



Financial Management Policy and Procedures

Policy Statement

The purpose of this policy is to establish guidelines for developing financial goals and objectives, making financial decisions, reporting the financial status of the Trust, and safely managing the Trust's funds.

Financial Responsibilities

It is the responsibility of the Board of Trustees to formulate financial policies and review operations and activities on a periodic basis.

The Board delegates this oversight responsibility to the Centre Manager and the external independent Book Keeper.

The Centre Manager acts as the primary fiscal agent, implementing all financial policies and procedures. The Centre Manager, in conjunction with the book keeper is responsible for the coordination of the following:

1. Annual budget presentation and quarterly update reports.
2. Approving revenue and expenditure objectives in accordance with the Board approved long term plans.
3. The day to day responsibility for managing Trust funds.

The Book Keeper is responsible for:

1. Ensuring the accuracy of the accounting records, internal controls, financial objectives and policies, financial statement preparation, and bank reconciliation review and approval.
2. Accounts Payable Processing, Payroll input and Payroll processing, VAT.
3. Cash Receipts input, Journal Entries for General Ledger and Bank Reconciliations.
4. In discussion with the Chairman of the Board, selection of the external auditors.

The Nominated External Accountant is directly supervised by the Chairman of the Board and is responsible for the preparation of the Chartered Accounts.

Responsible Persons

The following people are nominated card holders, signatories and safe key holders:

1. The Centre Manager
2. The Business Development Team Leader
3. The Financial Administrator.

These people will oversee the management of day to day money handling policies and procedures.

Conflict Of Interest

Members of the Board of Trustees are prohibited from activities that might present conflicts of interest. The powers of trusteeship may not be used to personally benefit the Trustee at the Company's expense. If a Trustee has a financial interest in a corporate transaction, they must fully disclose the interest and abstain from voting. Loans to Trustees are prohibited.

Budgeting Process

The entire Board must approve the budget. The Centre Manager is responsible for presenting an annual operating budget draft to the Board of Trustees.

The Board of Trustees shall review and approve the recommended fiscal year budget revenues, expenditures and cash flow. The budget will contain revenues and expenses forecasted by month.

Financial Statements

The Trust's financial statements shall be prepared on an accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP").

The Centre Manager shall prepare and present quarterly Financial Statements in a format approved by the Board of Trustees.

Audit

The Trust will have an audit of its financial statements periodically and at the request of any grant and/or funding providers. The audit will be completed by a firm of Independent Certified Public Accountants. The Chairman of the Board and external Book Keeper has direct responsibility in overseeing the implementation of the Annual Financial Audit. In addition, the Centre Manager and Financial Administrator will assist when necessary in the audit preparation, and report the final results to the Board of Trustees.

A representative of the audit firm will be invited to attend the annual presentation to the Board of Trustees, and will be required to make a presentation to the Board if the audit report is other than unqualified, or if the auditor's report material weaknesses in internal controls or reportable conditions.

Revenue and Income Procedures

Daily Takings

Tills are used daily in the shop and kitchen areas. The procedure for safe handling of daily takings is as follows for both areas:

1. A Responsible Person must ensure that the till and the till keys are collected from the safe in the office at the start of each day.
2. The support worker in each area is responsible to ensure, whenever possible, that the till is used accurately for the monitoring of income strands (e.g. correct use of codes and correct money handling procedures).
3. The support worker must then ensure that a daily report is printed from the till.
4. The money in the till will then be counted by the support worker and the report signed and dated as being accurate.
5. The money is then bagged up, ensuring that £25.00 float is kept in the till ready for the next day.
6. The till, float and keys are then given to a Responsible Person to put in the safe at the end of each day.

Discrepancies

7. Any discrepancies are reported to the Financial Administrator who will investigate for errors and/ or fraudulent activity and complete a report.
8. The report will then be given to the Centre Manager who will take any appropriate action.

Donations

As Kehelland Trust is a charity, donations are frequently made. Any donations are given either on line directly into a bank account, small donations (£10 or less) in a collection tin in the shop and larger donations into a tin kept in the safe. Any donations received at the Trust is subject to the same money handling and banking procedures as any other form of income.

Recording Receipts and Banking

The following procedures for cash received is in place:

1. All cash and cheques received through the post shall be forwarded to the Financial Administrator, or other staff involved in the accounting function.
2. This person records all cheques and cash by date, name of company or individual, and amount.
3. All cash and checks received at the Trust are deposited usually every Monday and no later than the next business day into the Trust's Current Bank Account by a nominated Responsible Person. Risk assessments are completed for this activity.

Expenditures Procedures

1. All expenditures are to be approved by a nominated Responsible Person i.e. the Centre Manager, The Business Development Team Leader or the Financial Administrator.
2. All expenditures are coded by account number using the Trust's agreed Budget codes.
3. The Financial Administrator and Book Keeper maintain standard accounting records containing all aspects of the Trust's financial operations. They include but are not limited to a general ledger, a cheque register and a payroll register.
4. Invoices will be approved by either the Centre Manager, The Business Development Team Leader or the Financial Administrator.
5. Upon payment of a bill, a record of the cheque number or BACS payment date will be written on the invoice.
6. The paid invoices will be filed alphabetically according to company/individual name and are kept on a fiscal year basis on file.

Signature Policy

Either the Centre Manager, Business Development Team Leader, Financial Administrator, Board Secretary and Treasurer are to sign all cheques, or orders for payment of money from petty cash, and use the Company Credit Card to make on line payments on behalf of the Trust.

Payroll

Payroll is executed monthly for payment by BACS into staff accounts on the last day of each month. Payroll is calculated by the Book Keeper and payment is made by the Financial Administrator. Monthly payroll expenses are verified by the Centre Manager against payroll reports along with annual leave, toil and sickness reports.

Salaries

The salaries of all employees are determined by the Board of Trustees. Enhancements and/ or adjustments for all staff positions will be recommended by the Centre Manager and approved by the Board.

Local Travel and Expense Reimbursements

Employees must abide by the Trust's Travel and Expense policy. Travel and expense reports for mileage, meals, supplies, etc., will be maintained by each employee and then submitted to the Centre Manager for approval and payment on a monthly basis.

Mileage to and from the employee's residence to the place of work will not be paid by the Trust. Reimbursements will be based on the travel rate established by the Board of Trustees and approved through the budgeting process. Travel reimbursement shall not be above Inland Revenue Guidelines. All parking and other expenditure receipts must be attached to the expense voucher as a condition for payment.

Credit Card Expenditures

The Board of Trustees will approve the provision of a company issued credit card for employees who are authorised to make purchases. Employees must utilize that card only for business use. Employees must submit a purchase order voucher that explains the business reason for items purchased using the credit card which is then submitted to the Financial Administrator for recording and reconciliation.

Purchasing

Any expenditure in excess of £5,000.00 (five thousand pounds) should have bids from three (3) suppliers if possible. These bids are reviewed by the Centre Manager and the bid award must be specifically approved in advance by the Chairman of the Board.

Purchase of less than the approved amount may be made at the discretion of the Centre Manager, Business Development Team Leader or Financial Administrator without competitive bids. However, for fixed assets, reasonable diligence should be exercised to comparatively shop for available sources.

Any purchase made by a Board member on behalf of the Trust will require prior approval by the Chairman of the Board.

Leases and Other Contractual Agreements

The Trust conducts its operations from leased facilities. Leases and other contractual agreements are negotiated by the Chairman of the Board of Trustees with the approval of the Board.

The Centre Manager and the Chairman of the Board are authorised to develop and enter into contractual agreements with vendors, bankers, and third parties for the purpose of ensuring the Trust's general operations. The Board of Trustees shall review such agreements and make recommendations when necessary.

Notes, Loans, Etc.

All notes, loans and other indebtedness to be contracted in the name of the Trust (except open accounts and all other routine banking transactions), shall require the signature of the Company Treasurer or Chairman of the Board, unless otherwise specified by the Board or established in the present management policies and procedures. All indebtedness must be approved by the Board of Trustees.

Deeds, Conveyances, etc.

The Chairman of the Board and the Treasurer shall execute all Deeds, Conveyances, Mortgages, Leases, Contracts and other instruments in the name of the Trust.

Bank Accounts and Investment Accounts

The Financial Administrator and Book Keeper will maintain and oversee Bank and Investment accounts.

Several accounts are maintained by the Trust as follows:

1. Current Account
2. Business Saver Account
3. Base Rate Reward Account
4. Charity Deposit Account

All cheques, cash, money orders, and credit card deposits, are reviewed by the Financial Administrator and deposited into the Current Account account.

Monies are automatically transferred from the Current account into the Business Saver Account if the balance exceeds £2,000. When necessary, monies are transferred from the Business Saver Account to the Base Rate Reward by the Financial Administrator.

Bank Reconciliations

Bank reconciliations shall be completed monthly by the Financial Administrator/Book Keeper and cross referenced with the cash and receipts logs and the monthly Financial Statements. The Financial Statements are compiled by the Book Keeper. The Statements are then reviewed by the Centre Manager and presented to the Board of Trustees quarterly.

All Bank Statements and Credit Card Statements are reconciled every month by the Financial Administrator and records kept in the Finance office.

Petty Cash

A petty cash fund provides a systematic method for paying and recording out of pocket cash payments. The Trust will maintain a petty cash fund that is sufficient for the time of year and replenished as needed.

The Centre Manager, Business Development Team Leader and Financial Administrator maintains control of, and responsibility for, payments disbursed from the Petty Cash fund.