

THE LIFE PROJECT (BATH)

Finance Policy and Procedures

A. Finance 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 (e.g. Charities Acts, Companies Acts etc).
- Preparing Annual Accounts in accordance with the governing document and relevant legislation

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

A copy of this policy and procedures will be given to trustees on their election/appointment to the Board, and to all relevant staff and volunteers.

The policy and procedures will be reviewed biennially by the Board and revised as necessary.

Annual budget: The Board will agree an annual budget in advance of each new financial year. The purpose of having a budget is to assist the trustees in monitoring whether they are on track with income and expenditure during the year. It is not set in stone, and the trustees can decide to overspend on certain budget headings but with the knowledge that this is beyond the budget. Financial reports to trustees will include a comparison between forecast income and expenditure against the budget.

The budget is indicative of expected income and expenditure but does not commit the trustees to these. For example, although allowance for these are included in the budget separate trustee decisions will be required on items such as salary increases.

Salary review: Salaries will be reviewed annually.

Pensions: The Life Project has set up a pension scheme with NEST, with effect from 1 October 2017. In recognition of the value placed on staff and to encourage them to save towards retirement, the same conditions are offered to all employees, regardless of their salary. For those whose choose to join the scheme, Life Project will match employees' contributions up to a maximum employer contribution of 5%.

Investment policy: Funds are split between a current account and two savings accounts. The savings accounts are with Triodos Bank, which applies strong ethical values to their investment decisions.

Reserves policy: The trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. As a result of this they aim to hold reserves equal to three months' unrestricted running costs. This is to ensure the continued running of the charity if unrestricted funding decreases, until new sources of funding are found.

B. Finance Procedures

1. General

Organisational Information

The Financial Year runs from 1st April to 31st March

Bankers (Current Account): Co-operative Bank, PO Box 250, Delf House, Southway, Skelmersdale WN8 6WT

Bankers (Savings Accounts): Triodos Bank NV, Deanery Road, Bristol, BS1 5AS

Payroll Administrator: Lesley Davies Bookkeeping Services, Room 5, Windhager Building, Tormarton Road, Marshfield, SN14 8SR

Independent Examiner: Colin Goater, 102 Freeview Road, Bath BA2 1DZ

Pension Provider: NEST, Nene Hall, Lynch Wood Business Park, Peterborough, PE2 6FY

Bank Accounts

- Community Directplus Account (current) held with the Co-operative Bank. Charity Deposit Account and Treasurer's Account (savings) held with Triodos Bank.
- All bank accounts must be in the name of the organisation.
- New accounts may only be opened by a decision of the Board, which must be minuted.
- Changes to the bank mandate may only be made by a decision of the Board, which must be minuted.

2. Day to day management

Signatories to the accounts:

The Treasurer will maintain an up to date list of signatories.

Payments

- All payments by cheque or on line must be approved by two independent signatories / authorisers (i.e. with no personal interest in the payments).
- Cheques or one-off on line payments of up to £5,000: two signatures / authorisers of which at least one must be a trustee.
- Cheques or on line payments of £5,000 or above and any recurring payments (standing orders / direct debits): must be signed / authorised by two trustees.
- Blank cheques must never be signed.
- Debit cards will be provided to key staff and the Treasurer at the discretion of the Board.
- Line managers are responsible for controlling expenditure within the work areas for which they are responsible, and for seeking approval from the Board if they expect to exceed their budget.
- Line managers will agree with their staff appropriate spending limits and approve invoices and expenses claims.
- Invoices – other than those for regular payments – submitted to Life Project to be passed to the Treasurer after authorisation for payment by the manager responsible for that budget, either by email or by signing the invoice.
- Payments from petty cash to be entered on the Petty Cash Form and receipts attached.

- Expenditure on items not included in the budget must be agreed by the Treasurer, in discussion with the CEO, for sums up to £200 and by the Board for greater amounts.
- All payments must be backed up by appropriate paperwork, e.g. invoice or receipt, which will be kept by the Treasurer.

Receipts for banking are recorded on the Transaction Sheet, which should be used to record:

- Details of all cash and cheques received for banking
- Payments into the bank
- Transfers to or from petty cash

Cash received to be recorded using the Count Form for Cash Received.

Receipts retained in petty cash to be entered on the Petty Cash Form.

Petty cash

- Two petty cash boxes are used, one by the Administrator and the other by the Parent Carer Coordinator, who are responsible for handling all petty cash receipts and payments and entering these on the Petty Cash Form with receipts attached.
- At the end of each month they will total up the cash in each box and check that this matches the balance on the sheet. The sheet and receipts will then be passed to the Treasurer.
- Any excess cash to be banked should be passed to the Treasurer and entered as 'expenditure' on the Petty Cash Form.
- If the petty cash runs low additional cash should be requested from the Treasurer.
- Transfers to or from Petty Cash to also be entered on the Transaction Sheet by the Treasurer.

Invoicing

Invoices to be prepared by the senior staff responsible for the work, using the current Invoice Pro Forma. Copies of all invoices to be provided to the Treasurer.

Accounting and other financial records

The organisation maintains a computerised accounting system which records all receipts and payments.

Bank account reconciliation will take place every month

3. Monthly

Payroll

- All new employees (including sessional and part time employees) must be asked to complete the relevant PAYE Form and Employee Record before they receive any payment.
- Minor contract variations within current budgetary parameters may be made by the CEO and notified to the Board.
- Payroll and other calculations, including pension contributions, will be made by the Payroll Administrator.
- Where staff work additional hours, CEO to request submission of Extra Hours Form at start of each month and advise Payroll Administrator of these by 20th of the month.
- salary payments to be in staff bank accounts as soon after this as is practicable, but in any event before the last day of the month.

Payment of expenses

- Claims for out of pocket expenses should be made monthly, using the standard expenses form and a printed, completed form submitted each month, with all receipts attached, and signed by the line manager. Where these have been paid with a Life Project debit card, the Debit Card Form should be used.
- Mileage in the course of work will be reimbursed at the rate authorised by HMRC, currently 45p per mile Mileage to be paid from the staff member's usual place of work.
- Mobile phone costs are not generally reimbursed to staff. The Life Project will provide mobile phones for those regularly needing to make calls.

4. Reporting to trustees

Financial Reports

- A financial report will be prepared by the Treasurer for every Board meeting, which will include a review of progress against the agreed budget.
- Each financial report will be circulated in advance to Board members for discussion at the following meeting.

Risk Management

Financial risks to be documented and reported (with mitigation) to each Board Meeting.

5. Annual

Annual Budget

- An annual budget, setting out the organisation's financial plan for the year, will be prepared so that the Board can approve it before or shortly after the start of each financial year.
- The draft budget will be prepared by the Treasurer in discussion with the CEO.

Salary reviews

- Salaries to be reviewed by the Board before 1 April each year.

End of year accounts process:

- Annual accounts for The Life Project are prepared on the accruals basis.
- Treasurer works with the CEO to draft the Annual Report.
- Independent examination of the accounts is undertaken with reference to the Annual Report.
- Approval of Annual Report, including accounts, by the trustees.
- Annual Report, incorporating the accounts and Independent Examiner's report, is presented at the AGM for information and discussion.
- Accounts lodged with Charity Commission and at Companies House.

Insurance

- Appropriate Insurance policies will be maintained to cover:
 - Employer's Liability

- Public Liability
- Assets owned by Life Project, including those not based at one location
- An inventory of all physical assets of the organisation will be kept and regularly updated by the Administrator.
- Staff using their car in the course of their work must confirm to the Treasurer that they have appropriate insurance cover.

6. List of key Life Project forms

- Transaction Sheet
- Petty Cash Sheet
- Count Form for Cash Received
- Expenses Form
- Debit Card Form
- Employee Record
- Extra Hours Form
- Invoice Pro Forma

This Financial Policy, and the Financial Procedures detailed above were agreed and minuted at a meeting of the Board of Trustees on 9 March 2022:

Name:.....A D Russell.....

Signed:



Date:.....9 March 2022.....