



Colne Valley Help

Financial Procedures

February 2021

Review date before: 1st February 2023

Colne Valley Help – Financial procedures

Introduction

Colne Valley Help (afterwards referred to as CVH) needs to ensure that adequate training, procedures and checks are in place to keep the financial systems secure.

The Administrator reports to the Treasurer or the Chair if Treasurer post is vacant.

This document is to be read alongside the Reserves policy

Areas covered:

1. Banking arrangements
2. Record keeping
3. Procurement
4. Stock control
5. Fixed asset management
6. Risk analysis and fraud prevention
7. Restricted funds management
8. Internal Audit
9. Legislation compliance
10. Accounting time table
11. Income management
12. Monthly accounts
13. Employee and Volunteers
14. Loans and Investments

1. Banking arrangements:

All cheques and bank transfers must be signed by two signatories and both must be a trustee. Online access for viewing is given to the administrator to produce the financial reports.

2. Record keeping

Adequate records must be kept to comply with legislation, funders and other external interests.

This includes completing a new supplier form for prospective suppliers so that the relevant questions are asked about their employment status, bank details etc. This completed form is approved by a trustee.

See App A - New supplier form

An expenditure form must be completed for employee and volunteer expenses. All expenses must be agreed prior to the cost being incurred.

See App C– Expense form

Personal car insurance must be checked for business insurance if used for the charity.

3. Procurement

Limits set for approval of new agreements are as follows:

Up to £100	– One Trustee approves
£100 - £1,000	– One Trustee approves with one quotation
£1,000 +	– Two Trustees approve with two quotations

4. Stock control

All stock is to be rotated on a first in, first out basis and therefore need periodic stock checks to ensure this is happening as presently individual stock items are not booked in.

Stock checks need to be taken as a random sample every month.

5. Fixed Assets

All fixed assets must have a serial number that corresponds to a fixed asset register that is updated monthly with the purchase date and cost. Any asset disposed of or sold must be taken off the register every month and any sale proceeds noted along with the date sold.

Only purchases over £1,000 will be added to the fixed asset register and depreciated the year after purchase in accordance with the charities depreciation policy.

6. Risk analysis and fraud

Monthly reconciliations are to be completed and reports of exceptions made to the board. There must be adequate supervision and segregation of duties. Cash transactions must be verified by a signature of two people.

7. Restricted Fund Management

The accounting records will track each individual cost against a restricted fund whether it be part or fully allocated. Any costs not spent by the end of the financial year are to be carried over by a form being completed stating why they are not spent. For example, it may be a three-year project.

Should a fund not be spent and returned, this must be reported to the board.

See App B – Restricted fund year end balances form

8. Internal Audit

Internal audit shall be completed twice per year on areas independently chosen from the list of identified potential risks. An external firm or independent person can be used for internal audit.

9. Legislation compliance

All financial records must be kept to the up-to-date guidelines set by HMRC, Charity Commission and other governing bodies.

Training will be provided to keep finance workers updated with any change in requirements. Posts will be evaluated to ensure the adequate knowledge and skills are held within the charity.

10. Accounting time table

An accounting time table will be maintained specifying dependances to ensure that management accounts, funding bid reports, payroll, budgets, year-end statutory accounts are all produced within specified deadlines.

A check list will be kept updated.

11. Means of seeking income

Income may be sourced from:

- a) Grants – All restricted funds are to be kept separate as described in section 7.
- b) Public donations - Recognition of the value of donated stock and cash
- c) Fair share – Providing affordable food

Income requirements will be ascertained from annual budgets constructed for approval in December prior to the new financial year beginning in April. The budget will be reviewed at least quarterly throughout the year.

12. Monthly accounts

Monthly accounts are to be produced recording all expenditure to each fund and comparing the actual figures to the budget and reporting the end of year forecast.

Reserve level and other key levels will be considered in the financial report.

13. Flexi time (control of employee costs)

Documentation needs to be kept for employees and volunteers to ensure that working is within the current guidelines.

Payroll / HR procedures will be added before any employees are recruited.

14. Loans and Investments

Section to be considered at a later date.

Conclusion

These procedures are to protect the charities resources and reputation and covers trustees, employees, volunteers and clients of the charity.

Any deliberate breach of the Financial Procedures may lead to disciplinary action being taken, or even to a criminal prosecution.

This procedure was formally agreed and adopted by the Board of Trustees of CVH and will be reviewed within 2 years by the board of trustees.

Approved at board meeting of 15th February 2021

Appendix A



NEW SUPPLIER FORM

Supplier Name:	
Address:	
Email:	
Telephone:	
UTR (If applicable)	
Company number	
Terms:	
Services provided:	
Payee:	
Bank name	
Account	
Sort code	
Reference	
Set up by:	
Date set up:	

Approved : _____
Trustee

Date approved: _____

Appendix B



RESTRICTED FUND YEAR END CARRY OVER FORM

Funder:	
Details of grant:	
Project name:	
Fund manager:	
Period from:	
Period to:	
Total grant:	
Amount to carry over:	
Reason for carry over:	
Expected date to complete spend:	

Approved : _____

Trustee

Date approved: _____

Appendix C



Expense Form

Complete the shaded boxes:

Name:	
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Detail of expense:	
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Miles:	
@ 45p per mile	£ -

Food for public	
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In house provisions	
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Cleaning products	
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Repairs	
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Other (Specify)	
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Total	£ -
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Requested by:	
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Approved by:	
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Date approved:	
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