



Financial Controls Policy

1 Introduction

1.1 Financial records will be kept so that A Stars can:

- a) Enable the Committee members to have control of the organisations finances.
- b) Enable the organisation to meet contractual obligations and the requirements of funding bodies.

1.2 The organisation will keep proper books of accounts which will include:

- a) A spreadsheet analysing all the transactions in the organisations bank account.
- b) A record of all petty cash purchases with receipts.

1.3 The financial year for A Stars will end on 31st December.

1.4 Accounts will be drawn up after each financial year within 3 months of the end of the year and presented to the Annual General Meeting.

1.5 A paper comparing actual income and expenditure will be presented to the Committee every three months.

1.6 Records will be readily available at any time for any member of the steering committee to view.

1.7 The financial records will be passed over to a competent member of the steering committee for independent perusal once per annum.

2 Bank

2.1 A Stars will bank with Barclays Bank, Dorchester Branch where the accounts will be held in the name of A Stars.

2.2 The bank mandate (list of those who can sign cheques on the organisations behalf) will always be approved and minuted by the Committee as well as any changes to it.

2.3 A Stars will require the bank to provide statements (currently online but printed regularly) every month and these will be reconciled with the spreadsheet monthly.

2.4 A Stars will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the Committee.

3 Receipts

The aim is to demonstrate that A Stars has received all the income to which it is entitled and that it is reasonably evidenced.

3.1 All monies received will be recorded promptly on the spreadsheet and banked without delay where possible. The organisation will maintain files of documentation i.e. letters from funding bodies to back this up.

4 Payments out

The aim is to ensure that all expenditure is on A Stars business and is properly authorised and that this can be demonstrated.

4.1 Payments for items purchased over the value of £100 must be authorised by all Management Committee members.

4.2 Payments in cash should be kept to a minimum and generally through the petty cash system. Otherwise all payments should be made by cheque.

4.3 The treasurer shall be responsible for holding the cheque book (including unused and partly used cheque books) which should be kept in a safe place and separate from personal belongings.

4.4 Blank cheques will NEVER be signed.

4.5 The relevant payee's name will always be written on the cheque before signature and the cheque stub will always be filled in prior to signing.

4.6 No cheques will be signed without original documentation to verify its request.

4.7 Money will only be spent to meet the conditions and requirements of the funding bodies and in pursuance of the Objectives and Aims of the Constitution.

5 Payment Documentation

5.1 Every payment out of the organisations bank account will be supported by an original invoice. That original will be filed and kept for seven years. The treasurer should ensure that the invoice is referenced with:

- a) The cheque number
- b) Date cheque is drawn

5.2 The only exceptions to cheques not being supported by the original invoice would be for such items as advance bookings. Email references for these must be held until documentation arrives.

5.3 Petty cash will be maintained by the treasurer as agreed by the Committee. Float reimbursements may be made where cash payments have been taken in as long as this has been clearly referenced on the spreadsheet.

5.4 Where insufficient funds are held in the petty cash a cheque may be drawn to bring up the float to a maximum of £100.

5.5 Payments made out of petty cash must be evidenced by original receipts.

5.6 Expenses/Allowances – A Stars will reimburse expenditure paid for personally by volunteers/committee members providing:

- a) Fares are evidenced by original tickets.
- b) Other expenditure is evidenced by original receipts.
- c) Mileage will only be offered up to the tax free maximum allowed by HMRC.

6 Cheque Signatories, use of cards and electronic banking

6.1 Each cheque will be signed by at least two people (unrelated).

6.2 No cheque must be signed by the person to whom it is payable or connected to personally or through business relationships.

6.3 Cards/pin numbers and passwords must be kept separate from other A Stars paperwork and must not be divulged to any unauthorised person.

6.4 Any use of electronic banking for payment purposes must be originally set up via the authorisation of at least two committee members.

6.5 Online payments made through electronic methods must be evidenced by print outs of the email confirmation.

7 Other undertakings

7.1 All fundraising and grant applications undertaken on behalf of A Stars will be done in the name of the organisation with prior approval of the Committee or, in the case of an urgent matter, the approval of the Chair who will provide full details at the next Committee meeting.

8 Confidentiality

8.1 Committee members and volunteers will at all times act in the best interest of the organisation and should a conflict of interest arise they will not divulge sensitive information but must act upon such conflict by reporting this to a member of the Management Committee.

9. Other rules

9.1 The Committee will bear in mind what level of reserves are prudent for A Stars to keep in place at each meeting and consideration will be given to any significant factors that should be taken into account should A Stars need to close.

9.2 This policy will be reviewed annually.

9.3 A Stars will adhere to good practice in relation to its finances at all times.