

## Financial Controls Policy and Procedures

**Preamble:** What Next is a registered charity, registration number 1196404, and is referred to as 'the Charity' in the following document.

### Financial Records and Accounts

1. Financial records must be kept so that:
  - The organisation meets its legal and other statutory obligations, such as Charity Acts, His Majesty's Revenue & Customs and common law;
  - The trustees have proper financial control of the organisation;
  - The organisation meets the contractual obligations and requirements of funders.
2. The books of accounts must include:
  - A cashbook analysing all the transactions appearing on the bank accounts;
  - A petty cash book if cash payments are being made;
  - Inland Revenue deduction cards P11 (if registered for PAYE).
3. Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next Annual General Meeting.
4. Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year, but only if it is determined that such a budget is necessary based on the Charity's likely / projected activities over the forth-coming year.
5. If an income / expenditure budget has been set, a report comparing actual income and expenditure with the budget should be presented to the trustees every four months or whenever meetings take place.

### Banking and Other Financial Tools

6. The Charity will bank with Metro Bank plc at its Guildford Branch and accounts will be held in the name of What Next. The following accounts will be maintained:
  - a. Charity Current Account
7. 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 any changes to it.
8. The Charity will require the bank to provide statements every month and these will be reconciled with the cash book at least every six months and a Trustee will spot check that this reconciliation has been done at least twice a year.
9. The Charity will use Givey as an on-line portal for donations. Givey will automatically transfer all donations, after fees, to the What Next Bank Account on a weekly basis.
10. The Charity will use Zettle Point of Sale for Card donations at events. Zettle will automatically transfer all donations, after fees, to the What Next Bank Account on a weekly basis.

## Income

11. All monies received will be recorded in the cash analysis book. The Charity will maintain files of documentation to back this up.
12. If collection boxes are to be used, these must be sealed, labelled and dated in advance of the event / activity.
13. Sealed collection boxes for one-off events / activities will be emptied and counted within one week of the event / activity. Counting should be carried out by at least two members, one of whom should be a trustee. The funds will be deposited within one month of the event / activity.
14. Sealed collection boxes for regular events / activities will be emptied and counted at the end of each quarter. Counting should be carried out by at least two members, one of whom should be a trustee. The funds will be deposited within one month of the date of counting.

## Payments (expenditure)

15. 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, if one has been set (see Clause 4, above), provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.
16. The Chair of the Board of Trustees will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept safely.
17. Blank cheques will NEVER be signed.
18. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
19. No cheques should be signed without original documentation (see below).

## Payment documentation

20. 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 and filed. The cheque signatory should ensure that it is referenced with:
  - Cheque number
  - Date cheque drawn
  - Amount of cheque
21. The only exceptions to cheques not being supported by an original invoice are Items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.

22. Wages and Salaries (if applicable): there will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition form asking for payment to an employee, HMRC etc. All employees will be paid within the PAYE and National Insurance regulations.
23. All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the trustees.
24. Petty cash will always be maintained on the imprest system whereby the Chair is entrusted with a float 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 £500, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.
25. Expenses / allowances: the Charity will, if asked, reimburse expenditure paid for personally by staff, providing:
  - a. Fares are evidenced by tickets.
  - b. Other expenditure is evidenced by original receipts.
  - c. No cheque signatory signs for the payment of expenses to themselves.

## Cheque Signatures

26. Each cheque will be signed by at least two people. A cheque must not be signed by the person to whom it is payable. The Charity will ensure that there are at least three mandated signatories to the account at all times.

## Other rules

27. The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Charity in excess of £200 must be authorised and recorded by a majority of the trustees; the record can be kept through an exchange of e-mails through the charities e-mail account and expenditure confirmed at a subsequent meeting.
28. In exceptional circumstances such undertakings can be made with the approval of Chairperson and at least one other Trustee who will then provide full details to the next meeting of the trustees. (This covers such items as the new service contracts, office equipment, purchase and hire).
29. All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the Charity 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.

30. The Charity will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, the Charity will maintain a property record of items of significant value, with an appropriate record of their use.

Date Policy Adopted: 27<sup>th</sup> October 2023

Date of Policy Review: 31<sup>st</sup> December 2024

*Version 1.0, October 2023*