

# Cathays and Central Youth and Community Project (CCYCP) Finance Policy

## Procedure

1. Proper accounting records will be kept. CCYCP intends to use a computerised accounting package XERO, but manual/paper records may also be used if appropriate.
2. Subject to guidance (CCYCP will take advice and training from accountants in setting up its accounting system), the following records will be kept:
  - Appropriate control accounts (i.e. bank control, petty cash control).
  - Salary control account.
  - Monthly trial balances.
3. All financial documents will be clearly initialled by the Finance Officer and entered into the computer system, along with the date and accounts reference.
4. All corrections and adjustments will be clearly noted in a written 'Journal' giving reasons for them, with supporting documentation where available.
5. CCYCP Manager can request to review reports of income and expenditure against budget, sharing these with other budget-holders where appropriate.
6. Detailed monthly payroll reports will be produced by the Finance Officer, to be checked by the Treasurer on request. Detailed cash-flow reports will be produced as appropriate.
7. CCYCP's financial year is from 1st April to 31st March. Annual accounts will be submitted for audit, as required under the Companies Act, charity regulations and grant conditions. Final drafts should be ready for and passed by Board by the end of calendar year, with audited accounts signed at or before the January meeting.
8. Supporting documentation for all payments and receipts will be filed in the appropriate reference order, as will all bank statements and reconciliation sheets.

All petty cash vouchers, cheque stubs etc. will be retained for audit and for statutory purposes thereafter.
9. All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the Board) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal.

## Role of Board of Trustees

The committee is responsible for:

- Approving the budget for the year.
- Approving signatories to the bank accounts.
- Appointments of staff where not delegated to the Manager.
- Receiving reports from the Manager on areas of concern.
- Approving exceptional items of expenditure.
- Monitoring the financial position based on monthly reports, with advice from the Manager.
- Approving the annual accounts, auditors report and appointment.
- Application of grant income

## Role of Treasurer

The Treasurer works in close co-operation with, and provides support and advice to, the Manager. Specific responsibilities are to:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of CCYCP's activity plans and the key assumptions included in them.
- Confirm that the financial resources of CCYCP meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Board of CCYCP's financial integrity.
- Ensure that the accounts are properly audited, that accepted recommendations of the auditors are implemented, and meet the auditor at least once a year.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor CCYCP's bank accounts, in association with the Manager, seeking to ensure an appropriate return from any reserves which may be pCCYCPd on deposit or invested.

## Role of the Manager

The Manager will receive quarterly management accounts, keeping adequate records to be in control between reports to the Board, and keeping the

Treasurer informed of any significant changes affecting the financial position. The Manager will ensure that adequate security precautions are taken to safeguard financial and other assets.

## Role of the Finance Officer

The Finance Officer is responsible for day-to-day book-keeping i.e. recording of petty cash, ensuring that all the organisation's financial transactions are recorded in an accurate and timely fashion. The Finance officer will be responsible for maintaining all records, producing year end accounts and running monthly payroll. The finance officer will not be involved in the operations of CCYCP Bank **accounts**.

## **Income Policy Statement**

If CCYCP undertakes trading activities it must be within CCYCP's objects unless it is for fundraising purposes.

All income must be banked gross without deductions.

All records of bank/building society statements will be stored under lock and key.

## **Procedure**

1. The majority of income received by CCYCP will be in the form of grants and fees due under service contracts. If required by the funder, or if there is no remittance advice, the Finance Officer will issue an invoice. Invoices should be issued covering any other income due. All invoices should be raised on an CCYCP letterhead, showing a budget code where relevant. Outstanding invoice payments will be followed up at least monthly by the Office Manager.
2. Budget-holders will supply the Office Manager with advance information on the amount and expected timing of monies due in the form of grants and contractual fees. The Finance Officer will post these items to the appropriate project funds and pay the cheques into the appropriate bank account. All incoming money must be recorded stating the date the money is expected, the date received, and the nature of the income must also be disclosed.
3. All income from grants and contractual fees will be paid into the current accounts as soon as possible after receipt by the Office Manager. The makeup of each bank deposit will be clearly recorded, for later computer entry by the Finance Officer
4. All monies received will be recorded promptly in the cashbook by the Finance Officer and banked without delay by the Office Manager (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). CCYCP will maintain files of documentation to back this up.
5. Any cash income must be confirmed by two responsible people and will be banked at least weekly and always banked together by the Office Manager.
6. Receipt books will be kept in a secure place only accessible by centre manager and other named staff.

## **Fundraising Policy Statement**

All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of CCYCP with the prior approval of the trustees or in urgent situations the approval of the Chairperson who will provide full details to the next trustees' meeting.

### **Grant Applications Policy Statement (Full cost recovery/Management Fees)**

Where possible all grant applications must incorporate full cost recovery/management fees when assessing costs. This will cover:

- Management costs – Finance and HR
- Supervision costs
- Administration costs
- Insurance
- Office overheads
- Governance costs
- Pension costs

**Accounts will be held in the name of CCYCP.**

The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the trustees as will all the changes to it.

CCYCP will require the bank to provide paper statements every month and these will be reconciled with the cashbook at least every three months by the Finance Officer. The

Treasurer will spot check that this reconciliation has been done at least twice a year, signing the cashbook accordingly.

All financial data will be kept in a secure place.

CCYCP will not use any bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.

**Salaries & Wages Policy Statement**

There will be a clear trail to show the authority and reason for every such payment; e.g. a cheque requisition, asking for payment to an employee, the HMRC, etc. All employees will be paid within the PAYE, National Insurance (NIC) regulations.

Statutory deductions (tax & NIC) will be made from employee's wages and salaries and regularly forwarded to HMRC.

CCYCP will comply with minimum wage legislation

End of year returns (P60 & P11Ds) must be completed and filled with HMRC by the deadline and must be checked internally for accuracy.

All employees must have contracts of employment in place and the finance office must have a copy.

All salary levels must be properly authorised and recorded by the board of trustees.

**Procedure**

1. CCYCP is required to operate the PAYE system, and make annual returns to the HMRC.

All people working directly for CCYCP, whether permanent or temporary, must provide a P45, or sign a P46 or student exemption certificate, or give reasons why they can't.

All payments will be made by cheque or direct bank credit.

2. Wages records must be held separately from all other records.

3. Occasionally, freelance consultants may be used. Freelance contractors will only be taken on when authorised in accordance with procedures for ordering services. They will normally be treated as self-employed, and contracts with such people must clearly indicate this. Individual (i.e. non-incorporated) contractors will be asked to supply a tax reference.

4. Over-time payments will not normally be made. In exceptional cases, a request shall be put to the Treasurer.

5. Salary payments will normally be made by CCYCP's payroll department, by credit transfer direct to the employee's bank account. The salary payment listings will be checked by the Manager on a monthly basis. Salaries will be paid on the 15th of the month, or nearest working day.

6. All salary payments will be processed by the Finance Officer. They will then be passed on for authorisation to CCYCP Manager. Payments will then be made by a bank signatory. The bank signatory will not be an officer that authorises and processes the payroll.

7. Pay scales and new or restructured posts will be revised by March for implementation in April. The Board of Trustees will set the staff's remuneration.

8. Appointments to new and existing posts will be made as per CCYCP's agreed recruitment procedure.

9. Staff loans are not issued, but in exceptional cases advances may be made against salary due, by agreement with the Treasurer.

10. The payroll department will be responsible for:

- Paying each employee in accordance with the approved terms and conditions, and issuing payslips.
- Operating the PAYE system, keeping the required records, issuing P45s and P60s, and communicating with the tax office as appropriate.
- Making the correct deductions for Income Tax, National Insurance, court orders and any other appropriate deduction authorised by staff; ensuring that deductions are paid to the correct body, and necessary returns made.
- Administering the Statutory Sick Pay and Statutory Maternity Pay schemes, alongside any additional related benefits provided by CCYCP.

## **Paid and Unpaid Leave Policy Statement**

Paid and unpaid leave will be monitored by staff line managers and any concerns will be brought to the attention of the board of trustees.

### **Pension/Retirement Policy Statement**

Any pension contributions must be built into grant bids and any statutory requirements must be complied with.

### **Remuneration Policy Statement**

Directors may be paid all reasonable travelling, hotel and other expenses incurred by them in connection with their attendance at meetings of Directors, committees or general meetings or otherwise in connection with the discharge of their duties, but shall otherwise be paid no remuneration.

Every member, Director, Company Secretary, auditor (if any) and other officer for the time being of the Company may be indemnified out of the assets of the Company against any losses or liabilities incurred by him/her in or about the execution or discharge of the duties of her/his office subject to the provisions of the CCYCP, except to the extent that such losses or liabilities shall be attributable to:

- a. Fraud or other matters in respect of which the member concerned shall be convicted of a criminal offence; or
- b. Negligence; or
- c. Actions knowingly beyond the scope of a specific authority or limit thereon on the part of the person in question.

### **Expenses Policy Statement**

Expenses will be reimbursed only where the individual incurred the expense in the course of carrying out CCYCP's business

### **Procedure**

CCYCP will, if asked; reimburse expenditure paid for personally by staff, providing:

1. Fares are evidenced by tickets.
2. Other expenditure is evidenced by original receipts.
3. Car mileage is based on CCYCP's approved rates. Any difference between the approved rate and that of HMRC rates will be monitored for tax liabilities.
4. No cheque signatory signs for the payment of expenses to themselves.

### **Fixed Assets Policy Statement**

CCYCP will maintain a property record of items of value £100 and above, with an appropriate record of location & sale/disposal.

#### Procedure

1. CCYCP will set up and maintain a fixed asset register stating the date of purchase/disposal, cost, serial numbers, any funding restrictions and normal location.
2. CCYCP will maintain a record of insurance values of all fixed assets and monitor level of insurance cover to make sure it's appropriate.

#### **Gifts in Kind Policy Statement**

A record of all gifts in kind must be recorded as they are received and utilised.

Any material assets received as gifts in kind will need to be declared within the accounts both as income and expenditure, as applicable.