



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 account by utilising an appropriate online accounts package (currently Xero). This will include all transactions of all bank and cash accounts.

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 at each Board Meeting

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 various banks to limit financial exposure. Accounts will be held in the name of Green Routes (Stirling) Ltd.

2.2

The bank mandate (list of people who can sign cheques, authorise Debit Card payments and/or utilise online banking 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 be compatible with Xero which will enable weekly reconciliation.

3. Receipts (income)

3.1

Non cash income received directly into the account will be reconciled in Xero to sales invoices or remittances as appropriate.

3.2

Physical cash received will be manually recorded and reconciled in Xero. Monthly checks will be carried out to confirm that the balance agrees with Xero.



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4. Payments (expenditure)

4.1

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 those on the bank mandate with authority to spend up to the budgeted expenditure, not beyond it utilising cheques or debit cards or online banking.

4.2

It is Green Routes policy to use Direct Debits wherever possible for recurring payments.

4.3

A named trustee will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept secure. All authorised card users must undertake to keep them securely.

4.4

The cheque stub will always be properly completed.

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 either electronically or physically.

5.2

As far as possible, internet banking and electronic transfers and debit cards 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 paper work. The accounts assistant is authorised to make electronic and debit card payments based in agreed PAYE records, claim forms and receipts and invoices.

5.3

Petty cash will always be maintained whereby the petty cash holder is entrusted with a float of £150, as agreed by the trustees. When that is more or less expended, sufficient funds to bring the float up to the agreed sum will be transferred from the current account.

5.4

The accounts assistant will record all petty cash transactions in Xero and maintain electronic or hard copy records of the receipts.

5.5

Expenses/allowances. Green Routes will reimburse expenditure paid for personally by volunteers or staff, 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 recipient signs for the payment of expenses to themselves.

6. Cheque Signatures and debit 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.

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6.3

All transactions pertaining to re-imbusement payments to Green Routes volunteers or staff will be recorded on the same transaction in Xero to ensure transparent audit trails. Before payment is authorised the receipt initiating the purchase will be copied into Xero and in the case of a debit card transaction the receipt will be initialled by the purchaser and countersigned to confirm that the goods were received and transaction authorised before copying into Xero.

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. Currently this is kept by Green Routes auditors.

Policy adopted by the Board of Trustees on 26/10/2011

Policy reviewed on 30/11/2022 Signature _____