



Financial procedures

General

The Board of Directors are responsible for ensuring Warrington Voluntary Action is adequately resourced (i.e. WVA has all or most of the human and material resources it needs to achieve its objectives) and that proper financial controls are in place. The Board can delegate control the Chief Officer (CO) but it cannot delegate ultimate responsibility.

The Board delegates to the CO the responsibility for overseeing and directing the day-to-day financial affairs of WVA.

The finance officer is responsible for performing the tasks which constitute the finance function within WVA and for keeping the CO and Board informed of WVA's financial position. It is the responsibility of the CO to ensure the monitoring of the finance function and to keep the Board informed of all financial matters.

The Board shall not consider taking on any new activity or making changes to an existing one unless they have already received full details of the financial implications via the CO or Finance Officer.

Accounting

The devising and developing of appropriate systems is delegated to the CO and/or the Finance Officer.

The CO is to account for and process all financial transactions for WVA. These duties may be delegated to other staff or external agencies if appropriate.

Accounting records must be sufficient to show and explain all WVA's transactions and disclose at any time, with reasonable accuracy, WVA's financial position. The records will contain entries for all receipts and payments on a day-to-day basis together with a suitable analysis of all such transactions. A record of all assets and liabilities will also be kept.

The CO shall ensure that all the accounts and accounting records of WVA are properly balanced and submitted for audit each year within the timescale laid down by WVA trustee board and in accordance with existing statutory regulations.

WVA will produce annual accounts which have had an audit / independent examination and send them to the Charity Commission, and Companies House (if appropriate) within the following deadlines:

- Charity Commission: 31 January.
- Companies House: 31 December.

All accounting records must be retained for a minimum of six years (i.e. the current year's records plus the previous six). No voucher or other document shall be destroyed before this time. The records should be stored on site.

Banking

WVA bankers are: Co-operative Bank (current account) and Virgin(savings account)

The following are the only signatories to the account: The Chair of the Board and one other Director and the CO.

WVA uses Internet Banking, the CO has access to make online transactions, the Chair and minimum of one other Director have access to view all on-line transactions

WVA has 1 debit card. This card is only to be used to purchase items when a bank transfer is not possible i.e train tickets or when out of the office delivering training. All transactions need to be agreed by the CO and/or Chair. A receipt is required for all debit card transactions. Receipts should be forwarded to the finance officer for reconciling.

All cheques require two signatures. It is the responsibility of the signatories to make a check for arithmetical accuracy and to ensure that the payment is supported by adequate documentation. Blank cheques will never be signed.

No signatory may sign a cheque made out to themselves, to their partner or to a relative.

All bank accounts must be in the name of Warrington Voluntary Action. No account must ever be opened in the name of an individual. New accounts may only be opened with the written agreement of the Board of Directors.

Bank accounts will be reconciled monthly.

The CO has delegated authority from the Board to liaise with the banks on all matters related to the financial affairs of WVA.

Budget setting and budgetary control

The budget setting process starts in December / January for the following financial year ending 31 March. The budget is set as far as possible to allow WVA to carry out the objectives set for the year by the Board of Directors. The budget must be agreed by the trustee board and be in place by April 1st.

The budget is drawn up according to the following principles:

- consideration of the new items which should be included in the budget in order to achieve the objectives decided on for the year ahead
- consideration of income levels, including grant income
- the need to achieve the level of surplus indicated by the board of directors
- a calculation for general inflation

The CO is responsible for preparing and presenting a workable budget to the Board of Directors. Once a budget has been set, the CO is authorised by the Board to spend up to the level of that budget.

Management accounts are to be produced on a bi-monthly basis. They form part of the agenda for meetings of the Board of Directors. The management accounts provide financial information which compares actual income and expenditure for the period against budgeted income and expenditure by project / activity (restricted and unrestricted), and a forecast of the position at the end of the year. They are accompanied by a short written report which explains significant variances.

The CO will monitor expenditure monthly and report to the board at least quarterly. The CO is responsible for monitoring all budgets and for ensuring that any overspends and under-achievements of income are investigated and that remedial action is taken.

Budgets will be reviewed regularly and amended if necessary in the light of current information to produce an up-to-date full year forecast.

Income

The CO will be responsible for the submission of all grant and other funding applications. All agreements for the receipt of funding shall be obtained in writing stating the amount and any conditions. All offers of funding must be referred to the board for observations before signing by the CO.

Sufficient records will be kept to identify all sources of income and the use to which it may be put.

All monies received will be banked within ten working days. Cash received must be banked intact and should not be used to make payments.

Any chargeable services will be invoiced upon completion. The CO will make appropriate arrangements to pursue non-payment. No amounts owing to WVA may be written off without the authorisation of the board.

Authorisation

All orders for goods and services must be authorised by the CO. The CO may delegate this authority to individual staff members by allocating them a financial limit of authority. Any item which is not provided for in WVA's budget must be referred to the board.

All orders must be made (or confirmed) in writing and a copy kept. Orders may only be signed by the CO or other person authorised as above.

All Items over £500 that have not been agreed to with individual funders must be authorised and minuted by the board.

No staff member may authorise payment to themselves, their partner or relatives.

Payments

All incoming invoices shall be kept safely in a pending file. The unpaid invoices file should be examined regularly to ensure that all bills are paid by their due date.

Invoices should be matched and checked against orders before payment is made. The person receiving the goods should also confirm that they have received what was ordered.

The normal method of payment of money due by WVA is by cheque / BACS, standing order or direct debit.

The CO has authority to pay all amounts to which WVA is legally committed once such payment has been authorised.

Those signing the cheques / payments are responsible for satisfying themselves that all relevant procedures have been followed.

Once payment has been made, the invoice (or form, voucher or grid) should be clearly marked "Paid", together with the cheque number or payment type and date. All payments must be entered onto SAGE within ten working days.

In the absence of the CO, the Chair or member of staff as identified by the Board should approve all invoices for payment.

Petty cash floats

WVA operates a petty cash system with a float of £100.00 or as decided by the Board from time to time. Petty cash will only be used for small items of expenditure where a

cheque payment cannot be justified because it is too small or not accepted. The maximum limit of any petty cash claim is £10.00 above this must be approved by the CO.

A petty cash voucher must be completed for all expenditure and signed by an authorised member of staff. The person receiving the money must also sign. The petty cash float will be reconciled at monthly or whenever more cash is needed from the bank. The petty cash tin must be kept locked and in a safe place. Petty cash control and recording is the responsibility of the finance officer.

Expenses

Claims for business travel and other expenses should normally be made on a monthly basis on the standard expenses form.

Expenses claimed should be reasonable, only incurred in the furtherance of normal duties and wholly, necessarily and exclusively expended on behalf of WVA. Only standard fares should be claimed for travel costs, and other expenses within agreed limits.

The form must be authorised by the CO. By so authorising, the CO certifies that he/she is satisfied that the expense has been properly incurred.

Receipts for travel, subsistence and other expenses should be attached to the claim form. Expense claims are paid by cheque to the individual making the claim only.

Audit / independent examination

WVA Board of Trustees is responsible for recommending the appointment of an *auditor/independent examiner* at the annual general meeting. The purpose of the annual audit/independent examination is to provide an external scrutiny of WVA's finances in accordance with charity law.

The *auditor / independent examiner* reports to the board on:

- the soundness, adequacy and application of internal controls
- the suitability and reliability of financial information.
- whether the accounts comply with charity and company law.

The *auditor / independent examiner* has access to all WVA's financial and other records.

Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash or other property of WVA or any suspected serious irregularity in the exercise of WVA's procedures, the CO and/or Board must be notified immediately.

Where the irregularity may involve the CO, the employee making the discovery should report the matter to the chair or any board member who in turn should bring the matter to the attention of the board as a whole.

The CO (or chair) will take whatever steps are necessary to investigate the matter, and immediate remedial action to prevent continuation of, and / or remedy to, the situation.