

HIBBERT ALMSHOUSE CHARITY

FINANCIAL CONTROLS POLICY

The trustees of Hibbert Almshouse Charity hereafter known as HAC recognise that internal financial controls are essential checks and procedures that allow the trustees to:

- meet their legal duties to protect the charity's assets
- administer the charity's finances and assets in a way that identifies and manages risk, including risk of conflict of interest, loss, waste, bribery, theft or fraud
- ensure the quality of financial reporting by keeping adequate accounting records and suitable accounting policies are selected and applied consistently
- make judgements and estimates that are reasonable and prudent
- observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities
- to ensure that Charity law is complied with
- prepare timely and relevant financial information.

This policy covers all the charity's financial affairs including:

- financial records and accounts
- banking
- income
- expenditure
- delegation of financial responsibility
- asset register.

1 Financial Records and Accounts

1.1 The accounting records must include:

- a cashbook, or electronic equivalent, analysing all the transactions appearing on the bank accounts
- a petty cash record if cash payments are being made
- HMRC compliant payroll records (if registered for PAYE)
- A record of weekly maintenance contributions paid by each resident.

1.2 Accounts will be drawn up to the end of each financial year preferably within 3 months of the financial year end and submitted to the Charity Commission within 10 months of the financial year end. If the accounts are also required to be filed at Companies House, then the accounts should be filed within 9 months of the financial year end.

1.3 The Trustees will approve a budget prior to the start of each financial year.

- 1.4 A report comparing actual income and expenditure with the budget will be presented at every full trustee meeting or when requested by the trustees.
- 1.5 Current requirements for the preparation of accounts and their independent accountants examination/audit can be obtained from the Charity Commission website and where applicable, the Companies House website.

2 Banking

- 2.1 Bank accounts will be held in the name of the Hibbert Almshouse Charity. The following account(s) will be maintained with CAF Bank:
 - CAFCash Account and CAFGold Account
- 2.2 The bank mandate (list of people who can sign cheques or authorise electronic payments on the charity's behalf) will always be approved and minuted by the trustees as will any changes to it.
- 2.3 The treasurer will reconcile bank statements with the charity's records on a regular basis and report to trustee meetings on the status of accounts.

3 Income

- 3.1 Weekly Maintenance Contributions for each resident (WMC) will be recorded separately in the accounting records and updated monthly. All payments and debts are to be reported quarterly by the Managing Agent to the Treasurer who will investigate promptly and report to the trustees.
- 3.2 All other monies received will be recorded in the accounting records and banked without delay. The charity will keep records of all transactions.

4 Expenditure

- 4.1 All expenditure incurred will be made in accordance with the objects of the charity. A budget will be prepared annually and the latest approved budget indicates the limits of expenditure for authorised signatories.
- 4.2 Mr. Euan Kennedy will keep cheque books (including unused and partly used cheque books) and these will be securely stored. Blank cheques will never be signed. The relevant payee's name and the amount in words and figures will always be inserted on the cheque before signature and the cheque stub will always be properly completed. All cheque payments must be signed by two trustees. No cheques will be signed without original documentation (see below).
- 4.3 In respect of online banking, no payments will be paid without original documentation, passwords should not be written down or disclosed and IT controls

should be maintained to minimise cyber security risks. All payments have to be authorised by two trustees

5 Payment documentation

- 5.1 Every payment (including BACS, Direct Debit and Standing Order) out of the HAC bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). The original invoice will be retained by the charity and filed. The signatories/authorisers should ensure that a record of the payment made is noted on the invoice, including the cheque number or BACS reference.
- 5.2 Wages and Salaries. There will be a clear trail to show the authority and reason for every such payment. All employees will be paid within the PAYE, National Insurance and Pension regulations.
- 5.3 All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc. will be authorised by the Treasurer.
- 5.4 Petty cash will always be maintained by Mr Adrian Winch who will have a float as agreed by the trustees. When the float needs to be replenished, sufficient funds will be added to return the float to the agreed amount. All payments made from Petty Cash will be supported by receipts.
- 5.5 Expenses/allowances. HAC will be asked to reimburse expenditure paid for personally by staff, providing:
 - evidenced by tickets/receipt
 - mileage allowance as agreed by the trustees
 - no signatory signs for the payment of expenses to themselves

6 Cheque/BACS Signatures

- 6.1 Mr. E Kennedy, Mr. R Hird and Rev. Canon J. Boardman are authorised to sign cheques and authorise BACS payments up to a limit of £300.00 as agreed by trustees. Payments over £300.00 need to be authorised by the Trustees . These restrictions can be lifted for agreed Major Refurbishment / redevelopment Projects expenditure.
- 6.2 A cheque/BACS must not be authorised by the person to whom it is payable.

7 Delegation

Any orders placed or undertakings given which are likely to cost the charity in excess of £300 must be authorised and minuted by the trustees. With prior agreement, such amounts can be authorised electronically by trustees.

8 Fundraising

All fundraising will be done in accordance with HAC fundraising policy which complies with the Code of Fundraising Practice issued by the Fundraising Regulator.

9 Fixed Assets

The HAC will maintain a fixed asset register.

10 Financial Reserves

It is the Policy of the Trustees to maintain at least 1 year's annual expenditure in their general reserves account, excluding expenditure incurred in renovations.

This policy has been approved for issue by the board of trustees of Hibbert Almshouse Charity

Signature:.....*E. S. Kennedy*.....
Name:.....*EVAN STEWART KENNEDY*.....
Date:.....*30th October 2023*.....

Review Date – 10.2025