

Shrewsbury House: Financial Procedures

Last updated: October 2018

Background

These financial procedures are written with the goal of:

- 1) Safeguarding the assets of the charity.
- 2) Ensuring the Board of Trustees has proper financial control of the organization.
- 3) Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts).

Organisational information:

Financial year: 1st April to 31st March

Bank: CAF Bank (25 Kings Hill Avenue, West Malling, Kent. ME19. 4JQ)

Independent examiner: Michael Adamson and Co (21 The Drive, Hullbridge, Hockley, Essex. SS5 6LZ)

Banking procedures

- 1) All bank accounts must be in the name of the organization. Currently there is only a single bank account (CAF Bank).
- 2) New accounts may only be opened by a decision of the Board of Trustees (to be minuted).
- 3) All cheques, online bank payments and cheques require co-authorisation. In particular, all cheques must be signed by two signatories and all internet bank transfers must be authorised by two signatories.
- 4) Two people must be involved in counting cash receipts. All cash received must be recorded and banked promptly.
- 5) Blank cheques must never be signed.
- 6) All changes to the current permissions on the bank (current permissions listed below) must be approved and minuted by the trustees.

Current permissions to the bank account:

Bank mandate: Treasurer, Chairman, Manager.

Online access: Treasurer, Chairman, Secretary, Manager.

Cardholders: Manager, Community Assistant Supervisor.

Payments

- 1) All payments must be properly authorized and correctly recorded.
- 2) All significant purchases (>£250) must be approved in advance with the Treasurer or Chair (via email).
- 3) All employees must be paid within the PAYE and National Insurance regulations.
- 4) All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. All changes in hours and variable payments including overtime, will be authorised by the trustees.
- 5) No trustee member or staff member may authorise a payment to themselves, their partner or to a relative.
- 6) Where deemed appropriate by the trustees, expenditure paid personally by staff or trustees may be reimbursed. Evidence of expenditure must be provided (tickets / receipts). As noted above, no staff member or trustee may authorise a payment of expenses to himself.
- 7) As a general policy to enhance its financial processes, where possible Shrewsbury House is working to move away from cash payments towards receiving online payments (i.e. card payments / bank transfers).

Financial records

- 1) The manager will maintain accurate and timely management accounts (Quickbooks), recording all receipts and all payments made (date, amount, person, additional description where required).
- 2) Management accounts are to be reconciled with the bank cash balance on a monthly basis. The Treasurer will spot check management accounts relative to the bank balance every month.
- 3) The AGM will appoint an appropriately qualified auditor / independent examiner to audit or examine the accounts before presentation at the next AGM.

Budgeting and reporting to the Board

- 1) Budgets are set on an annual basis before the start of the financial year by the Treasurer and Finance sub-committee. All budgets require board approval.
- 2) The Treasurer will provide a financial update to the Board on a monthly basis (management accounts, cash flow, balance sheet).
- 3) Financial risks are notified to the Board as part of risk review through the risk register at each Board meeting.