

Poringland & District Men's Shed

Financial Controls Policy

1. Introduction

- 1.1. Financial records will be kept so that Poringland & District Men's Shed (PDMS) can:
 - 1.1.1. Meet its legal and other obligations, e.g. HMRC, Charities Acts, Companies Acts, contract and common law.
 - 1.1.2. Enable the PDMS committee to be in proper financial control of the PDMS.
 - 1.1.3. Enable the PDMS to meet the contractual obligations and requirements of funders.
- 1.2. The PDMS will keep proper books of accounts which may be excel spreadsheets or a handwritten cash analysis book. They will include:
 - 1.2.1. A cash book (spreadsheet page) analysing all transactions in the PDMS bank accounts(s)
 - 1.2.2. A petty cash book (another spreadsheet page) if cash payments are being made
- 1.3. The financial year will end on the 31st December each year
- 1.4. Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next committee meeting
- 1.5. Prior to the start of each financial year within three months of the end of the year, the committee will approve a budgeted income and expenditure statement for the following year
- 1.6. A report comparing actual income and expenditure against budget will be presented to the committee every three months
- 1.7. The committee will appoint an appropriately qualified scrutineer to examine the account. The scrutineer will comply with the requirements of the Charities Acts for Charities above the threshold for external scrutiny

2. Banking

- 2.1. The PDMS will bank with Barclays Bank plc at it's Beccles Branch: accounts will be held in the name of the Poringland & District Men's Shed. The following accounts will be maintained
 - 2.1.1. Poringland & District Mens Shed current Account.
 - 2.1.2. Any other account deemed necessary and approved by the committee.
- 2.2. The bank mandate (list of people who can sign cheques and use PDMS Debit Cards on the PMDS's behalf) must be approved and minuted by the committee as will all the changes to it

- 2.3. PDMS will require the bank to provide statements every month or electronic access to all transactions. These will be reconciled with the cash book at least every three months.
- 2.4. PDMS will not use any other bank or financial institution or use overdraft facilities, credit cards or loans without the agreement of the committee.

3. Receipts (income)

- 3.1. All monies received will be recorded promptly in the spread sheet records and /or the immediate records book and banked without delay. (Note this includes Donations). The PDMS will maintain files of documentation to back this up.

4. Payments (expenditure)

The aim is to ensure that all expenditure is on Poringland & District Men's Shed business and is properly authorised, recorded and that this can be demonstrated.

- 4.1. The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- 4.2. Blank cheques will NEVER be signed.
- 4.3. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 4.4. No cheque will be signed without original documentation (see below)
- 4.5. Internet purchase. When purchases are made over the internet Poringland District Mens Shed 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 in the bottom right-hand side of the screen when a payment is being made. The suppliers star rating for customer satisfaction will be reviewed. Purchases will not be made from unknown private individuals over the internet. Complex passwords (include lower- and upper-case letters, numbers and symbols) will be used and a copy given to the Treasurer.

5. Electronic Banking

- 5.1. Each signatory will have a unique password which will be made up of lower and uppercase letters, numbers and symbols.
- 5.2. The banking administrator will be able to access the electronic banking system for the purposes of putting transactions onto the system for authorisation by the cheque signatories and for accessing bank statements.
- 5.3. The banking administrator will check that purchases have been

properly authorised and when appropriate there is evidence that goods in good condition or proper services have been received.

- 5.4. The banking administrator will scan and e-mail invoices and evidence of authorisation to the cheque signatories.
- 5.5. The banking administrator will check and enter the supplier's sort code, account number, and account name into the system and provide these by email to the cheque signatories.
- 5.6. The cheque signatories will check the payment details: sort code, account number, invoice and amount. If these are accurate the cheque signatory will authorise the payment.
- 5.7. Authorisation from two cheque signatories will be required for each payment.
- 5.8. Following authorisation, the cheque signatory will e-mail the administrator to confirm their authorisation. This email will act as evidence for the Independent Examiner as to who authorised the payment.
- 5.9. The banking administrator may also be a cheque signatory.

6. Payment documentation

- 6.1. Every payment out of the PDMS 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 PDMS and filed. The cheque signatory should ensure that it is referenced with:
 - 6.1.1. Cheque number
 - 6.1.2. Date cheque was drawn
 - 6.1.3. Amount of cheque
 - 6.1.4. Committee date and minute number of approval
 - 6.1.5. Who signed the cheque
- 6.2. The only exceptions to cheques not being supported by an original invoice or screenshot of an electronic payment to a supplier would be for small payments to individuals. In this instance a cheque requisition form will be used, and a photocopy of the cheque kept or a screenshot of the BACs payment.

7. Expenses/Allowances

- 7.1. The PDMS will, if asked, reimburse expenditure paid for personally by staff/volunteers, providing:
 - 7.1.1. Fares are evidenced by tickets or if paid contactless a redacted bank statement
 - 7.1.2. Other expenditure is evidenced by original receipts
 - 7.1.3. Car mileage is based on HMRC approved rates

7.1.4. A minute approving the expenditure

7.1.5. No cheque/BACs signatory signs for the payment of expenses to themselves

8. Cheque signatures and Cash Cards

- 8.1. Each cheque, BACs payment, standing order or direct debit will be signed by at least two people.
- 8.2. A cheque, BACs payment or direct Debit (etc.) must not be signed by the person to whom it is payable.
- 8.3. The PDMS Debit cards can be used to purchase goods and services that have been approved by three committee members by email.

9. Other undertakings

- 9.1. The Poringland & District Men's Shed does not accept liability for any financial commitment unless properly pre authorised. All orders placed, or undertakings given, must be authorised and minuted by the committee. In exceptional circumstances, such undertakings can be approved by three committee members by email. Their approval will then provide full details to the next committee meeting.
- 9.2. All fundraising and grant applications undertaken on behalf of Poringland & District Men's Shed will be done in the name of Poringland & District Men's Shed with the prior approval of the committee or in urgent situations the approval of three committee members by email one of whom will provide full details to the next committee meeting.
- 9.3. The Poringland & District Men's Shed will adhere to good practice in relation to its finances.
- 9.4. When deemed relevant by the committee., the committee will set up and maintain a fixed-asset register stating the date of purchase, cost, serial numbers and normal location of physical assets like tools, laptops etc. The PDMS will maintain a property record of items of significant value, with an appropriate record of their use.
- 9.5. On occasion it may be relevant to sell or otherwise dispose of assets. The value of such assets shall be determined by at least two members of the committee and a proper record made of payment, if any, received.
- 9.6. The committee will review the need for insurance each year.
- 9.7. This policy will be reviewed at least every year and with committee approval revised if necessary. The committee will be shown the existing controls and the proposed revisions.

10. Gift Aid

10.1. PDMS will endeavour to get signed Gift Aid declarations from Donors to PDMS. These to be passed to the Treasurer for maintaining proper records. Small cash donations from unidentified donors will be separately recorded to enable applications for Gift Aid under the GASDS scheme.

11. Date adopted and approved by the committee

_____23rd April 2019_____