



FINANCE POLICY AND PROCEDURES

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Date procedures approved	16 December 2020
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This document will be provided to all new trustees, staff and where appropriate, volunteers. The procedures should be reviewed annually by the Finance and Property Group, and the policy triennially by the Board.

CONTENTS

Governance:

1. General Policy
2. Treasurer's Role

Procedures:

3. Bank and signatories
4. Ordering supplies and services
5. Cash and cheque income
6. Petty cash payments
7. Emergency payments
8. Payments by cheque and electronic funds transfer (BACS)
9. Salaries and payroll
10. Record keeping
11. Budget setting
12. Financial monitoring and audit

GOVERNANCE

1. General Policy

The Board of Trustees is responsible for:

- Safeguarding the assets of the charity
- Preventing fraud
- Avoiding mistakes
- Keeping financial records in accordance with the governing document and relevant legislation (Charities Acts, Companies Acts etc).
- Preparing Annual Accounts in accordance with the governing document and relevant legislation

The Board will appoint a treasurer from their number, who will oversee the discharge of their financial responsibilities. The Treasurer will be supported in their role by the Finance and Property Sub-group of the Board.

To enable the Board to carry out their responsibilities, the Financial Procedures detailed below must be followed at all times by all trustees, staff and volunteers.

2. Treasurer's role

The Treasurer works in close co-operation with, and provides support and advice to, the Finance Officer. 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 City of Sanctuary Sheffield's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of City of Sanctuary Sheffield meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Board of City of Sanctuary Sheffield's financial integrity.
- Ensure that the accounts are properly examined or audited annually, and that accepted recommendations of the examiner/auditor are implemented, and to meet the examiner/auditor at least once a year (online if regulations demand).
- Formally present the accounts to Trustees, drawing attention to important points.
- Present regular reports to the Trustees, including quarterly budget comparisons, and cash flow and free reserve forecasts.
- Ensure that adequate security precautions are taken to safeguard financial and other assets.

PROCEDURES

N.B. in the emergency circumstances of closure of the Sanctuary for normal activity, and staff being required to work from home, authorisation or countersignature for cash payments may be obtained remotely and recorded "p.p."

3. Bank and signatories

CoSS has a current account with the Unity Trust Bank, 4 Brindley Place, Birmingham, B1 2JB. Unity Bank provides local deposit and encashment facilities at NatWest Bank, 42 High Street, Sheffield S1 2GE.

Signatories will include the Treasurer and a trustee deputy, the Director, Sanctuary Manager, and the Finance officer. The mandate will require dual signatures for all payments and withdrawals. Changes

of signatories and other changes to the bank mandate must be approved and recorded at a trustees' meeting.

4. Ordering supplies and services

All staff, volunteers and trustees need to be aware that expenditure is committed when an order is placed on behalf of City of Sanctuary Sheffield, not when the payment is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets and delegated powers.

The Director will authorise orders for goods or services. No order for over £250 will be placed without confirmation from the Treasurer.

Any lease, hire purchase agreement or other contract will be subject to the same authorisation procedure as above and in addition, if it is for a period of over 12 months OR the cost over the period of the contract is more than £500 must be approved by the Treasurer.

5. Cash and cheque income

Cash income must not be used for petty cash payments.

It will be placed by staff receiving it in an envelope labelled with source, date and amount, and posted in a locked drawer. The Finance Officer will transfer monies to the cash-in tin weekly, recording details in a cash-in book for allocation of deposits in Quickbooks, and where necessary in a donations spreadsheet with personal details for Gift Aid etc.

All monies received by City of Sanctuary Sheffield will be recorded (on paper and electronically) and deposited as soon as possible. Cash sums deposited will be recorded in the petty cashbook spreadsheet. Photocopies of cheques for deposit will be filed as credit vouchers in the accounts folder.

6. Petty cash payments

Petty cash is intended for items up to £30 only, or aggregated routine volunteer expenses. Other payments should be paid by cheque or BACS where possible. Petty cash transactions will be recorded in a petty cashbook spreadsheet. If a larger cash payment is required, for instance to cater for an event, the voucher should be countersigned by the Director, and receipts/underspend returned to the system as soon as possible.

The petty cash balance will be reconciled monthly, or when restoring the IMPREST balance (target £250). Petty cash is obtained by arrangement with Unity Trust Bank at the local branch of National Westminster Bank. The current mandate (1/4/2018) allows withdrawal of up to £500 per month.

Cash for expenses will be kept in a locked tin in a locked drawer, and keys will be held by the Sanctuary Manager and Finance Officer. Cash will only be paid out for items that have been budgeted for and agreed by the Treasurer. Staff and volunteer expenses will be paid in line with the relevant expenses policy. Standard volunteer expenses sheets must be used and filed, and petty cash vouchers filled out for all payments.

7. Emergency payments

It is not in our charitable aims to mitigate financial distress, or to relieve the hardship funds of ASSIST or British Red Cross, and we should beware of raising expectations that CoSS provides a similar service to them. However we have received designated funds for emergency payments.

Cash payments may therefore be made to refugees and asylum seekers for costs related to urgent situations, for instance travel costs, when our sister organisations are not available. A standard form must be filed for each transaction, with details anonymised for GDPR, as well as a standard petty cash voucher. Sums of over £20 require two staff signatures on the voucher.

8. Payments by cheque and computerised transfer (BACS)

Payments by BACS may be set up, and cheques made out and signed, by the Finance Officer. Cheques should be filled in completely (with payee, amount in words and figures, and date) before they are signed. Signatories will not sign blank cheques, nor authorise payments to themselves by cheque or BACS.

Payments over £250, and all payments to staff or trustees, require authorisation by the Treasurer or other trustee. Authorising signatories will be responsible for checking invoices in terms of figures and

conformity with order placed, that the services or goods have been received and funds are available, and for following up any problems.

9. Salaries and payroll

City of Sanctuary Sheffield has contracted with Voluntary Action Sheffield to manage its payroll, including PAYE, to deal with HMRC, providing all necessary monthly reports, calculations and payslips, and also to report on pension allocations to our pension provider (NEST). The Director will instruct Voluntary Action Sheffield on staff pay details as necessary.

Salaries will be paid in mid-month (the 15th of the month, or previous bank working day.)

Pay scales and new posts/re-structuring are approved by the Trustees, and are revised by March for implementation in April, or as appropriate. When possible, pay scale points should match those for local government workers (NJC).

Staff loans are not issued, but occasional advances may be made against salary, at the discretion of the Director and Treasurer.

10. Record keeping

Proper accounting records will be kept for annual examination by the accountant, and retained for statutory periods, as well as for our own reference. The accounts system is based around computer facilities, using QuickBooks and Excel, but paper records are also used where appropriate.

All paper records, including those downloaded from computer, will be filed in date order. These include payment invoices and accounts, petty cash vouchers, cheque and deposit stubs, and records of receipts (including photocopies of cheques).

Petty cash and bank accounts will be reconciled at least monthly. The treasurer will regularly check that transactions are being correctly allocated in Quickbooks, and that reconciliations are being performed. As well as overseeing the preparation of material for the accountant, they will check the Quickbook journal and end-of-year entries after the accounts have been examined.

All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the trustees) 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.

11. Budget setting

Annual income and expenditure budgets will be prepared by the Director in time for approval by the Board of Trustees before the start of the financial year.

12. Financial monitoring and audit

The Trustees will receive, from the Treasurer, a quarterly report showing spending against budget, and cash flow and free reserve projections.

City of Sanctuary Sheffield's financial year is from 1st April to 31st March. Annual accounts will be submitted for examination or audit, as required under the Companies Act, charity regulations and grant conditions, prepared per SORP for Charities and any other relevant accounting conventions. If possible a final draft should be passed by Board of Trustees in June, with final accounts signed at the September meeting.

V1: 17/5/2018 V2: 12/1/2019 V3: 16/12/20

RJH 9/11/2020