

SOLVA CARE

FINANCIAL POLICY AND PROCEDURES

FINANCIAL POLICY

1. Our internal financial controls are essential and will help Solva Care Trustees meet their legal responsibilities to:
 - a. Safeguard the charity's assets.
 - b. Administer the charity's finances and assets in a way that identifies and manages risk.
 - c. Ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information¹.
2. Trustee's legal responsibilities and checks are at Annex A.
3. To enable the Board of Trustees to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all Trustees, staff and volunteers.
4. A copy of this policy and procedures will be given to all Trustees on their appointment to the Board, and to all relevant staff and volunteers.
5. The policy and procedures will be reviewed annually by the Board of Trustees and revised as necessary.

FINANCIAL PROCEDURES

6. **Organisational Information.**
 - a. Our Financial Year runs from 1 April to 31 March.
 - i. The Fiscal Year for personal tax purposes starts on **6 April** and ends on **5 April** of the next calendar year.
 - b. Name of Bankers: [REDACTED]
 - c. Name of Insurers: [REDACTED].
 - d. Name of Independent Examiner [REDACTED]
 - e. Solva Care has no debit card, credit card or charge cards.
 - f. There are no payments in cash and no petty cash float.

¹ in accordance with the Charities Act 2011 and Charity Commission Internal financial controls for charities (CC8)

² Independent examiner means a person independent of the trustees who is reasonably believed to have the requisite ability and practical experience to carry out a competent examination of the charity's accounts.

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7. Bank Accounts, Cheques and BACS³

- a. All bank accounts must be in the name of Solva Care.
- b. No account may ever be opened in the name of an individual or individuals on behalf of Solva Care.
- c. New accounts may only be opened by a decision of the Board of Trustees, which must be minuted.
- d. Changes to the bank mandate may only be made by a decision of the Board of Trustees, which must be minuted.
- e. Two people must be involved in counting cash receipts i.e. Collection Boxes.
- f. All cheques must be signed by two signatories.
- g. The signatories are responsible for examining the cheque for accuracy and completeness.
- h. All payment by BACS must be authorised by two signatories.
- i. The Treasurer is responsible for ensuring accuracy and completeness prior to transmission.
- j. The signatories are responsible for examining the payment documentation (Payment Voucher, invoice etc.) prior to signing the cheque or authorising a BACS payment.
- k. Blank cheques must **never** be signed.

8. Signatories to the accounts:

- | | | | | |
|----|-------|------------|-------|------------|
| a. | Name: | [REDACTED] | Role: | [REDACTED] |
| b. | Name: | [REDACTED] | Role: | [REDACTED] |
| c. | Name: | [REDACTED] | Role: | [REDACTED] |

9. Annual Budget.

- a. An annual budget, setting out Solva Care's financial plan for the year, will be prepared so that the Board of Trustees can approve it before the start of each financial year.
- b. The draft budget will be prepared by the Treasurer:

10. Financial Reports.

- a. A financial report will be prepared for every Board of Trustees meeting and consist of:
 - i. Income and Expenditure.
 - ii. Balance Sheet.
- b. Each Financial Report will be circulated to all Board of Trustees members and discussed at the following meeting.
- c. The financial reports will be prepared by the Treasurer.

11. Accounting and other financial records.

- a. The Treasurer will maintain an Excel Spreadsheet which records:

³ Bankers Automated Clearing Services

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- i. Monthly Income & Expenditure that includes:
- ii. Cheques and cash received and banked.
- iii. Cheque and BACS payments.
- iv. Opening and Closing balances that reconcile with bank statements

b. Every transaction will be supported by a Payment or Receipt Voucher and will include:

- i. The date of the transaction.
- ii. The name of the person money was received from or paid to and the full amount.
- iii. A brief description of why the money was received or paid.
- iv. Signatories authorising the payment.

12. Authorisation.

- a. The Chair (or Treasurer in their absence) must approve the purchase of any item over £100.
- b. No Board of Trustees or staff member may authorise payment to themselves, their partner or relatives.
- c. Before any BACS payment is made, it must be authorised by two signatories on the Payment Voucher, one of which being that of a trustee.
- d. All cheques must be signed by two signatories, one of which being that of a trustee.

13. Payroll.

- a. Payroll and all calculations will be made by [REDACTED]

14. Insurance.

- a. Appropriate Insurance policies will be maintained to cover:
 - i. Employer's Liability.
 - ii. Public Liability.

15. Approval & Review.

- a. This document was approved at the Board of Trustee's meeting on 27th July 2017.
- b. Policy and Procedures will be reviewed annually.

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ANNEX A TO FINANCIAL POLICY AND PROCEDURES DATED 27TH JULY 2017

TRUSTEE'S LEGAL RESPONSIBILITIES, CONTROLS AND CHECKS

1. Trustees have legal responsibilities to keep accounting records, and to prepare an annual report and accounts with the appropriate level of external scrutiny. Trustees must also safeguard their charity's assets and take steps to ensure the charity is protected against financial abuse. Accounting records must be kept for at least six years.
2. Trustees have a number of legal duties that must be met in relation to accounting and financial reporting. These include:
 - a. Keeping 'sufficient' accounting records to explain all transactions and show the charity's financial position.
 - b. Preparing an annual report and statutory accounts meeting legal requirements.
 - c. Considering the need for a reserves policy, managing the level of reserves held and the disclosure of any reserves policy in the Trustees' Annual Report.
 - d. Formally approving the Trustees' Annual Report and accounts.
 - e. Ensuring that accounts are subjected to any external scrutiny required by law or by the charity's governing document.
 - f. Ensuring that the Trustees' Annual Report, accounts and annual return are filed on time with the commission where filing is required by law.
 - g. Meeting requests from the public for copies of the charity's most recent trustees' annual report and accounts.
 - h. Safeguarding the assets of the charity and ensuring proper application of resources.
 - i. Taking steps, which will include risk assessments and appropriate procedures in place, for the prevention and detection of bribery, fraud, financial abuse and other irregularities.
3. **Checks Trustees must undertake on income records.** It is important that trustees make regular checks to ensure that the accounting records of income are being accurately maintained. Regular checks will ensure:
 - a. Records of cash and cheques received agree with bank paying-in slips or counter foils.
 - b. Counter foils or paying-in slips agree with the bank statements, both in terms of amount banked and date of credit.
 - c. Transfers or other direct payments into the bank are identified and verified against supporting paperwork.
 - d. These checks should be made by someone other than the person concerned with the original recording of the transactions.

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4. **Checks Trustees must undertake for payments by cheque.** The use of cheques to make payments is diminishing with the use of electronic payment. However, cheques continue to be used and it remains important that payments are only made for expenditure properly authorised and incurred by the charity. Trustees must check the following basic controls are in place:

- a. Ensuring cheque books are kept in a secure place.
- b. Regular review of bank mandates and authority limits.
- c. Prohibition on the signing of blank cheques.
- d. Prompt recording of payments including details of the cheque number, nature of the payment and the payee.
- e. Obtaining documentation to support the validity of the payment including relevant invoices and confirmation that the goods or services have been received

5. **Checks Trustees must undertake on expenditure records.** As with controls over income, it is important to ensure that records of expenditure are being accurately maintained. These include:

- a. Records of payments (including BACS) are checked periodically to cheque stubs or bank statements - these checks may often be carried out as part of the bank reconciliation process.
- b. Periodic checks are made to ensure payments are supported by invoices which have been properly authorised.

6. **Checks Trustees must undertake for wages.** There are a number of legal requirements in this area and Trustees must ensure that:

- a. The records required by HMRC of PAYE deducted from the wages and salaries of employees are maintained.
- b. Statutory deductions are paid to HMRC as required and pension contributions paid across to the pensions provider promptly.
- c. Deadlines for year-end returns to HMRC are met including P35, P11D and P60 or the data required for 'real time information' submissions to HMRC are complete and submitted on a timely basis.
- d. Minimum wage legislation is adhered to.
- e. Only authorised or required deductions are made from pay.
- f. Each employee has a proper contract of employment and that individuals are not incorrectly classified as self-employed.
- g. Legal obligations in relation to pension scheme arrangements are met.