



Financial Controls Policy

1. Introduction

- 1.1. Financial records will be kept so that SELFA can:
 - a. Meet its legal and any other obligations, e.g. Charities Act 2006, Inland Revenue.
 - b. Ensure there is adequate control of the organisation's finances.
 - c. Enable the organisation to meet contractual obligations and the requirements of funding bodies.
- 1.2. The organisation will keep both a computerised record of accounts and supporting scanned or hard-copy information for all transactions.
- 1.3. The financial year end for SELFA will be 31 March.
- 1.4. Accounts will be drawn up after each financial year within three months of the end of the year and presented to the Trustees at the next annual general meeting (AGM) or as requested.

2. Bank

- 2.1. SELFA will maintain a business current account, and any other project accounts as agreed and approved by the Trustees.
- 2.2. Restricted reserves equivalent to three months running costs will be maintained, to cover salary and overhead costs in the unlikely event that the charity is 'wound up'.
- 2.3. A bank mandate will be kept showing the names of all authorised signatories and will be updated immediately in the event of any changes.
- 2.4. SELFA will require the bank to provide periodic statements and these will be reconciled with the Charity's records at least every month.
- 2.5. SELFA will not use overdraft facilities.

3. Receipts (income) and related documentation

- 3.1. All manual monies received will be recorded promptly and banked within 2 weeks of receipt.
- 3.2. All automated receipts will be recorded promptly and relevant documentation located and filed.
- 3.3. Detailed files will be maintained showing relevant documentation for all receipts, with a corresponding numerical reference in the computerised record. All files will be kept for at least seven years.

4. Payments (expenditure) and related documentation

- 4.1. Every payment will be supported by appropriate documentation and will be filed with a corresponding numerical reference in the in the computerised record. All files will be kept for at least seven years.
- 4.2. All cheques and online payment requests must be signed by 2 authorised persons.
- 4.3. Any payments from unrestricted funds of over £2,000 must be approved by the Chair of Trustees and the Treasurer (or Vice Chair in case of absence).
- 4.4. The recipient of a cheque/online payment must not also be either of the persons authorising the cheque/transfer, except where refunding use of a personal credit card for SELFA purchases supported by an invoice or receipts.
- 4.5. The current cheque book (and unused and partly used cheque books) should always be kept in a secure location and are the responsibility of Chief Officer.
- 4.6. Blank cheques will never be signed. The payee's name will always be written on the cheque before signature and the cheque stub will always be filled in at the same time.
- 4.7. No cheques/online payments will be signed without relevant documentation.
- 4.8. Wages and salaries: There will be details kept of all salary payments for employees and details of hours and pay rates etc. for temporary workers. All employees will be paid within the HMRC PAYE and National Insurance rules.
- 4.9. Petty cash will be recorded in the computerised record and will be checked and balanced every month. Any regular discrepancies or unexplained differences over £10 will be reported to the Trustees immediately in writing.
- 4.10. Expenses/allowances relating to the day to day running of SELFA will, if requested, be reimbursed for:
 - a. Travel evidenced by tickets (where possible).
 - b. Postage and stationery
 - c. Other authorised expenditure as evidenced by original receipts
- 4.11. The bank account does not allow cash cards to be issued, but in the event that one is sent in error this will immediately be returned to the bank.

5. Other undertakings

- 5.1. SELFA does not accept liability for any financial commitment unless properly authorised as detailed in this document.
- 5.2. All fundraising and grant applications undertaken on behalf SELFA will be done in the name of the organisation.
- 5.3. SELFA will use unrestricted funds which the charity receives to further its objects in whichever way the Trustees see fit.

5.4. Restricted funds will only be used for the purpose for which they were given. SELFA is aware that this is an obligation under trust law and will record and monitor these funds in accordance with the funder's requirements and guidelines to ensure the amounts are utilised for the specified projects.

6. Confidentiality

6.1. The confidentiality of employees' personal and financial circumstances will be respected at all times.

6.2. Trustees, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information.

7. Other rules

7.1. SELFA will adhere to good practice in relation to its finances at all times, and will endeavour to maintain proper records.

7.2. SELFA should maintain a certain level of unrestricted funds to enable the Charity to function effectively. This level is set at £30,000 to be reviewed annually by the Finance Sub-Committee.

7.3. This policy and all controls will be reviewed annually and any changes made and duly authorised within 1 month.

Reviewed Date: October 2019