

FINANCE POLICY



The purpose of this document is to define the roles and responsibilities of the trustees and CEO of C-Change West London (CCWL) regarding its finances and the principal day-to-day financial processes, procedures, and controls of the charity.

INTRODUCTION

CCWL is a registered charity, registered as a Charitable Incorporated Organisation (CIO) in England and Wales. As such, the over-arching regulations governing its financial management are contained within the Charities Act and the Statement of Recommended Practice for Charities.

[Managing your Charities Finances](#) and [Charity Money, Tax and Accounts](#)

The contents of this document:

1. Roles and responsibilities
2. Financial Processes and Procedures
3. Financial Management and Control
4. Restricted Funds

Appendix A – Gift Aid Declaration Form

Appendix B – Expenses Requisition Form

1. Roles and Responsibilities

1.1 Board of Trustees

The trustees have ultimate financial responsibility for the charity. Many of the day-to-day activities are delegated to other members of the organisation, as documented in this policy, however they retain the following specific responsibilities:

1. To approve the annual accounts
2. To appoint an independent examiner or auditor
3. To approve the annual financial plans / budgets and any interim updates
4. To review the management accounts and forecasts
5. To approve the opening of new bank accounts
6. To determine the financial procedures and policies
7. To determine the reserves policy

1.2 CEO / Director

The CEO has line responsibility to the trustees for the overall financial stewardship of the charity and promoting financial integrity amongst the CCWL community. As the senior executive in the charity they will:

- Oversee the charity's expenditure to ensure it is wisely spent in accordance with the charity's objectives and plans, and that good value for money is achieved.
- Monitor financial performance against the plan with the Finance Trustee and instigate corrective actions where plans are falling behind.
- Have an overview of CCWL fundraising initiatives and work with the rest of the trustees and staff in generating income.
- Costing of proposals.
- Administration of contracts (income and purchases).
- Be an authoriser within the Financial Processes and Procedures.

1.3 Finance Officer

The Finance Officer retains responsibility for overseeing and supervising the day-to-day financial processes and maintenance of the accounting records. **Some or all of this role may be contracted out, rather than being an employee of CCWL.** Specific aspects of this role include:

- Making online banking payments
- Reconciling card payments
- Bank reconciliations
- Supporting Payroll preparation
- Creating management accounts
- Gift Aid administration
- Following up of outstanding receivables
- Queries with suppliers or donors

1.4 Programme Delivery Manager (PDM)

The Programme Delivery Manager (PDM) manages the restricted grant funds and project activities of the charity. The PDM is an authoriser within the Financial Processes and Procedures.

1.5 Finance Trustee

The Finance Trustee has an overview of all financial procedures for the charity and is the prime reporter to the board of trustees on financial matters and policy. The current responsibilities include:

- Preparing annual budgeted income and expenditure account in conjunction with the Director and Finance Officer
- Liaising with the auditors or independent examiners
- Being an authoriser within the Financial Processes and Procedures

2. Financial Processes and Procedures

2.1 Introduction

2.1.1 Financial records will be kept so that the charity can:

- Meet its legal and other obligations, e.g. Charities Acts, HMRC, Pensions Regulations and common law.
- Enable the trustees to be in proper financial control of the charity.
- Enable the charity to meet the contractual obligations and requirements of funders.

2.1.2 The charity will keep a proper accounting system, which will include:

- A cashbook analysing all the transactions in the charity's bank account(s) which will be maintained by the Finance Officer.
- Payroll records.
- Gift Aid records.

2.1.3 The financial year will end on 31st March each year. Accounts will be prepared by the Finance Officer after each financial year within four months of the end of the year and presented at the next Annual General Meeting.

2.1.4 Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.

2.1.5 A summary of income and expenditure will be produced each month and presented to the trustees at every trustee meeting.

2.1.6 A report comparing actual income and expenditure with the budget will be presented to the trustees at a trustee meeting once a quarter.

2.1.7 The AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation at the next AGM.

- 2.1.8 The Finance Trustee will submit the Annual Return and Accounts to the Charity Commission after the AGM.

2.2 Banking

- 2.2.1 The charity will bank with Metro Bank (Hayes and Southall Branch) for its day-to-day operations. The charity may open additional accounts with other financial institutions for savings and other purposes as agreed by the trustees. Accounts will be held in the name of C-Change West London.
- 2.2.2 The bank mandate (list of people who can authorise payments on the charity's behalf) will always be approved and minuted by the trustees, as will all the changes to it. There will be a minimum of three signatories on the bank mandate for each account. The Director may also be a signatory but the Finance Officer may not. The Finance Officer may have access to view the bank account and to set up payments for authorisation.
- 2.2.3 The charity will require the bank to provide statements every month or access to electronic statements. The Finance Officer will reconcile the bank statements with the bookkeeping system every month. The Finance Trustee will spot check that this reconciliation has been done at least twice a year and sign the reconciliation document accordingly. If only electronic statements are available, they will be downloaded and stored every month.
- 2.2.4 The charity will not use any other bank or financial institution or use overdraft facilities or loan without the agreement of the trustees.

2.3 Electronic banking

- 2.3.1 Each signatory will have a unique password for accessing electronic banking. The passwords shall not be shared with anyone else.
- 2.3.2 The Finance Officer will check the supplier's sort code, account number, and account name before entering them onto the system for payment. New suppliers, and any changes of account details, will be verified by a telephone conversation using a phone number from a source other than the invoice.
- 2.3.3 The Finance Officer or PDM will access the electronic banking system and set up the payments onto the system ready for authorisation.
- 2.3.4 The Finance Officer will scan or photograph invoices, and e-mail (or otherwise message) to two of the signatories, requesting that payments are authorised. If the PDM fulfils this function, only one additional signatory will be needed.
- 2.3.5 The signatories will check the payment details: sort code, account number, invoice, and amount. If these are accurate the signatory will authorise the payment.
- 2.3.6 Authorisation from two signatories will be required for each payment. Signatories cannot authorise a payment to themselves.

2.3 Debit Cards, Pre-loaded Cards and Internet Purchases

- 2.3.1 The trustees have authorised the PDM to hold a debit card / pre-loaded card in relation to the Metro Bank Account to enable retail and internet purchases of supplies.
- 2.3.2 Usage should be in line with charity budgets and practices on expenditure authorisation generally. As back up, the Director also holds a debit card / pre-loaded card.
- 2.3.3 The card details and PIN numbers shall not be shared with anyone else.
- 2.3.4 When purchases are made over the internet, the PDM (and Director) will ensure that only well know bona fide sites are used for purchasing and that they have appropriate security as illustrated by a locked padlock on the screen when a payment is being made.
- 2.3.5 **The PDM has authority to make card purchases up to a limit of £1,000. Amounts in excess of this limit, up to £5,000 must be agreed by the Finance Trustee or Chair of the board of trustees. Amounts over £5,000 will not be paid by card.**

2.4 Income

- 2.4.1 The main sources of income are from grants, fundraising activities, and donations.
- 2.4.2 Payments made with the express purpose of raising funds for the charity shall be recorded separately and not netted off against the income generated by that activity.
- 2.4.3 Where income from fundraising activity results in receipts of cash, the cash will be counted by two people. Amounts will be recorded and banked without delay.
- 2.4.4 The charity may make grant applications with the prior approval of the trustees – or in urgent situations the approval of any two of Chair, Vice-Chair, or Finance Trustee - who will provide full details at the next board meeting.
- 2.4.5 Copies of grant applications will be kept and made available to the trustees on request. When applications are made using internet portals, electronic or paper copies of the application will be kept.
- 2.4.6 Grants received for a specific purpose shall be recorded separately in the cash book and the year-end accounts as a Restricted Fund. All payments made using the grant shall be identified in the cash book as relating to the restricted fund to enable reporting to the funder on expenditure of the grant.
- 2.4.7 Donations are amounts that are freely given, with no consequent obligation on the charity to provide goods or services to the benefit of the donor. Donations may be one-off payments or regular giving.
- 2.4.8 The charity **will be registered with HMRC to receive Gift Aid**. Individuals wishing to make a donation will be invited (if they are a UK taxpayer) to complete a Gift Aid declaration form (Appendix A) for the first gift they make under Gift Aid. That single declaration will cover all future donations, unless their circumstances change e.g. a change of address. The **Finance Officer** will keep a copy of signed Gift Aid declarations.
- 2.4.9 The charity will keep records that show a clear link between an individual's donation and the Gift Aid declaration made by the individual. The **Finance Officer** will make Gift Aid Claims to HMRC annually for each tax year.
- 2.4.10 The charity may use online platforms (such as Just Giving) to appeal for donations, if agreed by the trustees.
- 2.4.11 The charity also receives a small amount of interest on its savings account, and from time to time may receive trading income, corporate sponsorship or income from sales of assets.

2.5 Expenditure

- 2.5.1 All expenditure must relate to the charity's business, as set out in its constitution, and must be properly authorised and evidenced. The authorisation limits are as follows:

Amount	Responsibility for Payment	Quotes required
For amounts up to £1,000	CEO/Director or PDM	No quotes required
For amounts between £1,000 and £5,000	CEO/Director or PDM + Finance Trustee or chair of trustees	Three comparable estimates sought
For amounts £5,000 - £10,000	CEO/Director + Finance Trustee + Chair of trustees	Three comparable written quotes required
For amounts over £10,000	Board of trustees	Tender process required with three submissions as a minimum

- 2.5.2 The **Director or PDM** will receive invoices and confirm that goods have been received in an acceptable condition or proper services have been delivered. The director will only set up the invoice for payment once satisfied with this evidence.

- 2.5.3 The **CEO/Director or PDM** shall determine which account code, department and fund the payment is to be paid from, with reference to the chart of accounts.
- 2.5.4 Each payment will be authorised by two signatories.
- 2.5.5 As a general rule a payment must not be authorised by the person to whom it is payable. The only exception is in respect of salary in accordance with a contract approved by the trustees.
- 2.5.6 Every payment out of the charity's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by the charity. The signatories should ensure that the source document clearly shows:
- Amount of payment
 - Date paid
 - Electronic authorisation reference
 - The authorisers of the payment
 - Account code, department, and fund
- 2.5.7 The only exceptions to cheques or electronic payments not being supported by an original invoice would be for such items as reimbursement of expenses, advanced booking fees for a future course, deposit for a venue, etc. In such cases, an Expenses Requisition Form (Appendix B) will be used.
- 2.5.8 Volunteers and staff will need to complete an expenses requisition form and submit it to the PDM (with receipts etc.) for approval, before being passed for payment.
- Fares must be evidenced by tickets.
 - Other expenditure is evidenced by original receipts.
 - Car mileage is based on HMRC scales.
- 2.5.9 Once a month, the PDM will put the bank statements and source documents into a virtual hard drive and send them to the Finance Officer for processing on the bookkeeping system.

2.6 Wages, Salaries and Pensions

- 2.6.1 All staff appointments and departures will be authorised by the trustees, minuting the dates and salary level. New Starter documents shall be completed by new employees to enable onboarding to the payroll system.
- 2.6.2 The charity will be a 'London Living Wage' employer.
- 2.6.3 Increases in salary will be authorised by the trustees. Back pay will be calculated by the Finance Officer and will be checked by the Finance Trustee.
- 2.6.4 Changes in hours and variable payments to staff such as overtime etc., will be authorised by the Finance Trustee.
- 2.6.5 The charity shall provide a pension scheme with **NEST**. The Finance Officer will assess staff members regarding legal requirements relating to automatic enrolment, opting in and opting out, and provide staff members with the appropriate information. The Finance Officer will complete the Pensions Declaration every three years.
- 2.6.6 All employees will be paid within the HMRC regulations. The Finance Officer will operate a payroll system, complying with required deadlines and maintaining a record of gross pay, deductions from pay, net pay and amounts due to HMRC and the Pension Provider.
- 2.6.7 **The Finance Officer will run the payroll process a few days prior to 'pay day' and provide a report to the Director and Finance Trustee, setting out the amounts to be paid to staff, HMRC and the Pension Provider, so they may be paid in a timely manner.**

2.7 Other Undertakings

- 2.7.1 The charity will maintain a fixed asset register to record items of significant value, stating value, where items are stored and a mechanism for signing items in and out for use by others.
- 2.7.2 The charity will ensure that adequate insurance arrangements are made in respect of staff, volunteers and assets and in respect of any other identified risks and liabilities.
- 2.7.6 The charity will maintain up-to-date, good quality antivirus and anti-phishing software on all computers that connect to the internet.

3. Financial Management and Controls

3.1 Accounting and Budgeting

- 3.1.1 The trustees set an annual budget before the start of each financial year.
- 3.1.2 There is a quarterly review to ascertain how the budget is matching current spending and whether any adjustment is necessary.
- 3.1.3 The Director and Finance Trustee have responsibility for regular monitoring.
- 3.1.4 Any changes in income or expenditure that are likely to impact on the budget and health of the charity must be notified to the trustees immediately so that appropriate action can be taken.
- 3.1.5 If the level of unrestricted reserves falls below that set out in the policy (see 3.6), the trustees must meet to discuss and agree plans to increase reserves.

3.2 Risk Assessment and Insurance

- 3.2.1 The charity prepares a Risk Assessment for the activities of the charity which will include financial risks, governance risks, operational and reputational risks, business continuity, and damage / loss of property.
- 3.2.2 The Risk Assessment will be reviewed annually and mitigating actions agreed by the trustees.
- 3.2.3 One of the mitigating actions is for the charity to have insurance in place with adequate cover, based on best practice, for public liability, employers liability and trustee indemnity.
- 3.2.4 There will also be insurance cover for assets and property damage, based on the asset register.
- 3.2.5 The insurance cover will be reviewed on an annual basis at the time of renewal. New equipment that is purchased or leased may require an adjustment to the policy partway through the year and payment of an additional premium.
- 3.2.6 A range of quotes will be sought during the renewal process.

3.3 Projects

- 3.3.1 The definition of a “project” is quite wide, and may be, for example, a fundraising initiative, activity expansion, a capital project or the employment of new team members.
- 3.3.2 Proposals for new projects will be prepared by the Director and Finance Trustee and submitted to the trustees for approval.
- 3.3.3 The proposal will include a projection of all relevant costs and income to enable the financial impact and risks to be assessed with as much confidence as possible.
- 3.3.4 Proposals may be created as part of the annual charity financial planning and budgeting exercise or as an interim adjustment mid-way through the course of a financial year.

3.4 Employment, Remuneration and Personal Development

- 3.4.1 Trustee approval is required for the creation of new posts within the organisation. The board of trustees will approve job descriptions and recruitment advertisements. Recruitment may be undertaken by the Director.
- 3.4.2 Individual rates of remuneration are to be approved by the Finance Trustee to ensure they are consistent with the banding structure before discussion with the individuals concerned and issue of the contract.
- 3.4.3 Appraisals and salary reviews will be undertaken annually.
- 3.4.4 A personal development plan for staff and trustees will be agreed annually and costs associated with the activities will form part of the budget.
- 3.4.5 The employee handbook and HR policies will be reviewed every 3 years.

3.5 Contracts

- 3.5.1 A contract is the exchange of money in return for goods or a service. The charity may enter into contracts for employment, leases, provision of products or services and awarding of grants.
- 3.5.2 Standard templates shall be used for contracts of employment, service level agreements and grant agreements. Subject to 3.5.4, the Director may enter into contracts on behalf of the charity.

- 3.5.3 A due diligence exercise shall be undertaken before entering into a new contract with a new supplier or grant recipient. This shall include a review of their most recent accounts (or bank statement), confirmation that appropriate policies are in place and references where appropriate. The charity will satisfy itself as far as possible that the supplier / grant recipient is able to deliver the contract.
- 3.5.4 Contracts (including renewals) which have a significant financial impact should be considered by the board of trustees, prior to signing, to ensure any issues / risks are identified and adequate safeguards are in place. If necessary, the trustees shall obtain legal advice (for example on new types of contracts or agreements).
- 3.5.5 It is expected that contracts for provision of services will usually require payment on a monthly or quarterly in advance basis. Payments will be staged, and review dates built into the contract so that progress can be checked.
- 3.5.6 Monitoring reports will be required for delivery of restricted fund projects.

3.6 Reserves

- 3.6.1 The trustees will determine the minimum level of reserves to be held as unrestricted funds at any one time. This is provided as a contingency to cover unforeseen circumstances and to enable an orderly wind-down of activities, should this be necessary.
- 3.6.2 In determining the Reserves Policy, the trustees will follow the charity Commission guidance on [Charity Reserves](#).

3.7 Retention of documents

- 3.7.1 The charity shall retain financial documents for no less than **six years** after the end of the financial year to which they relate, or as specified by a funder if for longer.
- 3.7.2 Retention of other records is set out in the GDPR Policy.

4. Restricted Funds

4.1 Grant Offers and Terms and Conditions of Grant

- 4.1.1 When managing restricted funds, the trustees must follow the requirements set out in the grant offer letter and sign the Terms and Conditions of Grant.
- 4.1.2 The charity will show restricted funds separately in its published accounts and acknowledge the funder.
- 4.1.3 The charity's bookkeeping system will enable the transactions for each restricted fund grant to be recorded separately.
- 4.1.4 Some restricted fund grants have particular requirements as set out below. This section of the Finance Policy will be updated to reflect the requirements of different grant funds managed by the charity.

4.2 Big Local Programme

- 4.2.1 The charity is the 'Locally Trusted Organisation' (LTO) under the terms and conditions of this grant from Local Trust (the funder).
- 4.2.2 The programme is resident led: the Heston West Big Local (HWBL) Partnership prepares a Big Local Plan which sets out the framework for delivery of the funding. The HWBL Partnership also makes decisions about spend. The LTO is required to ensure that expenditure:
- is in accordance with the Big Local Plan
 - is for charitable purposes
 - meets the charity's own policies and procedures
- 4.2.3 For the authorisation of payments using the Big Local restricted funding, there is an additional step prior to the processes set out in section 2.5. **Invoices are approved by Debbie Noad (HWBL Chair).**
- 4.2.4 As well as reporting to Local Trust, the charity is required to report to HWBL Partnership in a format determined in partnership with them.

Charity Gift Aid Declaration

Multiple Donation



Boost your donation by 25p of Gift Aid for every £1 you donate. Gift Aid is reclaimed by the charity from the tax you pay for the current tax year.

Your address is needed to identify you as a current UK taxpayer. In order to Gift Aid your donation you must tick the statement below:

- ✓ **I want to Gift Aid my donation of £_____ and any donations I make in the future to C-Change West London (Registered Charity number 1197140).**

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year, it is my responsibility to pay any difference.

Title	First Name or Initials
Surname	
Full Home Address	
Postcode	Date

Please notify the charity if you:

- want to cancel this declaration
- change your name or home address
- no longer pay sufficient tax on your income and/or capital gains

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code.

C-Change West London complies with the General Data Protection Regulations (GDPR) 2018. Further information can be found in our Privacy Policy which is on the website www.ccwl.org.uk. By completing this form, I agree that C-Change West London may hold my personal information for Gift Aid purposes.

C-CHANGE WEST LONDON

(Reg Charity no. 1197140)

Cranford Community College, High Street, Hounslow, TW5 9PD

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**Expenses
Requisition Form**



Claimant name
Phone number or email address:

If you wish to be paid by BACS, please provide bank account details below

Account name:
Sort code:
Account number:

Expenses Claimed:

Date	Details of claim	Amount claimed	Receipt Y/N	Budget heading
Total being claimed				

Office use only	Checked by	
	Date claim paid	Bank reference