead (max 10%)	e=10%* (a+b+c+d)
Sale 2	b	Plants	f
Grant from XXX	c	Tools	g
Donations	d	Large item (e.g. trolley, swan platform)	h
<b>Total</b>	<b>a+b+c+d</b>	<b>Total</b>	<b>e+f+g+h</b>