

Financial procedures

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Financial procedures

1. GENERAL

- 1.1. These financial procedures govern the conduct of financial management by the Board and may only be amended or varied by resolution of the Board.
- 1.2. The Board is responsible for ensuring that its financial management is adequate and effective and that there is a sound system of internal control, including arrangements for the management of risk.
- 1.3. These financial procedures demonstrate how the Board meets these responsibilities and requirements.
- 1.4. At least once a year the Board must review the effectiveness of its financial procedures and system of internal control.
- 1.5. Deliberate or wilful breach of these procedures by an employee may give rise to disciplinary proceedings.
- 1.6. Instructions within these procedures are to be upheld by both trustees and employees. It is the responsibility of the trustees to ensure that employees do not breach them. Failure to follow instructions within these procedures brings the office of Trustee into disrepute.
- 1.7. The Board's accounting control systems must include measures:
 - for the timely production of accounts.
 - that provide for the safe and efficient safeguarding of money.
 - to prevent and detect inaccuracy and fraud.
- 1.8. The Treasurer
 - acts under the policy direction of the Board.
 - determines on behalf of the Board its accounting records and control systems.
 - ensures the accounting control systems are observed.
 - maintains the accounting records of CANDI up to date.
 - produces financial management information as required by the Board.
- 1.9. The accounting records determined by the Treasurer shall contain:
 - entries from day to day of all income and expenditure of CANDI and the matters to which they relate.
 - a record of the assets and liabilities of CANDI.
- 1.10. The accounting control systems determined by the Treasurer shall include:
 - procedures to ensure that the financial transactions of CANDI are recorded as soon as reasonably practicable and as accurately and reasonably as possible.
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records.
 - measures to ensure that risk is properly managed.
- 1.11. The Treasurer, and any trustee using computers for CANDI's business, shall ensure that anti-virus, anti-spyware, and firewall software with automatic updates, together with a high level of security, is used.
- 1.12. The Board may suspend any part of these Financial Procedures if reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all trustees.

2. INTERNAL CONTROL

- 2.1. At every Board meeting, the Treasurer shall present a report including an income and expenditure account with comparisons against budget, balance sheet and cash flow forecast. Any narrative may be given verbally or in writing.
- 2.2. The Treasurer will circulate an income and expenditure account to the Board every month.
- 2.3. The Treasurer shall ensure that an appropriate and accurate Register of Assets is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually.
- 2.4. The Treasurer must each year, by no later than February, prepare detailed estimates of all income and expenditure including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Board.
- 2.5. The approved annual budget shall form the basis of financial control for the ensuing year.

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- 2.6. The Treasurer shall complete the annual financial accounts and annual report as soon as practicable after the end of the financial year and, the accounts having been circulated to the Board, shall submit them for external examination.
- 2.7. The annual accounts will be approved by the Board and signed at the Annual General Meeting.
- 2.8. External examiners may not under any circumstances:
 - perform any operational duties for the Board.
 - initiate or approve accounting transactions; or
 - direct the activities of any CANDI employee.
- 2.9. The Treasurer shall, without undue delay, bring to the attention of all Trustees any correspondence or report from external examiners.

3. BANKING ARRANGEMENTS

- 3.1. The Board's banking arrangements shall be regularly reviewed for safety and efficiency.
- 3.2. The Bank Mandate approved by the Board shall identify a number of trustees who will be authorised to approve transactions on those accounts.
- 3.3. All payments, whether by cheque or electronic transfer, must be authorised by a second signatory.
- 3.4. Where internet banking arrangements are made with any bank, the Treasurer shall be appointed as the Service Administrator.
- 3.5. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for CANDI banking work. Breach of this procedure will be treated as a very serious matter under these procedures.
- 3.6. No employee or trustee shall disclose any PIN or password, relevant to the working of CANDI or its bank accounts, to any person not authorised in writing by the Board.

4. CHEQUE RECEIPTS

- 4.1. All cheques received on behalf of CANDI shall be banked as directed by the Treasurer as soon as possible following receipt.

5. CASH RECEIPTS

- 5.1. Cash must be banked or given to the Treasurer at the earliest opportunity or at least at the end of every month. It may be left in a designated space within the locked CANDI office clearly marked with its source.
- 5.2. The Treasurer may retain a small cash balance for reimbursement of small payments.
- 5.3. Cash will normally be received from:
 - YouthSpace tuck (Cinderford and Drybrook)
 - Collecting tin
 - Women's Space collecting tin
 - Café
 - Senior Lunch Club

6. CASH FLOATS

- 6.1. For practical purposes, it is necessary for certain individuals or groups to hold cash floats for expenditure required on a day-to-day basis. Any amounts spent will be reimbursed by the Treasurer on receipt of an expense claim form. Such reimbursement will take place at the end of the month in which the expenditure is incurred.
- 6.2. Floats are as follows: -
 - Community Project Co-ordinator £100
 - Café (including Lunch Clubs) £90

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7. EXPENDITURE

7.1. Expenditure may be authorised as follows: -

- the Treasurer or the Chair for any items below £250 or £500 if the expenditure relates to items where funding has been raised for specific restricted purposes.
- the Board for all items over these limits. Such authority is to be minuted.

Contracts may not be disaggregated to avoid controls imposed by these procedures.

7.2. No expenditure may be authorised that will exceed the amount provided in the budget for that class of expenditure other than by resolution of the Board. During the budget year and with the approval of the Board having considered fully the implications for services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.

7.3. In cases of emergency, the Treasurer or Chair may authorise expenditure on behalf of the Board which in their judgement it is necessary to carry out. Such expenditure includes repair, replacement, or other work, whether there is any budgetary provision for the expenditure, subject to a limit of £500. The Treasurer shall report such action to the Board as soon as practicable.

8. EXPENSES

8.1. Expenses should be agreed in advance by the claimant's line manager or the Management Team.

8.2. All claims should be submitted on an expense claim form accompanied by receipts.

8.3. Members of staff should submit their claims to their line manager who will check them before passing to the Treasurer for payment.

8.4. Members of the Management Team should submit their expense claim forms directly to the Treasurer. The amount of any claim should fall within the budget limitations agreed by the Management Team.

8.5. So that the accounts show a fair reflection of actual activity, expense claims should be submitted to the Treasurer at the end of each month.

9. PAYMENTS

9.1. All invoices and expense claims for payment shall be examined, verified, and certified by the Treasurer to confirm that the work, goods, or services to which each invoice relates has been received, carried out, examined, and represents expenditure previously approved by the Board.

9.2. The Treasurer shall examine invoices and expense claims for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Treasurer shall take all steps to pay all invoices submitted which are in accordance with budgetary control or have been approved by the Board.

9.3. As far as possible, all payments shall be made by electronic bank transfer or cash for smaller amounts.

9.4. If electronic transfer is not possible, the Treasurer will draw a cheque which shall be signed by any two Trustees who are bank signatories. A Trustee who has declared an interest in any payment is not permitted to sign the cheque.

9.5. Approval of Direct Debits and Standing Orders shall be renewed by resolution of the Board at least every year.

10. PAYROLL

10.1. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE, National Insurance and Pensions currently operating, and salary rates shall be as agreed by the Board.

10.2. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Board.

10.3. All employees will complete a weekly timesheet and submit it to their line manager.

10.4. The line manager will check the details, resolve any queries and pass the agreed timesheet to the payroll processor.

10.5. On completion of the payroll, the processor will file all documents in the secure OneDrive folder for the Treasurer to approve and set up salary payments.

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11. FUNDS

- 11.1. Restricted funds may only be used for the specific purposes declared in the restriction.
- 11.2. Designated funds may only be used for the designated purpose as approved by the Board, unless the approval is altered by the Board.

12. ORDERS AND CONTRACTS

- 12.1. A written order, electronic or paper, shall be issued for all work, goods, and services more than £500 unless a formal contract is to be prepared. Copies of orders shall be retained.
- 12.2. Where it is intended to enter a contract exceeding £1,500 in value for the supply of goods or materials or for the execution of works or specialist services, quotes from at least two firms will be obtained.
- 12.3. The Board shall not be obliged to accept the lowest or any tender, quote, or estimate.
- 12.4. The Board is responsible for always obtaining value for money, ensuring as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.
- 12.5. A trustee may not make any contract on behalf of CANDI without approval of the Board.

13. RISK MANAGEMENT AND INSURANCE

- 13.1. The Board is responsible for putting in place arrangements for the management of risk. The Treasurer shall prepare, for approval by the Board at every meeting, a risk management scheme in respect of all activities of CANDI.
- 13.2. When considering any new activity, the proposer of the activity shall prepare a draft risk assessment including risk management proposals for the Treasurer, for consideration and adoption by the Board.
- 13.3. Before the financial year end, the Treasurer shall seek quotes for insurances with CANDI's insurers and an alternative insurer.
- 13.4. The Treasurer shall keep a record of all insurances.
- 13.5. The Treasurer shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to the Board at the next available meeting.
- 13.6. All appropriate trustees and employees of CANDI shall be included in a fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Board.

Document control

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