

# **Our Free Minds**

## **Financial management and control policy and procedure**

### **1 Introduction**

The trustees of Our Free Minds CIO share overall responsibility for financial control and safeguarding the funds of Our Free Minds CIO and ensuring that the organisation operates in accordance with the financial powers stated in its constitution. This document sets out how this responsibility will be exercised and where functions have been delegated to particular trustees or staff of Our Free Minds CIO.

### **2 The role of the Treasurer**

The treasurer takes the lead at board level on:

- making sure Our Free Minds CIO keeps proper accounts
- reviewing financial performance
- ensuring policies for finance and if relevant investment are regularly reviewed
- ensuring that Our Free Minds CIO has robust and effective financial controls in place
- liaising with the designated Officer about financial matters and with the Charities Commission
- quarterly review of bank statement against Xero.
- reporting on financial matters at the trustees quarterly meetings to include budget report.
- tabling the review of the appointment of the auditor/independent examiner at least every 3 years.
- tabling Service contracts for review at least every 3 years.

The treasurer will carry out quarterly internal checks and a checklist to assist with this will be provided.

### **3 Financial records**

Financial records will be kept so that:

- Our Free Minds CIO can meet its legal and other obligations, e.g., HM Revenue and Customs, Charities Acts, Companies Acts, Common Law.
- The Our Free Minds CIO trustees can have control of the organisation's finances.
- Our Free Minds CIO can meet contractual obligations and the requirements of funding bodies.

The organisation will keep proper books of account using the Xero accounts package. These will include:

- A cash book analysing all transactions
- Sales, purchase and nominal ledgers
- Petty cash records
- Payroll records

#### **4 Budget**

The financial year for Our Free Minds CIO will end on 25th January.

Before the start of each financial year, the Our Free Minds CIO trustees will approve a budgeted income and expenditure account for the following year.

A paper comparing actual income, and expenditure with the budget will be presented to the Our Free Minds CIO trustees every 3 months.

#### **5 Accounts and Audit**

Accounts will be drawn up after each financial year by the Q3 trustee meeting and reviewed by the trustees.

The accounts will be submitted by the delegated Officer to the Charity Commission.

The trustees will appoint an appropriately qualified auditor where relevant (currently refers to charities grossing over £1 million) or an independent examiner (currently refers to charities with an income over £25,000) to audit the accounts for presentation.

The trustees will review the appointment of the auditor/independent examiner at least every 3 years.

#### **6 Best value**

When procuring goods and services it is Our Free Minds CIO's aim to achieve best value. For goods and services valued at over £5,000 at least 3 quotes will be obtained. For service contracts such as ICT, telephone and cleaning organisations will be invited to submit a proposal and these will be considered in relation to specific criteria including price, service requirements and quality. Whenever possible feedback will be obtained from organisations that are currently using the relevant service provider.

Service contracts will be reviewed at least every 3 years.

#### **7 Bank**

Our Free Minds CIO will bank with Natwest where the accounts will be held in the name of Our Free Minds CIO. The current account will be held with Natwest. All bank accounts held by Our Free Minds must be agreed and approved by the Our Free Minds CIO trustees.

The bank mandate (list of people who can make payments on the organisation's behalf) will always be approved and minuted by the Our Free Minds CIO trustees as will all changes to it.

Our Free Minds CIO will require the bank to provide current account statements every month. These will be reconciled with the cash book every month by the book keeper and reviewed quarterly by the Treasurer.

Our Free Minds CIO will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the Our Free Minds CIO trustees.

## **8 Fundraising, funding bids, tenders, and partnership arrangements**

All fundraising, grant applications and tendering undertaken on behalf of Our Free Minds CIO will be done in the name of the organisation and will generally be based on recovery of the full cost of the proposed work. If the organisation is to subsidise the cost of any work from reserves or earned income then this must be approved by the trustees. The Treasurer must approve bids and tenders to a value up to £15,000. The board of trustees of Our Free Minds CIO must approve bids and tenders for values over £15,000. Details of all funding bids and tenders will be provided to the trustee board.

Our Free Minds CIO may be the partner in a bid submitted by another organisation only if this is consistent with the objectives of Our Free Minds CIO as set out in our constitution. The partnership arrangements must have the prior approval of the Treasurer or, in the absence of the Treasurer the Chair of trustees. All partnership arrangements will be reported to the trustee board. When Our Free Minds CIO will receive funding from partnership arrangements and take on financial commitments a written agreement must be in place covering the financial arrangements. In these circumstances the funding that Our Free Minds CIO receives should generally be based on recovery of the full cost of the proposed work. If the organisation is to subsidise the cost of work from reserves or earned income then this must be approved by the trustee board. The Treasurer must approve partnership arrangements to a value up to £15,000. The board of trustees of Our Free Minds CIO must approve arrangements for values over £15,000.

When Our Free Minds CIO submits a funding bid or tender as the accountable body and there are partners to the bid or tender the arrangements must be agreed by the Chief Officer and trustees in accordance with the financial limits set out above. This includes the composition of the partnership. Where funds are to be dispersed or remitted to partners the partners must have in place arrangements for accounting for these funds that have been agreed with Our Free Minds CIO and that are consistent with our audit and reporting requirements. An agreement must be in place before funds are allocated to partners.

## **9 Receipts (income)**

Our Free Minds CIO will ensure that all the income to which it is entitled is received and that this is evidenced.

A schedule of grant and contract income with the method of payment will be maintained and reviewed every 3 months.

All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payments for telephone calls, photocopying, small donations from individuals etc.) The organisation will maintain files of documentation i.e. letters from funding bodies to back this up.

All payments must be made to Our Free Minds CIO by cash, cheque, direct debit or BACS. The designated Officer will review all debts on a quarterly basis and agree follow up action with the Treasurer. The schedule of debts will be presented every quarter to the Trustees. When an individual debt exceeds 30 days following the Overdue Payment Notice, this will be brought to the attention of the Treasurer and relevant action agreed.

A schedule of charges for services and facilities will be maintained in Xero software. A copy will be provided to the Treasurer. This schedule will be reviewed at least annually and increases agreed and reported to the Treasurer.

## **10 Payments (expenditure)**

The preferred method of payment is by bank transfer.

A Facilitator will produce a Purchase Order Request for values up to £200. This will include the item requested, date of request and price with a tolerance of up to 10% or £15, whichever is the greater. This must be signed by another Our Free Minds CIO employee.

The charity Administrator will process the order and confirm receipt against the Purchase Order, and upload invoice to Xero.

The Bookkeeper will authorise and reconcile invoices to the account.

Payments which are greater than £200.00 must be authorised by the Treasurer. A Facilitator will produce a Purchase Order Request and submit to the Treasurer, who will decide whether to authorise and send the request to the Administrator or not.

The charity Administrator will process the order and confirm receipt against the Purchase Order, and upload invoice to Xero.

The Bookkeeper will authorise and reconcile invoices to the account.

For payments under £60 a Purchase Order form is not required.

Those requesting purchase of items and at least one of those authorising must be an employee of Our Free Minds CIO.

No payments will be authorised or cheques signed without original documentation.

Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives in the Constitution/ Memorandum and Articles of Association.

## **11 Payment Procedures and Documentation**

Every payment from the organisation's bank accounts will be supported by an original invoice (never against a suppliers statement or final demand). The original invoice will be filed and kept for seven years.

The only exceptions to payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, VAT, etc. Here a Purchase Order form will be used. Alternative supporting documentation such as the booking application form must be provided.

Contracts with suppliers can only be set up if authorised by the designated Officer in consultation with the Treasurer.

#### Expenses/Allowances

Our Free Minds CIO will reimburse by bank transfer expenditure paid for personally by staff that is claimed using the agreed Expenses Claim Form, providing:

- Fares are evidenced by proof of purchase.
- Other expenditure is evidenced by original receipts.
- Car mileage is based on HMRC allowances.
- The expenditure has been authorised by another employee of Our Free Minds CIO up to the value of £200 - or by the Treasurer if over £200.
- The claim is submitted within 3 months of expenditure being incurred.

## **12 Salaries**

There will be a clear trail to show the authority and reason for payment. The Bookkeeper handles payroll administration using Xero Payroll. All employees will be paid within the PAYE, National Insurance rules. Salaries will be processed using BACS systems. The designated Officer will process the payment.

All staff appointments will be authorised by the designated Officer in consultation with trustees of Our Free Minds CIO.

All contracts with freelance suppliers will be reviewed as per the Services Contracts in section 6 of this document. All Freelance contracts will be subject to the authorisation of the treasurer where the value is above £200.

## **13 Debit card payments**

The preferred and principal method of payment is by BACS.

The debit card should only be used in specific circumstances, namely:

- a. When a customer account is unavailable to Our Free Minds CIO
- b. When card payment is required by a supplier, through the internet
- c. When exceptional circumstances prevent any other method of payment

The card shall never be used for withdrawing cash.

Cards shall only be used for payment by the named cardholder(s). The named card holder(s) will be the designated Officer.

It is the responsibility of the Cardholder to ensure that the debit card is held in a secure place at all times.

Every reasonable effort shall be made by the cardholder to maintain the security of the card details:

- Card details shall not be shared by the cardholder with any other person other than a payee in the process of making a payment.
- Both sides of the credit card should not be photocopied or recorded and stored together in any other way.

It is the cardholder's responsibility to identify, investigate and inform the Treasurer of irregularities such as non-receipt of goods, loss of card or incorrect amounts.

#### **14 Other Undertakings**

Our Free Minds CIO does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, with financial consequences must be approved by the designated Officer up to a value of £200. Those valued at over £200 require the approval of the charity Treasurer of Our Free Minds CIO. Those valued at over £15,000 require the approval of 2 the charity Treasurer and one other trustee. (This covers such items as new service contracts, office equipment, purchase and hire).

#### **15 Confidentiality**

The confidentiality of employees financial circumstances will be respected at all times.

Trustees, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information about the organisation.

#### **16 Fixed assets and inventory of capital items**

Our Free Minds CIO will set up and maintain a fixed assets register stating the date of purchase, cost, serial numbers and normal location of the asset(s).

The fixed assets register and inventory will be produced and maintained by the administrator and reviewed annually by the designated Officer.

#### **17 Reserves and Investment Policies**

The trustees will consider the level of reserves that is prudent for Our Free Minds CIO to have when agreeing the annual budget. Consideration will be given to future strategy, potential redundancy liabilities, and any other significant factors that should be taken into account were Our Free Minds CIO to close or move to new

premises. The specific reserves policy including any designation of reserves for specific purposes will be agreed by trustees on an annual basis.

The trustees of Our Free Minds CIO will keep these financial controls under review.

## 18 Virements

Virements (moving money between budget lines) where the total value is less than £300 and the virements are within Learning Resources codes may be undertaken without reference to the Trustees.

Virements where the total value is above £300, or where budgets are changing beyond Learning Resources codes, will be signed off by the Treasurer and all trustees notified.

This policy was adopted by: <a href="#">Our Free Minds</a>	Last reviewed and signed by:
Date of last review: 5.12.2025 To be reviewed: 5.12.2026	Hannah Woolven 14.11.25 Guy Asherson-Taylor 17.11.25 Sze Wai Wong 23.11.25 Clea Sambrook 24.11.25 Katie Kotting 5.12.25 Poppy De Witt 1.12.25