



**CROHN'S AND —
COLITIS RELIEF**

Fighting the condition with love and care

Financial Management Policy

Reviewed in: May 2024

Next review date: May 2025

Signed

Chief Executive/Responsible Office: Mrs Rapaport



Financial Systems and Controls Policy and Procedures

1. Background to Policy

Crohn's and Colitis Relief is committed to operating sound financial systems with proper controls and monitoring that meet accepted accounting standards and fully comply with funders' requirements.

Crohn's and Colitis Relief believes that proper financial systems underpin the provision of quality services, meeting the needs of users and creating credibility with funders and users of services.

2. Responsibility for Financial Systems and Control

The Executive Committee (Boards of trustees) of Crohn's and Colitis Relief retains overall responsibility for the financial management of the organisation. It is the duty of the Executive Committee to check that proper financial controls are set and that the means of controlling and monitoring all financial matters are in place.

The Executive Committee is responsible for ensuring compliance with the requirements set out in the Charities Act 2006 and Company's Act 2006 as well as the Charity SORP 2005.

The Treasurer is the lead officer on the Executive Committee with responsibility for financial systems and control.

Crohn's and Colitis Relief's Finance Manager is responsible for the day-to-day implementation of this Policy. The Finance Manager is responsible to the Director.

3. Records and Reports

- 3.1 The Finance Manager and the Director prepare budgets for three years ahead for planning purposes.
- 3.2 The Finance Manager and the Director will be responsible for preparing an annual budget for approval by the Executive Committee at least 4 months before the start of each financial year.
- 3.3 The Finance Manager will prepare quarterly management accounts for the Executive Committee. These are statements of income and expenditure against budgets, which highlight positive and negative variances. The Executive Committee or the Director may request more frequent management accounts if it is felt that this is necessary.



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- 3.4 The Finance Manager will prepare an annual cash-flow forecast at least 2 months before the start of the financial year.
- 3.5 The Finance Manager will monitor actual cash-flow and provide regular cash-flow reports to the Director.
- 3.6 All the Company's cash books (cash received, cash paid and petty cash), bank statements, cheque books, paying-in books and other financial information will be kept in Crohn's and Colitis Relief's office and are to be kept up to date at all times.
- 3.7 Accounting information will be recorded manually, and will also be computerised using QuickBooks systems.
- 3.8 The Executive Committee are responsible that the annual accounts are audited within no less than five months after the end of the financial year and report and copies of audited accounts are presented at the Company's Annual General Meeting. The Director will see that this is implemented.

4. Authority for Payment

- 4.1 The process for authorising expenditure is via a budget approved by the board of trustees. Expenditure is only incurred within agreed budgets. Each payment is authorised by two trustees or by two members of the management committee.
- 4.2 Once trustees or the management committee have approved a budget, the Director has the following authority:
 - To increase expenditure on any item by £1,000
 - To substitute costs within a budget heading, e.g. increase the hours and salary for a member of staff, to cover a job vacancy.These authorities are subject to adequate funds being available and the usual process for authorising payments i.e. authorisation by two trustees.
- 4.3 If authorisation of larger amounts than £1,000 and up to £15,000 is required prior to a Trustees meeting, this may be done with approval of the Chair and Treasurer only, and should be ratified at the next Trustee meeting.
- 4.4 Authorisation of amounts larger than £15,000 prior to Trustees Meeting may be done by requesting permission from the Board of Trustees.

5. Cheques and Bank Accounts

- 5.1 Crohn's and Colitis Relief will maintain a current bank account- the control account- through which all payments and receipts will be made. There is an additional deposit



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- account. These accounts operate by transfer into or out of the control account.
- 5.2 The Chair, Treasurer and one other Executive Committee Member are authorised to sign cheques on behalf of the Executive Committee.
 - 5.3 Cheques, for payments other than wages may only be signed if accompanied by an original invoice/bill. Where, exceptionally, no invoice is obtained, a Payment Authority voucher must give full explanation. A summary of monthly salaries will be provided to the authorised signatories, upon which they will sign cheques for wages.
 - 5.4 All cheques will require two authorised signatures. The Person who makes out the cheque must, at the same time, complete the cheque stub with details of date, amount, payee and brief description of the payment. The cheque stubs are to be kept in a secure place. The counter signatory must always ensure that the proper procedure have been followed prior to signing.
 - 5.5 All payments, except for petty cash are to be made by cheque, online banking, standing order and direct debit. Direct debit can be used for regular expenses such as rent and utilities. The procedure for initiating a direct debit/standing order is identical to authorising a payment by cheque and requires two authorised signatures and a record kept in a safe place.
 - 5.6 All paid invoices or Payment Authority Vouchers must be marked paid, and should be filed in alphabetical order.
 - 5.7 Blank cheques are never to be signed.
 - 5.8 Bank accounts should be reconciled on a regular basis by the Finance Manager from the cash book balance to bank statements.

6. Petty Cash

- 6.1 An imprest system will be used to operate a float of £200, which will be held in a locked petty cash book in a secure place and which will be the responsibility of the Finance Manager.
- 6.2 Petty cash should be used for items costing no more than £ 80.00
- 6.3 All petty cash payments are to be made on petty cash vouchers and these are to be accompanied by an explanation and wherever possible, by a receipt.
- 6.4 The Finance Manager should ensure that a correct balance is maintained in the petty cash box at all times.



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- 6.5 All moneys drawn for petty cash purposes must follow the prescribed cheque authorisation procedure.
- 6.6 Petty cash should be reconciled on a regular basis from the balance as per the records to actual cash in the petty cash box.

7. Incoming Money

- 7.1 Mail is collected from the mailbox by the Administrator and should be opened as soon as possible. The Administrator works in room with other staff. Unopened mail should not be left around.
- 7.2 The Administrator should hand over the cheques/cash to the Finance Manager.
- 7.3 The Finance manager is responsible for banking all cheques/cash received, preferably the same day if not as soon as possible.
- 7.4 A copy of receipt or invoice must be retained for all items of cash received.
- 7.5 A record of all payments into the bank account shall be kept with the date, amount, payee and description of the type of income or transaction.
- 7.6 All invoices should be raised on Crohn's and Colitis Relief letterhead.

8. Payments

- 8.1 In placing orders for goods and services, two quotations should be obtained for orders over £500.
- 8.2 The Finance Manager is responsible to make sure that appropriate checks are made to confirm that goods ordered have been received and that every purchase has been duly authorised.

9. Staffing Matters

- 9.1 A job description and person specification is prepared or approved for each post by the Director. A job description and person specification for the post of Director is approved by the Chair and Treasurer, who constitute the remuneration panel.
- 9.2 Arrangement for salary payments should be approved and controlled by Crohn's and Colitis Relief's Finance Manager in consultation with the Director.



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- 9.3 Recruitment procedures should be followed. Two references should be sought for all posts.

10. Expenses

- 10.1 Crohn's and Colitis Relief will have separate expenses claims forms for staff and volunteers. Receipts should be attached to the claims form with an adequate explanation of how the expense was incurred.
- 10.2 Volunteers' expenses should only cover travel and food and expenses incurred in carrying out work for Crohn's and Colitis Relief e.g. photocopies or telephone calls.
- 10.3 Expenses should be claimed promptly.
- 10.4 Expenses are authorised by the Finance Manager unless it exceeds £200 in which case the Director's authorisation is required. The Director's expenses should be check by the Treasurer.

11. Security

- 11.1 A fixed asset register will be kept listing all the major items of equipment and showing when purchased, the cost, location and condition. Further details can be added as appropriate, including serial numbers of equipment.
- 11.2 The asset register should be updated when new assets are acquired.
- 11.3 The Finance Manager shall be responsible for introducing and maintaining adequate arrangements for all aspects of security, throughout Crohn's and Colitis Relief, including all buildings, staff, stocks, equipment, cash records and confidential information.
- 11.4 The organisation will have employers' liability insurance, professional indemnity insurance and contents insurance that are adequate to cover potential losses.
- 11.5 Any financial irregularity must be reported immediately to the Chair and Treasurer. The Chair and Treasurer may call an urgent Executive Committee meeting to discuss the matter of concern. The Committee may appoint a sub-committee to investigate the matter. This Committee shall not include any individual involved in the matter that is to be investigated.