

Financial Management and Control Policy

1. Introduction, Scope and Purpose

- 1.1. The Board of Trustees share overall responsibility for financial control and safeguarding the funds of WAY Widowed and Young and ensuring that the organisation operates in accordance with the financial powers stated in its constitution. This policy sets out how this responsibility will be exercised and where functions have been delegated to trustees or staff of WAY Widowed and Young
- 1.2. The purpose of this Policy is to:
 - a. Provide the framework around which all financial activities will operate;
 - b. Control costs;
 - c. Prevent fraud; and
 - d. Ensure WAY Widowed and Young demonstrates sound financial governance arrangements.
- 1.3 This policy should be read in conjunction with WAY's;
 - a. Disciplinary Procedures
 - b. Whistleblowing Policy
 - c. Expenses Policy; and
 - d. Staff Handbook.
- 1.4 Failure to adhere to the Policy may result in disciplinary action.

2. The role of the Treasurer

The treasurer takes the lead at board level on;

- 2.1. Making sure WAY Widowed and Young keeps proper accounts.
- 2.2. Reviewing financial performance.
- 2.3. Ensuring policies for finance and if relevant investment is regularly reviewed.
- 2.4. Ensuring that WAY Widowed and Young has robust and effective financial controls in place.
- 2.5. Liaising with the Chief Executive about financial matters and with the independent examiner reporting on financial matters at the AGM.
- 2.6. The treasurer will carry out periodic internal checks.

3. Financial Records

Financial records will be kept so that:

- 3.1 WAY Widowed and Young can meet its legal and other obligations, e.g., HM Revenue and Customs, Charities Acts, Companies Acts, Common Law.
- 3.2 WAY Widowed and Young trustees can have control of the organisation's finances.
- 3.3 The organisation can meet contractual obligations and the requirements of funding bodies.

3.4 All records shall be kept in line with the retention procedure set out in the data protection policy.

4. Budget

4.1 The financial year for WAY Widowed and Young will end on 31st December.

4.2 An annual budget will be prepared each year by the Chief Executive and Treasurer in consultation with department managers for review and approval by trustees at a Board's meeting prior to the commencement of the new financial year

4.3 A paper comparing actual income, and expenditure with the budget will be presented to the trustees at each scheduled board meeting, approximately every 3 months.

4.4 The budget will be allocated to departments, each of which will have a nominated owner responsible for monitoring and controlling spending.

5. Accounts and Audit

5.1 Accounts will be drawn up after each financial year and be approved by the Board before being presented at the next Annual General Meeting.

5.2 The accounts will be submitted by the Chief Executive (or appointed person) to the Charity Commission no later than 31st October. Prior to submission all trustees are required to deem this to be acceptable along with agreeing to the charity commission privacy notice.

5.3 The trustees will appoint an appropriately qualified independent examiner to audit the accounts for presentation at the next AGM. The trustees will review the appointment of the auditor/independent examiner at least every 3 years.

6 Banking Arrangements

6.1 WAY Widowed and Young will bank with:

CAF Bank Limited (Subsidiary of the Charities Aid Foundation), 25 Kings Hill Avenue, Kings Hill, West Malling, Kent. ME19 4JQ

6.2 A subsidiary savings account is held with;
Lloyds Bank plc.

6.3 The accounts will be held in the name of WAY Widowed and Young. All bank accounts held by the charity must be agreed and approved by the board of trustees.

6.4 The charity will require the bank to provide statements every month, which may be accessed online. These will be reconciled with the income and expenditure every month by the bookkeeper and the treasurer will spot check that this reconciliation has been done at least twice a year.

6.5 The charity shall also use online financial applications to facilitate payments as follows:
PayPal/PayPal Giving Fund
GoCardless

Just Giving

Any other fundraising platforms as approved by the Board of Trustees.

6.6 WAY Widowed and Young will not use any other banks or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the board of trustees.

7. Bank Mandate

7.1 The bank mandate gives the power to authorise transactions and approve amendments to the account. The bank mandate will always be approved and minuted by the WAY Widowed and Young trustees as will all amendments to it.

7.2 Authorised Signatories the organisations bank accounts are as follows:

- Treasurer
- Minimum of one other Board Members
- Chief Executive Officer
- Bookkeeper/ Finance Manager

8. Banking Procedures

8.1 Incoming cash or cheques should be banked promptly and recorded on the paying in book (within week of receipt weekly).

8.2 Insurance cover is maintained on cash carried by staff to a limit of £500. Staff should ensure that wherever possible, these limits are not exceeded.

8.3 Wherever possible, incoming money should be banked and not held over expenditure items. Receipting incoming money is good practice, means accounts reflect the value of work undertaken, maximises VAT recovery and is required by the Charity Commission.

8.4 WAY will use online financial applications for the collection of membership fees and payments for events and merchandise. The set up of all applications will be authorised by CEO. Users will be appointed by the CEO and will only be able to make changes to these accounts, with the express permission of and the CEO.

**See Appendix B for a list of applications in use.*

8.5 WAY will use online financial applications for fundraising and the collection of donations. The set up of all applications will be authorised by CEO. Users will be appointed by the CEO and will only be able to make changes to these accounts, with the express permission of and the CEO.

**See Appendix B for a list of applications in use.*

9. Cash Collection Procedures

9.1 All collections must be conducted with the written authority of the charity concerned and the authorisation kept on file.

9.2 All collection boxes should be sealed prior to release from WAY Widowed and Young to the collection site and be signed in and out by the authorised member of staff.

9.3 Collections should be counted where possible in the presence of two people, receipted immediately, and all cash paid into the bank at the earliest practicable opportunity.

9.4 Banking should be conducted by a separate member of staff to the collector, wherever possible.

9.5 Static collection tins should be regularly opened and counted and record kept of their locations and history of takings.

10. Merchandise

10.1 The budget holder responsible for Merchandise will submit proposals for spend for approval in accordance with expenditure controls. This will include the total expenditure sum, the cost of each item and the proposed selling cost per item. Should any of the items not be intended for sale, such as items for use in fundraising or for publicity, then the proportion of items to be used in this way should be stipulated in the proposal

10.2 Sales of Merchandise by line will be monitored against purchase costs in order to guide future purchase decisions. Reviews will be undertaken by the Chief Executive and the budget holder.

10.3 Decisions on refunds will be proposed by the budget holder and approved in line with the sign off levels for expenditure

10.4 Decisions on disposing of Merchandise below the selling price will be proposed by the budget holder and agreed with the Chief Executive.

11. Events

11.1 Events can either be for fundraising, for the membership, or for raising awareness of the Charity. All events are to be proposed by the budget holder and signed off by the Board of Trustees. The event proposal will include potential costs and benefits as shown below:

- a. Fundraising events – proposed spend v likely funds raised, based on previous experience or other events;
- b. Membership events – proposed pricing based on cost, assumed attendance and Board policy regarding the event eg break even
- c. Campaigns/Awareness Building events – proposed spend with details of the audience who will be in attendance and assumed attendance numbers.

11.2 Sufficient records will be kept of events such that a review can be presented to the Chief Executive by the budget holder, which will include actual costs and incomes or outcomes, as applicable.

11.3 Decisions on refunds will be proposed by the budget holder and approved in line with the sign off levels for expenditure.

12. Gift Aid

12.1 Regular checks should be undertaken to ensure that Gift Aid Forms are available from donors, and that documentation is completed as due amounts are received, and eligible tax repayments are obtained.

12.2 Gift Aid claims should be submitted regularly to HMRC, and at the year-end no later than three months after the last day of the financial year.

13. Income Records

13.1 WAY Widowed and Young will ensure that all the income to which it is entitled is received and that this is evidenced.

13.2 Restrictions on donated income will be recorded in donation files and by the use of the nominal ledger codes.

14. Controls over Expenditure

14.1 Authority levels to authorise revenue and minor capital expenditure on behalf of the organisation are as follows:

a. Expenditure WITHIN delegated departmental budget:

Maximum Authorisation Limit	Budget Holder (as delegated by CEO)	Chief Executive Officer	Board
£1000	x		
£10,000		X	
>£10,000			x

x indicates maximum authorisation limit

b. Expenditure OUTSIDE of delegated departmental budget or where no Budget exists ALL expenditure requests outside of budget MUST be accompanied with a detailed explanation

Maximum Authorisation Limit	Chief Executive Officer	Board
£2,000	x	
£5,000	X And 1 Board Member	
>£10,000		X – at a Board Meeting

x indicates maximum authorisation limit

14.2 Orders raised by the staff should be in keeping with the budgets for departments, strategic priorities of each budget centre, and policies agreed at relevant meetings.

14.3 Where the additional spend is within 10% of the original total, or for new projects under £2,000, approval can be given by the Chief Executive Officer

14.4 Items that are exceptional to the above requirements must have the express consent of

the Chair or board approval before an order is placed.

14.5 Where possible, the same person should not be responsible for ordering and processing the invoice and making the payment. Payments over £1,000 must be authorised by a different person to the one requesting the spend.

14.6 No signatory should authorise payments to themselves or any related party. It is the responsibility of the other signatories to ensure this does not happen.

14.7 Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives in the Constitution.

15. Memorial and Other Set Aside Funds

15.1 The decision to waive payment for something should be treated the same as a decision to spend money. Proposed waivers should be presented to the Memorial Fund Committee for approval, and total commitments in the year monitored against the expectation at the start of the year.

16. Controls over Purchases

16.1 Invoices should be checked against order notes and/or delivery notes and filed together in the account's files.

16.2 Goods should be checked against delivery notes at the time of delivery.

16.3 Where suppliers have changed their bank account details, a check with the supplier to a known contact should be made to query the reason for the change.

17. Bank Electronic Payments

17.1 The preferred method of payment is by bank transfer. Card payments or cheques will also be used when bank transfer payment is not possible.

17.2 Payment runs should be made on a weekly basis and payments outside of the payment run should be limited to emergencies only.

17.3 The bank mandate shall be such so that two signatures are required for all banking related transactions including setting up direct debit and standing order payments.

17.4 Expenditure made in this way needs to have been approved in accordance with the Levels of Authorisation set out in section 14.1 above

17.5 In respect of direct payments using on-line banking facilities, the following authority levels are:

Authority Level	Officers	Board Members
View	Bookkeeper/ Finance Head of Operations and Partnership's Chief Executive Officer	Chair of the Board AND Other Board Member

Submit	Chief Executive Officer Head of Operations and Partnership's Bookkeeper/Finance	
Authorise	Chief Executive Officer	Chair of the Board AND Other Board Member

18. Payment by Cash or Debit/Credit Card

18.1 Only the following personnel can authorise payments using a Credit or Debit Card of the organisation;

Who	Limit
Chief Executive Officer	£5000
Head of Operations and Partnerships	£1000

18.2 Expenditure made in this way needs to be in accordance with the Levels of Authority set out in Section 14.1 above and will require a payment request form to be authorised. All transactions to be reconciled against the bank statements by the Bookkeeper or Finance officer.

19. Payments made by Pre-paid Cards

19.1 Prepay cards are only to be issued to those members of staff with the authority to place orders. Any expenditure required by means of a Prepay Card will have been approved in accordance with the Levels of Authority set out in Section 14.1 above. Only the named card holder is authorised to make payments using their Prepay Card.

19.2 The maximum amount of cash on each Prepay Card will not exceed that individuals Level of Authority (unless a top up is required to pay for approved expenditure in excess of this level).

20. Payments by cheques when electronic payments are not possible

20.1 Cheques should be signed in accordance with the bank mandate. Two signatures for all cheques for any amounts above £1000 to be signed by a Trustee. Every effort should be made to minimise cheque payments.

20.2 The relevant payee's name will always be inscribed on cheques before signature. The cheque stub will always be filled in. Blank cheques will NEVER be signed.

21. Other Undertakings

21.1 WAY Widowed and Young does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, with financial consequences.

22. Expenses

22.1 Staff expenses are to be authorised by their Line Manager prior to submission and accompanied by supporting receipts. A final check is completed by the Chief Executive before submitted.

*Please see the expenses policy for further information.

23. Salaries

23.1 There will be a clear trail to show the authority and reason for payment. Payroll administration will be handled by an external contract or Bookkeeper. They will provide records of transactions to WAY Widowed and Young.

23.2 All employees will be paid within the PAYE, National Insurance rules. Salaries will be processed using BACS systems.

23.3 The Chief Executive or Chair will sign off the monthly submission to the payroll company.

23.4 All staff appointments will be authorised by the Chief Executive in consultation with trustees of WAY Widowed and Young. All appointments will be reported to the trustees.

23.5 Salary Levels are decided by the Board of Trustees unless agreed within a grant award.

23.6 All contracts with freelance suppliers will be on the basis of a consultancy agreement.

24. Best Value

24.1 Two quotes should be obtained (and evidenced) in relation to proposed expenditure in excess of: £1000 for Charity Projects. When choosing the successful quote, value for money will need to be demonstrated.

24.2 Three quotes are to be obtained in relation to anticipated purchases more than £5,000.

24.3 The Chief Executive Officer / Board, may waive the requirement for multiple quotes if:
(a) the nature of the work is so specialised;
(b) the nature of the work is urgent;
(c) or any other exceptional reason as determined by the Board.

24.4 In the above circumstances, written approval would need to be obtained from the Chief Executive Officer or in a Board minute. Requests for such approval should state why the required number of quotes have not been provided for scrutiny. Approval should be obtained in advance of the order being placed.

24.7 When making financial decisions, the Board should be satisfied that sufficient financial scrutiny has taken place including but not limited to evidence of quotes / tenders together with a financial report confirming the budget implications and risk assessment to current operations, together with the explanations of why expenditure outside of budget has been authorised.

25. Contracting for Professional Services

25.1 Whilst it is recognised that continuity of Service can be of tremendous benefit to the Organisation, a tendering process should normally be undertaken at least every three years to ensure value for money.

25.2 A schedule of Professional Services Contracts is to be presented to the Board of Trustees for review on an annual basis.

25.3 A schedule of charges for services and facilities will be maintained by the bookkeeper. A copy will be provided to the Chief Executive. This schedule will be reviewed at least annually, and increases agreed and reported to the treasurer.

26. Authorisations of Service Contracts, Leases and Lease Commitments

26.1 Approved contacts are to be signed on behalf of the organisation as follows:

Contract Amount Limit	
£500	Authorised Budget Holder
£20,000	Chief Executive Officer
£60,000	Chair – trustee
>£60,000	Two Board Members (Directors) who are approved signatories. NB. Prior to signing, the Board will have given approval, having been appraised of any risk involved.

The above assumes the levels of authority at Section 14.1 have been followed.

Copies of all signed contracts are to be given to the Chief Executive Officer

26.2 Where contracts require a statutory company authorisation format; they should be signed by either, two Board Members who are approved signatories, or, the Chief Executive and one Board Member who is an approved signatory, irrespective of the financial value.

26.3 Multi-year or recurring contracts can only be authorised at Chief Executive Officer level or above, in line with table 14.1.

27. Authorisation of Grants, Trust Fund Applications, Bids and Service Delivery Contracts (Funding Applications)

27.1 All grant applications and tendering undertaken on behalf of WAY Widowed and Young will be done in the name of the organisation and will generally be based on recovery of the full cost of the proposed work or to support the costs of existing projects.

27.2 Approved funding applications or Tenders are to be signed on behalf of the organisation as follows:

Contract Amount Limit	
£1000	Authorised Budget Holder
£50,000	Chief Executive Officer
>£50,000	Two Board Members who are approved signatories, or, the CEO and one Board Member who is an approved signatory.

	NB. Prior to signing, the Board will have given approval, having been appraised of any risk involved.
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27.3 If the organisation is to subsidise the cost of any work from reserves or earned income, then this must be approved by the trustees.

27.4 Details of all funding bids and tenders will be provided to the trustee board.

27.5 WAY Widowed and Young may be the partner in a bid submitted by another organisation only if this is consistent with the objectives of WAY Widowed and Young as set out in the Constitution. All partnership arrangements must have the prior approval of the board of Trustees.

27.6 When WAY Widowed and Young will receive funding from partnership arrangements and take on financial commitments a written agreement must be in place covering the financial arrangements. In these circumstances the funding that WAY Widowed and Young receives should generally be based on recovery of the full cost of the proposed work and must be agreed by the board of trustees. This includes the composition of the partnership.

27.7 Where funds are to be disbursed or remitted to partners the partners must have in place arrangements for accounting for these funds that have been agreed with WAY Widowed and Young and that are consistent with our audit and reporting requirements. An agreement must be in place before funds are allocated to partners.

28. Confidentiality

28.1 The confidentiality of employee's financial circumstances will be always respected.

28.2 Trustees, employees and volunteers 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 about the organisation.

*For more information please see the Confidentiality Policy.

29. Control of Fixed Assets

29.1 WAY Widowed and Young will set up and maintain a fixed assets register stating the date of purchase, cost, serial numbers and normal location of the asset(s).

29.2 WAY Widowed and Young will maintain an inventory of all merchandise in stock, an annual stocktake shall take place and matched against website stocks.

29.3 The fixed assets register, and inventory will be produced by the administrator and reviewed by the Chief Executive.

29.4 Insurance cover for fixed assets should be reviewed annually.

29.5 From time to time, the condition of fixed assets and an audit of their use in achieving the charity's aims should be undertaken.

30. Reserves

30.1 The trustees will consider the level of reserves that is prudent for WAY Widowed and Young to have when agreeing the annual budget. Consideration will be given to future strategy, potential redundancy liabilities, and any other significant factors that should be considered were WAY Widowed and Young to close or move to new premises.

30.2 The specific reserves policy including any designation of reserves for specific purposes will be agreed by trustees on an annual basis.

30.3 A reserves statement will be prepared for reporting in annual accounts, presented at the AGM.

31. Investments and Borrowing

31.1 Investments and Borrowing can only be undertaken following Full Board approval.

31.2 Investment performance is to be monitored on a regular basis by the Treasurer and the Chief Executive and any instance of under-performance reported back to the Full Board.

31.3 Similarly, borrowings are to be reviewed annually by the Treasurer and the Chief Executive to ensure the terms of the borrowing are competitive.

32. Anti-Fraud

32.1 Robust Purchase Order procedure should provide sufficient scrutiny to ensure that only authorised orders are placed. In addition, no payment is to be made to any supplier without the approved Purchase Order and supporting Purchase Invoice.

32.2 No employee / volunteer may authorise expenditure / payments to themselves or a family member or close acquaintance.

32.3 In addition, the On-Line Banking System requires a different user to authorise payments and new supplier bank details.

32.4 All Financial Procedures will be such to ensure that there are always two or more persons involved in the purchasing process.

33. Bribery Act 2011

33.1 The organisation does not tolerate any acts of bribery. As such, all purchases and contracts are to be made on an arms-length basis.

33.2 Instances of gifts and / or hospitality received from a third party with whom the Group does business (including but not restricted to suppliers and funders) and where the value of that gift is £25 or over are to be declared at the time the gift / hospitality is received by contacting the Chief Executive Officer who will add this to the Organisation's Gifts and Hospitality Register.

34. Whistle Blowing

34.1 If any employee/volunteer has concerns about possible abuse, theft, fraud, or other misconduct, they should follow the procedures set out in the Organisation’s Whistleblowing Policy. Furthermore, any employee/volunteer with knowledge of abuse, theft, fraud or financial misconduct who does not report this should be subject to disciplinary action. Anyone attempting to stop or discourage another employee/volunteer from coming forward to express a serious concern should be subject to disciplinary action.

35. Role of General Secretary

35.1 The Chief Executive Officer is to be appointed as General Secretary with responsibilities to ensure the following Statutory Returns and Information are prepared and filed by their due dates:

- a. Charity Commission Annual Return
- b. Charity Commission Summary Information Return

35.2 In addition, it is the General Secretary who ensures the registers of Directors and Trustees are up to date with the Charity Commission and any other regulators as required.

36. Closure of Charity

36.1 In the event of the charity ceasing trading all assets will be i) sold to pay off any debtors if required ii) Donated to a bereavement charity chosen by way of member vote.

37. Changes to this Policy

WAY Widowed and Young, reserve the right to change this policy at any time. The trustees of the charity will undertake an annual review of the Financial Management and Control policy.

Our Contact Details

We can be contacted in the following ways:

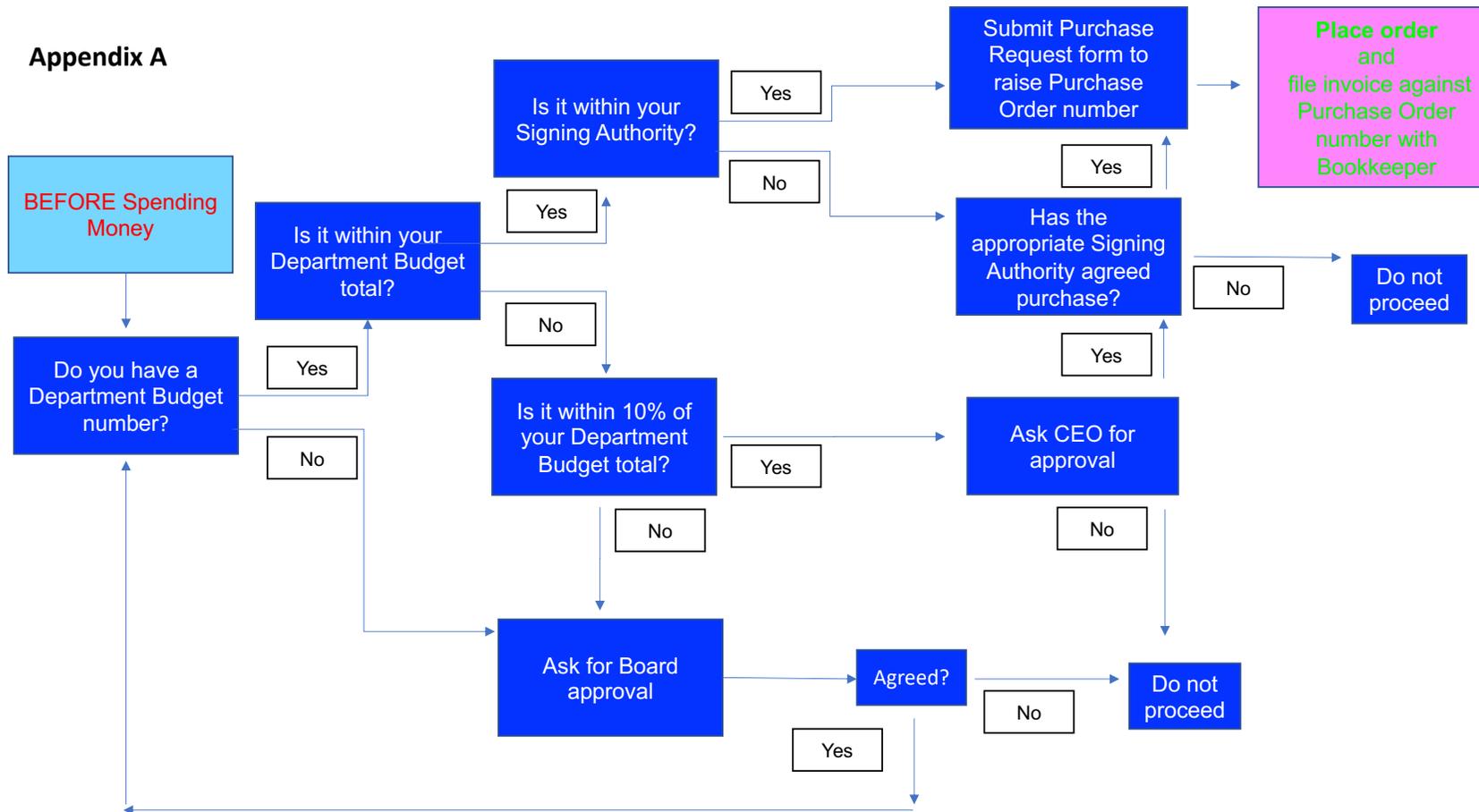
WAY Widowed and Young,
 Advantage House, Stowe Court,
 Stowe Street, Lichfield. WS13 6AQ
 enquiries@widowedandyoung.org.uk

Policy Control

Version	3	Issue Date MM/YY	12/23	Review Date MM/YY	12/25
Signed (Chair or Trustee)	 Agreed On Behalf of the Board of Trustees/ Date 10 th December 2022				
Print Name	Jo Sedley-Burke				

****END OF POLICY***

Appendix A



Process for orders and purchases

Appendix B

List of Financial Applications	Account Holder Name	Account Users
Pay Pal	Debbie Knivett	Stephanie Patrick (admin); Colette Scarbrough-Jelf; Tanya Bennett
Go Cardless		

List of Fundraising Applications	Account Holder Name	Account Users
Just Giving		
Facebook		
EasyFundraising		