



Brigitte Trust

Financial Policies and Procedures

1 Introduction

Brigitte Trust will at all times maintain appropriate financial controls, keep proper records of account with computer back-up (2 full server back-ups, one stored internally, and one stored off premises) as necessary, keep supporting documents for all transactions, and will have an annual review by a Registered Auditor who will sign the accounts for presentation at the Annual General Meeting.

The annual financial year will run from 1st April to 31st March.

2 Aim

To provide effective control and to meet the reporting responsibilities of the charity:

- All financial procedures will follow good financial practice and will be subject to external review
- The accounts will be prepared in accordance with the latest Statements of Recommended Practice (SORP) and the Charities Act, and in compliance with the relevant Companies Acts
- Brigitte Trust will disclose to funding organisations such information as is required in accordance with contracts, agreements, or information in the public domain
- A copy of the audited accounts will be sent to Charity Commissioners, Companies House, funding bodies as requested and, to the extent directed at the time by the Company Articles, to Members or other interested parties
- There will be zero tolerance of fraud, bribery or corruption.

3 Procedures

3.1 Budgeting and Management Accounts

The Treasurer and Charity Manager will submit an annual budget to the Board of Trustees for its approval.

The management accounts will be monitored and a performance report, including financial data, will be presented at Board of Trustees' meetings with explanations provided by the Treasurer and Charity Manager.

Any Brigitte Trust Trustee may inspect the financial records at any time.

3.2 Purchasing and Payments

3.2.1 Purchasing

The following levels of purchasing authority apply:

- Up to £500: the Charity Manager. The authority excludes any lease, or recurring annual agreement, of a cumulative commitment in excess of £500
- Up to £1,000: the Treasurer and Charity Manager. The authority excludes any lease, or recurring annual agreement, of a cumulative commitment in excess of £1,000



- Up to and including £3,000: the Chair, Treasurer and Charity Manager. The authority excludes any lease, or recurring annual agreement, of a cumulative commitment in excess of £3,000
- Over £3,000: the Trustee Committee and Charity Manager.

Prices (or quotations) from two sources are required for purchases over £250 and from three sources over £500. Getting value for money is important; therefore, where we use regular suppliers who give good service, it will be necessary only to check their prices once a year or where prices are increased i.e. we should always be aware of other suppliers' prices.

3.2.2 Payment for purchases

Payment will only be made on provision of approved supporting documents, with purchases correctly coded. Sign off of invoices by staff is their confirmation that the goods or services provided have been of the quantity purchased, are fit for purpose, meet any specified requirements and are not damaged or defective unless noted to the contrary.

We will treat our suppliers fairly by paying to their required terms. We should not pay for anything (either goods or services) that is sub-standard, but the supplier must be told in writing of any reason for withholding payment.

It is normal that terms of payment for subscriptions, training programs, line rental etc. are made in advance; otherwise payments in advance should not normally be made for goods and services.

3.2.3 Employee and volunteer expenses

The following authorisation levels apply:

- A service Co-ordinator may approve expenses up to £100, where above £100 a second signatory (normally the Volunteer and Training Manager) is required and where above £200 the Charity Manager's authorisation is also required
- Approval of the Volunteer and Training Manager's or other employees and volunteers expenses is by the Charity Manager
- Approval of the Charity Manager's expenses is by the Treasurer or Chair.

Employee and volunteer expenses should be claimed by the 14th day after the end of each month and reimbursement will be made within 10 working days of expense submission. Payment will only be made on provision of approved supporting documents and only where expenses are for services provided wholly for the purpose of Brigitte Trust business.

All expenses claimed must be coded correctly. In completing expense forms staff must identify clearly that all items claimed are either:

- Eligible expenses incurred in the performance of staff member's duties
- Minor items such as consumable items.



3.2.4 Cheques and Signatories

All cheques require two signatories, as follows:

- Up to £500: the Charity Manager and a second authorised signatory
- Over £500: the Charity Manager and a Trustee

In the Charity Manager's absence, and provided that the Charity Manager is aware of the expenditure, either the Administrator and a Trustee OR two Trustees may sign off:

- Employee and volunteer expenses
- Trainer/Supervisor invoices
- Regular purchases or for purchases up to £200
- HM Revenue & Customs up to £1200.

At least three Trustees will be on the list of cheque signatories.

Where possible, cheques should be signed in the office. Where it is necessary for cheques to be sent to a Trustee for signature and these are crossed cheques made out to third parties, there is little danger of fraudulent interception. The Trustee signatory will be contacted in advance and, if posted, the cheques sent by first class post. The Trustee will advise the Administrator if the cheques fail to arrive the next day.

All cheques presented for signature must be accompanied by the original invoice or expense form which has been approved for payment. The original invoice or expense form must be marked with the cheque number and date to prevent being paid twice.

3.2.5 Bank reconciliation of purchases and payments

Bank reconciliations will be carried out monthly by the appointed accountant/book-keeper and any variation reported to the Treasurer.

3.2.6 Online Payments

All items for payment will be authorised according to the procedures set out in 3.2.1, 3.2.2, 3.2.3, and 3.2.4 above.

The NatWest online banking system allows payments to be entered into the system for subsequent authorisation and release. Authorisation and release are achieved by entering a pin code number into a card reader which holds the Charity's payment card. This, in turn, generates a random number that must be input to the on line payments screen.

Where the payment to be entered into the system is in excess of £500 the details will be emailed to one of the three authorised signatory Trustees, who will confirm their agreement by email. This confirmation email will be attached to the invoice/expense sheet for payment.

If the Trustee has concerns they should contact the Charity Manager or request to see



a copy of the invoice/expense sheet or other documents.

The online payments card and one card reader will be held securely by the Charity Manager whose responsibility it is to generate the random number to authorise and release the payments whether up to or in excess of £500. A second card reader will be held by either the Chair or the Treasurer.

3.3 Petty Cash, Cash and Cash Advance

Petty cash will be maintained on an imprest system (see Appendix A) with a level set at £250 or as otherwise agreed between the Treasurer and Charity Manager.

Petty cash will normally be confined to items under £50. All payments must be properly approved, marked PAID when they are discharged, and exchanged for a receipt plus appropriately authorised and coded expense sheet from the recipient. The cash will be reconciled by the Administrator every month and details checked by the appointed book-keeper.

The Charity Manager may exceptionally authorise advance expenses. A Cash Advance of up to £100 may be held by the Promotions Manager to provide a float and purchase consumables for fund raising events.

All cash must be kept in a secure cash box in a locked drawer and the keys kept securely.

The total cash (Petty Cash + Cash Advance) held must not exceed the amount identified in the organisation's current insurance policies. Any additional amount must be banked on the business day.

Custody of the Petty Cash is with the Administrator and the Cash Advance with the Promotions Manager.

3.4 Payroll

Employees will be paid monthly in 12 equal payments on the last Friday of each month.

Brigitte Trust and its appointed accountants will at all times follow current legislation and procedures of PAYE, Work Place Pensions and National Insurance, and properly account to the Inland Revenue for all sums deducted from salaries. We will not employ any subcontractors who cannot produce the necessary tax certificates, nor will we employ sub-contractors without deducting tax and National Insurance Contributions from them.

The pay report will be prepared by the Administrator, or alternatively by the Charity Manager or Treasurer in her absence.

Employees will be paid directly into their bank accounts via the BACS system. The appointed accountants are responsible for transmitting the salary details for BACS processing.



Additions or amendments to staff salaries must be authorised by the Charity Manager.

Individual employee salary information is confidential and will be accessed only by those authorised to process the information.

3.5 Invoices & Debtors

Invoices, where required, will be raised for income on a timely basis and with the supporting information that may be required by the terms and conditions that apply.

Receipt of payment will be pursued in a timely and professional manner by the Administrator.

3.6 Incoming Cash

Any incoming cash and cheques should be banked as soon as possible by the Administrator or Promotions Manager.

A summary of all cash and cheques received and banked will be compiled by the Administrator or Promotions Manager and a copy provided to the appointed book-keeper.

3.7 Fixed Assets

Acquisition of fixed assets will in general follow the same procedure as purchases.

Individual items above £500 or a group of purchases that comprise one asset will be capitalised in the accounts and depreciated over an appropriate period.

3.8 Bank and Deposit Accounts

Appropriate bank accounts will be maintained in order to facilitate accessibility to funds and also to obtain best value.

These may include Current Accounts, Deposit Accounts or Investment Accounts as agreed by Treasurer and Charity Manager with prior authorisation of the Board of Trustees.

The Treasurer is authorised to make periodic transfers between these accounts subject to their prior agreement. Any transfer to an investment account where the capital sum may be at risk is subject to the approval of the Trustees.

3.9 Fraud and Corruption

Brigitte Trust will maintain a zero tolerance approach and culture to acts of fraud, bribery or corruption whether by staff or by other people in organisations that we work with.

3.9.1 Definitions

- The Chartered Institute of Public Finance and Accountancy (CIPFA) defines Fraud as the "intentional distortion of financial statements or other records by persons internal or external to the organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain"



- The Fraud Act 2006 further defines fraud in three classes as "False representation; Failure to disclose information where there is a legal duty to do so; Abuse of position"
- CIPFA defines Corruption as the "offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person"
- The Theft Act 1968 defines theft as "a person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it"
- The CIPFA defines Bribery as "an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage".

3.9.2 Raising Concerns

Employees and volunteers should report any concerns over fraud, bribery or corruption normally to the Charity Manager, Chair or Treasurer. However, the organisation's Whistle Blowing Policy may alternatively be used.

3.9.3 Conduct of Investigations

Investigations will follow Brigitte Trust normal Disciplinary Procedures or Volunteer Support and Resolution Process. Fraud, bribery or corruption will normally be regarded as gross misconduct. However:

- Investigations may include those by external bodies or professional advisors
- Criminal charges may arise.

Where acts of fraud, bribery or corruption relate to people in other organisations we work with, we will collaborate with the organisation to determine what has gone wrong and to determine the appropriate action. We would anticipate that the thoroughness of any investigation and severity of the outcome would be similar to that which would apply internally. The Trustees and Charity Manager would review the relationship with any organisation should an outcome fall significantly short of our expectations.

3.9.4 Confidentiality

Any matters relating to an investigation of fraud, bribery or corruption are confidential. Any person suspected of committing such acts has a right as far as possible to confidentiality during the investigations and any subsequent disciplinary procedure.

3.9.5 The Reputation of the Charity

Acts of fraud, bribery or corruption may place the reputation of the charity at risk. The Chair and Charity Manager are responsible to ensure that we act quickly to take appropriate action:

- The Chair will consult with other Trustees
- The Charity Manager will be the single point of contact for all external communications.

Date reviewed	November 2018
Date to be reviewed	November 2019
Date approved	



Appendix A

Imprest System

An imprest system of petty cash means that the general ledger account Petty Cash will remain dormant at a set amount. For example, if the petty cash custodian is entrusted with a locking bag containing £100 of currency and coins, then the Petty Cash account will always report a debit balance of £100. This £100 is the imprest balance. As long as £100 is adequate for the organisation's small disbursements, then the general ledger account Petty Cash will never have an entry again.

When the coins and currency in the locking bag get low, the petty cash custodian will request a cheque to replenish the coins and currency that were disbursed. Since the requested cheque is drawn on the organisation's cheque account, the Cash account (not the Petty Cash account) will be credited. The debits will go to the expense accounts indicated by the petty cash receipts, e.g. postage expense, supplies expense. In other words, the general ledger account Petty Cash is not involved in the replenishment. (Replenishment means getting the total of the coins and currency in the locking bag back to £100.)

Under the imprest system, the petty cash custodian should at all times have a combination of coins, currency, and petty cash receipts equal to £100, the imprest amount.

Control occurs through the review of the petty cash receipts attached to each cheque request for replenishment. It also occurs by occasionally confirming that the items in the locking bag do indeed add up to the imp rest amount.