



## Financial Controls Policy

### 1. Introduction

#### 1.1

Financial records will be kept so that Green Routes can:

- (a) Meet its legal and other obligations.
- (b) Enable the trustees to be in proper financial control.
- (c) Enable Green Routes to meet the contractual obligations and requirements of funders.

#### 1.2

Green Routes will keep proper records of accounts, which will include:

- (a) Cash records / spread-sheets analysing all the transactions in the Green Routes' bank account(s).
- (b) A record of petty cash if cash payments are being made.

#### 1.3

The financial year will end on the 31st March each year.

#### 1.4

Accounts will be drawn up and prepared for the Independent Examiner within three months of the end of the year, so they can be finalised as soon as possible. [The accounts are only presented at the AGM. They do not have to be approved by the members. The Trustees approve them.]

#### 1.5

Prior to the start of each financial year, the trustees will approve the anticipated income and expenditure in time for the start of the new financial year.

#### 1.6

A report comparing actual income and expenditure with the budget will be presented to the trustees on a monthly basis.

#### 1.7

The AGM will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM.

### 2. Banking

#### 2.1

Green Routes will bank with the Co-operative Bank, Triodos Bank, Shawbrook Bank Ltd and Cambridge & Counties. Accounts will be held in the name of Green Routes (Stirling) Ltd.

#### 2.2

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

#### 2.3

Green Routes will require the bank to provide statements and these will be reconciled with cash records on a monthly basis.

### 3. Receipts (income)

#### 3.1

All monies received will be recorded promptly in the cash analysis record and kept separately until it is banked.



[www.greenroutes.org.uk](http://www.greenroutes.org.uk)

#### 4. Payments (expenditure)

The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.

##### 4.1

A named trustee will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept secure.

##### 4.2

The cheque stub will always be properly completed.

##### 4.3

Documentation will be attached to cheques.

#### 5. Payment documentation

##### 5.1

Every payment out of the Green Routes bank accounts will be evidenced by an original invoice ( never against a supplier's statement or final demand ) or receipt. That original invoice or receipt will be retained by Green Routes and filed. The cheque should ensure that it is referenced with :

- \* Cheque number
- \* Date cheque drawn
- \* Amount of cheque
- \* Who signed the cheque.

##### 5.2

As far as possible, internet banking and electronic transfers are used for financial transactions. This includes direct debits and standing orders such as those set up for managing the payment of wages and salaries. Electronic bank transfers are used to pay most supplier invoices, sessional staff payments and expenses claims. Beneficiary accounts have been set up for employees and for suppliers and organisations regularly used by Green Routes. This overall system has the advantage of speeding up payments and reducing paperwork.

Electronic payments are normally authorised and actioned by the treasurer on the basis of PAYE records, claims forms, receipts and invoices. The treasurer maintains a record of electronic payments and shares this with the bookkeeper on a monthly basis. Both treasurer and bookkeeper check records of electronic payments against Co-op Bank / Triodos Bank statements

##### 5.3

Petty cash will always be maintained where by the petty cash holder is entrusted with a float of £150, as agreed by the trustees. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

##### 5.4

The treasurer receives and retains a record of petty cash payments from the petty cash holder and shares this with the book keeper on a monthly basis. The treasurer checks records of petty cash payments against petty cash receipts.

##### 5.5

Expenses/allowances. Green Routes will reimburse expenditure paid for personally by volunteers, providing:

- o Fares are evidenced by tickets.
- o Other expenditures are evidenced by original receipts.
- o Car mileage rate is set by the board of trustees.
- o No cheque signatory signs for the payment of expenses to themselves.



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## 6. Cheque Signatures and cash cards

### 6.1

Each cheque will be signed by two people.

### 6.2

A cheque must not be signed by the person to whom it is payable.

### 6.3

The treasurer maintains a record of cheque payments and shares this with the book keeper on a monthly basis. Both treasurer and book keeper monitor records of cheque payments against Co-op Bank / Triodos Bank statements

### 6.4

Debit card to be investigated in lieu of Petty Cash. A cash limit on the amount will be set. This amount will be covered by consultation between budget holder and treasurer, and will be reported to the board of Trustees annually when setting the new budget or if any changes are made.

## 7. Other undertakings

### 7.1

Green Routes does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed funds budgeted for that line item in the budget must be authorised and minuted by the trustees. In exceptional circumstances such undertakings can be made with the Chairperson's (or acting Chairperson's) approval who will then provide full details to the next meeting of the trustees. The budget and funds available will be reviewed monthly.

### 7.2

All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of Green Routes (Stirling) Ltd. with the prior approval of the trustees or in urgent situations the approval of the Chairperson who will provide full details to the next trustee's meeting.

## 8. Other rules

### 8.1

Green Routes will adhere to good practice in relation to its finances at all times. There will be a property register of assets with a significant value ( £400 and over ) with a register of their use.

Policy adopted by the Board of Trustees on 26th October 2011

Policy review on 28<sup>th</sup> October 2021