

The Gheez Rite Chaplaincy Community Association (GRCCE)

Financial Controls Policy

1. Introduction

- 1.1 Financial records will be kept so that Gheez Rite Chaplaincy Community Association (GRCCE), the Charity can:
 - (a) Meet its legal and other obligations, e.g. Charities Acts, Company Law, HMRC and common law.
 - (b) Enable the trustees to be in proper financial control of the Charity.
 - (c) Enable GRCCE to meet the contractual obligations and requirements of funders.
- 1.2 The Charity will keep a proper accounting system, which will include:
 - (a) A cashbook analysing all the transactions in the Charity's bank account. This will be a computer package, excel and on paper.
 - (b) A petty cash book if cash payments are being made.
 - (c) HMRC and records will be kept by the coordinator.
- 1.3 The financial year will end on the 31st March each year.
- 1.4 Accounts will be drawn up after each financial year within five months of the end of the year and presented to the next Annual General Meeting of the Trustees
- 1.5 Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
- 1.6 A report comparing actual income and expenditure with the budget will be presented to the trustees every three months.
- 1.7 A cash flow will be produced each month if the charity is in financial difficulties or reserves are less than three months expenditure.

- 1.8 The AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM, filing with the Charity Commission when the appropriate threshold is exceeded and if appropriate filing with Companies House.

2. Banking

- 2.1 The Charity will bank with NatWest Accounts will be held in the name of the Gheez Rite Chaplaincy Community Association. The following accounts will be maintained:

The Gheez Rite Chaplaincy Community Association Business account

- 2.2 The bank mandate (list of people who can sign cheques or authorise electronic payments on the organisations behalf) will always be approved and minuted by the trustees as will all the changes to it.
- 2.3 The charity will require the bank to provide statements every month or access to electronic statements. These will be reconciled with the bookkeeping system at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, sign the reconciliation document accordingly. If only electronic statements are available, they will be printed off and filed every month.
- 2.3 The charity will not use any other bank or financial institution or use overdraft facilities or loan without the agreement of the trustees.

3. Receipts (income)

- 3.1 All monies received will be recorded promptly in the bookkeeping system and banked without delay (note this includes all receipts such as payment for school attendance, parent contribution etc.). The Charity will maintain files of documentation to back this up. Cheques and cash received are banked regularly and promptly. If they can not be banked on the same day, they re placed in a safe lock.
- 3.2 **Money credited to the bank electronically.**

The charity will maintain reference numbers of any donations and funds received via electronic payments, to ensure that receipts into the bank account can be traced to the remitter of funds easily.

If the charity runs any form of electronic payments to run its activities, it will ensure that the system is reconciled to the bookkeeping system and that all invoices and supporting documents are maintained in the bookkeeping system

4. **Internet Purchases**

When purchases are made over the internet the charity will ensure that only well known bona fide sites are used for purchasing and that they have appropriate security as illustrated by a lock padlock in the bottom right hand side of the screen when a payment is being made. Such purchases will be properly authorised in a similar way to other purchases.

5. **Payments (expenditure)**

The Charity will ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated. The latest approved budget should provide that the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.

- 5.1 The Coordinator will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- 5.2 Blank cheques will NEVER be signed.
- 5.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 5.4 No cheques should be signed without original documentation (see below).
- 5.5 Payments by debit card. When the charity issues a debit card to the Coordinator or trustee it will be administered in a similar way to way petty cash (see below). The card holder will be

personally responsible for any undocumented expenditure and this is detailed in their contract of employment.

5.5 **Electronic banking.**

Each signatory and the banking administrator (Coordinator and a nominated member of trustee) will have a unique password which will be made up of lower- and upper-case letters, numbers, and symbols.

The banking administrator which could be the Coordinator and a nominated member of trustee will be able to access the electronic banking system for the purposes of putting transactions onto the system for authorisation by the cheque signatories and for assessing bank statements.

The Coordinator and the nominated member of trustee will check that purchases have been properly authorised and when appropriate there is evidence that goods are in good condition or proper services have been received.

The banking administrator (Coordinator and the nominated member of trustee) will scan and e-mail invoices and evidence of authorisation to the cheque signatories.

The banking administrator (Coordinator and the nominated member of trustee) will check and enter any required bank details, such as sort code, account number, account name into the system and provide these by e-mail to the cheque signatories.

The cheque signatories will check the payment details sort code, account number, invoice, and amount. If these are accurate the cheque signatories will authorise the payment.

Authorisation from two cheque signatories will be required for each payment, whether cheques or internet purchases

Following authorisation, the cheque signatories will e-mail the administrators (Coordinator and the nominated member of trustee) to confirm their authorisation. This e-mail will act as evidence for the Independent Examiner as to who authorised the payment.

The banking administrator may / may not also be a cheque signatory.

6. **Payment documentation**

- 6.1 Every payment out of the Charity's bank accounts will be evidenced by an original invoice which will be retained by the Charity and filed. The cheque signatories should ensure that it is referenced with:

Cheque number or electronic authorisation reference
Date cheque drawn or paid electronically
Amount of payment
Who signed or authorised the payment.

- 6.2 The only exceptions to cheques or electronic payments not being supported by an original invoice would be for such items as advanced booking fees for a future service, e.g. deposit for a venue, VAT, etc. In this instance a 'cheque requisition form' will be used and a photocopy of the cheque kept. Both the 'cheque requisition form' and the copy of the cheque will be attached together as an evidence of advance payments. Once the service is provided and the balance of payment is issued either by a cheque or electronic payment, invoice for the total amount should be requested and this should be reconciled with the advance payment and will be filed with the book keeping records
- 6.3 **Wages and Salaries.** There will be a clear trail to show the authority and reason for EVERY such payment. The cheque stub should clearly indicate name of employee, amount, and the period of pay All employees will be paid within the HMRC regulations.
- 6.4 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 either by the trustees.
- 6.5 **Petty cash** will always be maintained on the imprest system whereby the Coordinator will be 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

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agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

- 6.6 Expenses / allowances. The Charity will, if asked, reimburse expenditure paid for by staff, providing:

evidenced of payment or receipt and that the payment was for the purposes of the charity's business

Other expenditure is evidenced by original receipts

The expenses submitted will be reviewed first by the Coordinator, then the payment approvers will further review the expense before issuing the payment.

Car mileage is based on HMRC rates.

No cheque signatory signs for the payment of expenses to themselves or authorise electronic payments to themselves.

7. **Cheque Signatures and cash cards**

- 7.1 Each cheque will be signed by at least two people.
- 7.2 Electronic bank payments will be signed by at least two people.
- 7.3 A cheque must not be signed by the person to whom it is payable.
- 7.4 Cash cards access to the charities bank accounts will not be used and the bank will not issue a card.

8. **Other undertakings**

- 8.1 The Charity 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 £500, 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.

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- 8.2 All fundraising and grant applications made on behalf of the charity 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.
- 8.3 Copies of grant application will be kept and will be made available to trustees on request. When application for funds are made using internet portals either electronic or paper copies of the application will be kept and filed.
- 8.4 Any funding received or grant acceptance documentation exceeding £5,000 will be brought to the trustee's attention for approval. In urgent situations this may be by e-mail to all trustees.
9. **Other rules**
- 9.1 The Charity will always adhere to good practice in relation to its finances, 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. Additionally, the Charity will maintain a property record of items of significant value, with an appropriate record of their use.
- 10.2 The charity will maintain up to date good quality antivirus and anti-phishing software on all computers that connect to the internet.

This policy was adopted by the Charity on	31/03/2019
This policy was reviewed on	31/03/2022
The next review date is on or before	31/03/2025