



## **Financial controls policy**

### **1. Introduction**

- 1.1 We keep financial records so that we can:
- (a) meet our legal and other obligations, e.g. Charities Acts, Company Law, HMRC and common law
  - (b) enable the trustees to be in proper financial control of the Charity.
  - (c) enable JCA to meet its contractual obligations.
- 1.2 We keep a proper accounting system, which includes:
- (a) a cashbook analysing all the transactions in the Charity's bank account(s). This may be a computer package or spreadsheet, or a paper copy.
  - (b) a petty cash book if cash payments are being made.
- 1.3 The financial year ends on the 31<sup>st</sup> December each year, with annual accounts drawn up within five months of the end of the year and presented to the next AGM.
- 1.5 If appropriate, the AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM, filing with the Charity Commission when the appropriate threshold is exceeded.

### **2. Banking**

- 2.1 JCA banks with NatWest Bank in Haverfordwest and holds: (1) a current account, (2) a 35-day notice account and (3) an instant access account.
- 2.2 No other bank or financial institution may be used, and no overdraft or loan facilities can be set up without the full consent of the trustees.
- 2.3 The names of three trustees who can sign cheques or authorise electronic payments on the organisation's behalf are approved and minuted by the trustees, as are any changes.
- 2.4 The monthly paper or electronic bank statements are reconciled with the bookkeeping system at least every three months. The treasurer checks that this reconciliation has been done at least twice a year, and signs the reconciliation document accordingly. If the bank provides only electronic statements, they are printed and filed.

### 3. **Income**

- 3.1 All monies received are recorded and banked without delay.
- 3.2 Hall hirers and other customers who wish to pay via BACS are given the necessary JCA bank details and a unique reference number to use when making payments, so that receipts into the bank account can be traced to the customer easily.

### 4. **Expenditure**

- 4.1 All expenditure must be on the charity's business, properly authorised and evidenced with either paper records, or printouts of emails which confirm a transaction.
- 4.2 Each cheque has to be signed by at least two designated signatories, who have authority to spend up to a set amount which is agreed by trustees, and minuted.
- 4.3 Before authorising a payment the two cheque signatories check the accuracy of the payment details, including sort code, account number, invoice and amount.
- 4.4 The relevant payee's name must be written on a cheque before signature and the cheque stub will always be properly completed.
- 4.5 Blank cheques are never signed and no cheques should be signed without original documentation (see Section 6.1).
- 4.6 The treasurer:
  - (a) is responsible for holding the cheque book (unused and partly used cheque books) and keeping them under lock and key
  - (b) is always one of the designated cheque signatories
  - (c) checks that purchases have been properly authorised and, when appropriate, that goods or services have been received in good condition
  - (d) produces invoices and evidence of authorisation for the accounting system and/or the petty cash book
  - (e) for online purchases, records the supplier's sort code, account number, account name and payment total.

### 5 **Electronic banking**

- 5.1 The designated signatories are authorised to access the electronic banking system to put transactions onto the system, authorise the cheque signatories, view statements and other records, and carry out normal electronic banking functions.
- 5.2 Online purchases are from only well-known bona fide sites, which have appropriate security as illustrated by a lock padlock in the bottom right-hand side of the screen when a payment is being made.
- 5.3 Online purchases must be authorised by two designated signatories, as other purchases. Signatories who are not personally completing the online purchase must confirm in writing or by email that they have approved the transaction, for the financial records.

## 6 **Payment documentation**

- 6.1 Every payment from a JCA bank accounts is evidenced by an original invoice, and not by a supplier's statement or final demand.
- 6.2 That original invoice is retained by the treasurer, who ensures that it is referenced with:
- (a) the cheque number or electronic authorisation reference
  - (b) the date on which the cheque was drawn, or paid electronically
  - (c) the amount of the payment
  - (d) the names of those who signed or authorised the payment.
- 6.3 Petty cash is dispensed through a float held by the treasurer, at a level agreed by the management committee. For the float to be topped up, the full set of expenditure vouchers, totalling the required amount, is verified by a trustee other than the treasurer.

## 7 **General rules and conventions**

- 7.1 JCA will, if asked, reimburse trustees for out-of-pocket costs including but not limited to, printing materials, supplies for coffee mornings etc., against detailed claim forms with receipts where possible. Any car mileage paid is at local authority scales.
- 7.2 A designated cheque signatory may not sign a cheque for a payment to themselves, and may not authorise electronic payments to themselves. Two others must do so.
- 7.3 JCA does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given by any trustee must be authorised in line with this policy. Any trustee who places an order or gives an undertaking without the required authorisation is personally liable for the amount involved.
- 7.4 All fundraising, contract bids and grant applications made on behalf of JCA must have the prior approval of the trustees, or in urgent situations the approval of the chairperson in consultation with at least one other trustee, ideally the treasurer. In such cases the chairperson provides full details to the next trustees' meeting.
- 9.3 Copies of grant application will be kept and available to trustees on request. When bids are made using internet portals electronic or paper copies of the bid will be kept.
- 9.4 All funding contracts or grant acceptance documentation will be brought to the trustee's attention for approval, by email, telephone or a virtual meeting if the situation is urgent.
- 9.5 ATM cash cards are not used and if issued by the bank will immediately be cut in half.
- 9.6 JCA will maintain up to date good quality antivirus and anti-phishing software on all computers that connect to the internet for internet banking and all other activities.