###### **Rotary Club of Norwich (RCN)**

######  **Charity Services Fund**

## Financial Procedures

**Content:**

|  |  |
| --- | --- |
| **Title** | **Page** |
| General | 2 |
| Accounting | 3 |
| Banking | 4 |
| Budget Setting and Budgetary Control | 5 |
| Income | 6 |
| Authorisation | 6 |
| PaymentsPurchasing Procedure | 77 |
| Expenses | 8 |
| Insurance and Fixed Assets | 9 |
| Audit / Independent Examination | 9 |
| Reserves | 10 |
| Separation of Duties | 10 |

**Introduction**

Adequate financial procedures are essential for the effective management of a charity. They should be documented and easily available within the organisation.

1. **General**
	1. RCN Charity Services Fund Trustees Board is responsible for ensuring that the charity is adequately resourced and that proper financial controls are in place. The Trustees Board can delegate control to the Treasurer or the Chief Executive but it cannot delegate ultimate responsibility.
	2. The Treasurer has delegated authority from the Trustees Board to ensure that the finance function is carried out efficiently within the policies of the charity.
	3. The Trustees Board delegates to the RCN President and the Treasurer the responsibility for overseeing and directing the day-to-day financial affairs of the charity.
	4. The Treasurer is responsible for performing the tasks which constitute the finance function within RCN Charity Services Fund and for keeping the President, the Board of Trustees and the Council Members informed of the charity’s financial position. It is the responsibility of the Treasurer to ensure the monitoring of the finance function and keeping the Trustees Board informed of all financial matters.
	5. The Trustees Board shall not consider taking on any new activity or making changes to an existing one unless they have already received full details of the financial implications.
	6. Ultimately the Trustees Board is responsible for ensuring that these financial procedures are followed in all aspects of RCN Charity Services Fund work.
	7. The Treasurer can make recommendations about the changes to these procedures, which can be implemented only after the ratification by the Trustees Board.
2. **Accounting**
	1. The President is responsible for overseeing the accounting records. The devising and developing of appropriate systems is delegated to the Treasurer.
	2. In the allocation of accounting duties, the following functions shall be separated as completely as possible:
* calculating, checking and recording money due to or owed by the charity
* collecting and paying these sums
	1. The Treasurer is delegated to account for and process all financial transactions in the charity. Some duties may be delegated to the Assistant Treasurer as and when required.
	2. Accounting records must be sufficient to show and explain all the charity's transactions and disclose at any time, with reasonable accuracy, the charity's financial position. The records will contain entries for all receipts and payments on a day-to-day basis together with a suitable analysis of all such transactions. A record of all assets and liabilities will also be kept.
	3. The Treasurer shall ensure that all the accounts and accounting records of the charity are properly balanced each year within the timescale laid down by the Trustees Board and are submitted for audit/independent examination in accordance with existing statutory regulations.
	4. All accounting records must be retained for a minimum of six years (i.e. the current year's records plus the previous six). No voucher or other document shall be destroyed before this time.
	5. The Treasurer is responsible for taking any steps that may be necessary to protect the financial interests of the charity pending receipt of instructions from the Trustees Board.
1. **Banking**
	1. The charity’s Bankers are:

Barclays Bank

5-7 Red Lion Street

Norwich

NR1 3QH

* 1. The charity maintains the following bank accounts:

Current Account (account no: 80681288 sort code: 20-62-53)

Saving Account

* 1. The following are signatories to the accounts:

##### Trustee Board: President, Treasurer, 2 Board Members

* 1. All cheques require two signatures. It is the responsibility of the signatories to make a check for arithmetical accuracy and to ensure that the payment is supported by adequate documentation. Blank cheques will never be signed. The cheque books are held at the registered office of the charity.
	2. The following conditions apply for signing cheques:
* All cheques must be signed by two Trustees
* No signatory may sign a cheque made out to themselves, to their partner or a relative.
	1. All bank accounts must be in the name of RCN Charity Services Fund. No account must ever be opened in the name of an individual. New accounts may only be opened with the written agreement of the Trustees Board.

* 1. Bank accounts will be reconciled monthly with the Cash Book.

* 1. The Treasurer has delegated authority from the Trustees Board to liaise with the bank on all matters related to the financial affairs of the charity.
1. **Budget Setting and Budgetary Control**
	1. The budget setting process starts in May for the following financial year (July to June financial year). The budget is set as far as possible to allow the charity to carry out the objectives set for the year by the Trustees Board.
	2. The budget is drawn up according to the following principles:
* consideration of the new items which should be included in the budget in order to achieve the objectives decided on for the year ahead
* consideration of income levels, including grant income
* the need to achieve the level of surplus indicated by the Trustees Board
* a calculation for general inflation
	1. The Treasurer and Committee Chairs are responsible for preparing and presenting a workable budget on agreed proforma for discussion and recommendation for agreement by the Trustees Board.
	2. Once a budget has been set, the Treasurer is authorised by the Trustee Board to spend up to the level of that budget.
	3. Management Accounts are produced by the Treasurer on a quarterly basis. Copies of the Management Accounts are given to the President. They form part of the agenda for meetings of the Trustees Board. The Management Accounts provide financial information, which compares actual income and expenditure for the period against budgeted income and expenditure and a forecast for the position at the end of the year. They are accompanied by a short report, which explains significant variances.
	4. The Treasurer is responsible for monitoring all committees’ budgets and for ensuring that any overspends and under-achievements of income are investigated and remedial action is taken.
	5. Budgets will be reviewed regularly (at least quarterly) and amended if necessary in the light of current information.
1. **Income**
	1. The Treasurer is responsible for keeping sufficient records that identify all sources of income and the use to which it may be put.
	2. All monies received will be banked within five working days. Cash received must be banked intact and may not be used to make payments.
	3. Any chargeable services will be invoiced upon completion. The Treasurer will make appropriate arrangements to pursue non-payment. No amounts owing to the charity may be written-off without the authorisation of the Trustees Board.
	4. The evidence of funds banked or money passed on to the Treasurer or Deputy Treasurer must be accompanied by a completed Part 1 of the form included in Appendix 2.
2. **Authorisation**
	1. Approval Levels

For all purchases contained **within** the current RCN Charity Services Fund budget, the following approval levels will apply:

£0 to £250 - Treasurer

£250 to £500 - Treasurer and President

Over £500 - Trustees Board

For all purchases **not** contained within the current RCN Charity Services Fund budget, the approval needs to be obtained from the Trustees Board.

* 1. Quotations

All items/projects with a spend in excess of £500 will require 3 written quotations.

Where obtaining 3 written quotes is not feasible then the authority to approve the spend without 3 written quotes is delegated to the Treasurer and President for expenditure between £500 - £1,000, with spent over £1,000 to be approved by the Trustees Board.

* 1. General Note

All values are assumed to include VAT.

* 1. Purchasing Procedure
		1. All purchases (excluding petty cash) are to be initiated with a Purchase Requisition Form signed by the requesting member (see appendix 1).
		2. All orders for goods and services must be authorised by the President. The President may delegate this authority to individual committee members by allocating them a limit of authority. Confirmation will be required from the Treasurer that the purchase is within the current RCN Charity Services Fund budget.
		3. Approvals must be sought for purchase according to the value of the request and whether or not it is within current RCN Charity Services Fund budget.
		4. Quotations must also been obtained for items in excess of £500 and included with request for approval.
		5. Upon receipt of item(s) a check should be made to ensure that
* Correct item(s) received
* No item(s) damaged
* Correct Qty received
	+ 1. Once item(s) receipt is verified the Purchase Requisition Form, approvals, supplier invoice and delivery note(s) are passed to the Treasurer.
1. **Payments**
	1. All incoming invoices shall be recorded in the day book and filed. The unpaid invoices file should be examined once a week to ensure that all bills are paid by their due date.
	2. Invoices should be matched and checked against orders before payment is made. The person receiving the goods should also confirm that they have received what was ordered.
	3. The Treasurer shall approve the authorisation of payment of an item of expenditure by signing and dating the invoice.
	4. The normal method of payment of money due from the charity is by cheque.
	5. All request for payment must be made by completing Part 2 of the form included in Appendix 2 and passed on to the Treasurer.
	6. The Treasurer has authority to pay all amounts to which the charity is legally committed once such payment has been authorised.
	7. When the cheque is signed, the initials of the two signatories should be entered on the invoice.
	8. Once payment has been made the invoice should be clearly marked "Paid", together with the cheque number and date. All payments must be entered in the Cash Book within seven working days.
2. **Expenses**
	1. RCN Charity Services Fund will reimburse the following expenses met by the voluntary staff:
* Travel on RCN Charity Services Fund business
* Car parking on RCN Charity Services Fund business
* Other expenses at the discretion of RCN Charity Services Fund Trustees
	1. Travel

Travel expenses are only reimbursed for travel on RCN Charity Services Fund business.

* 1. How to Claim

The claim can be made by using the standard Expenses Forms EC1 (see appendix 3) and EC2 (see appendix 4) and must use the procedure and expenses rates shown below to claim their expenses.

* Accurate mileage must be recorded on the EC2 form.
* Original receipts for car parking, train tickets, etc. must be logged and attached to EC1
* The form must be authorised by the President. By so authorising, the President certifies that he/she is satisfied that the expense has been properly incurred.
* The authorised claims must then be submitted to the Treasurer for payment.
* Claims should normally be made on a monthly basis on the standard Expenses Forms (EC1 or EC2)
* All claims submitted by the 10th of the month will be paid by cheques by the end of that month.

Travel expenses are paid per mile at a rate as shall be from time to time agreed by the Trustees. Full reimbursement of public transport fares.

1. **Insurance and Fixed Assets**
	1. The Trustees Board delegates to the President and the Treasurer the responsibility for ensuring that the charity is protected as necessary by insurance policies. This includes the protection of the charity’s fixed assets and fundraising events.
	2. The President is responsible for making any necessary claims against insurance policies.
	3. A Fixed Assets Register of all fixed assets of the charity (those capital items with a purchase price of more than £50and with an estimated life of more than 12 months) is kept and updated by the Treasurer. The President has the responsibility for adding any new assets to the insurance policy.
	4. The Asset Register should be kept up-to-date and include the following information:
* Date of acquisition
* Description, including a unique identification mark such as a serial number
* Cost
* Location of asset
* Details of disposal or write off

The above information should be noted on the form (see appendix 5) which should be returned to the Treasurer.

* 1. The loss or theft of any fixed assets must be notified to the Treasurer who will ensure that the matter is fully investigated and the police notified if this is appropriate. In the case of any item disappearing from RCN Charity Services Fund storage, the police will always be notified.
	2. The charity’s property cannot be removed from its premises without the agreement of the President.
	3. Assets owned by the charity are, as far as possible, marked as RCN Charity Services Fund property.
1. **Audit / Independent Examination**
	1. The Trustees Board is responsible for recommending the appointment of Independent Examiner at the Annual General Meeting. The purpose of the annual independent examination is to examine the books and records of the charity to ensure that RCN Charity Services Fund interests are protected.
	2. The Independent Examiner reports to the Trustee Board on:
* The soundness, adequacy and application of internal controls
* The extent to which the charity’s assets and interests are accounted for and safeguarded from losses of all kinds arising from fraud and other causes
* The suitability and reliability of financial information
	1. The Independent Examiner has access to all the charity’s financial and other records.
	2. Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash or other property of the charity or any suspected serious irregularity in the exercise of the charity’s procedures, the Treasurer and the President must be notified immediately.
	3. Where the irregularity may involve the Treasurer, the person making the discovery should report the matter to the President.
	4. The Treasurer or President will take whatever steps are necessary to investigate the matter, and immediate remedial action to prevent continuation of, and/or remedy to, the situation and to ensure that RCN Charity Services Fund assets are safeguarded, including the reporting of the matter to the Trustees Board.
1. **Reserves**
	1. RCN Charity Services Fund reserves policy is as follows:
		1. RCN Charity Services Fund recognises the need to hold reserves to enable the charity to absorb setbacks, take advantages of change and opportunity and to secure the future viability.
		2. Free reserves (as defined by the Charity Commission) will be maintained at a minimum of £3,500.
		3. At each Trustees Board meeting the Treasurer shall report the level of free reserves held and the latest projection of annual expenditure.
2. **Separation of Duties**
	1. Duties should be properly separated between individuals so that key tasks are assigned to different Board members. As a result there will be a reduction in the risk of error or intentional manipulation because the work of one person will act as a check on the work of another.
	2. Functions that should be separated include:
* authorisation (the authorisation of a transaction such as a purchase order or payment)
* execution (the placing of an order, receiving of goods and services or charging and receipt of a fee)
* custody (the holding of the goods or services)
* recording (the completion of the accounting records)
* cheque processing and signing
	1. The minimum degree of separation should be [for example in an emergency] two cheque signatories, with non-signatories preparing the monthly bank reconciliation and accounting entries.
	2. The Trustee Board (usually through the President or the Treasurer) should be informed whenever the appropriate degree of separation as outlined above (whether an emergency or otherwise) has not been possible, and should also be informed if the bank reconciliation has not been performed, or if the accounting entries have not been processed in accordance with regular monthly procedures.

**Implementation, monitoring and review of this procedure**

This procedure will take effect from 22nd February 2017. The Treasurer has overall responsibility for implementing and monitoring this procedure, which will be reviewed on a regular basis following its implementation and may be changed from time to time.

Any queries or comments about this procedure should be addressed to the Treasurer.

**Last reviewed**

**Appendix 1: RCN Charity Services Fund Purchase Requisition Form**

|  |  |  |  |
| --- | --- | --- | --- |
| Item and Supplier Details | Quantity | Price per item (inc VAT) | Total amount |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  | Grand total: |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Requesting member: |  | Date: |  |
| Purpose/ Activity: |  |  |  |
| Within budget: | Yes / No | Budget location: |  |
| Treasurer confirmation: |  | Date: |  |
| President approval: |  | Date: |  |
| Board approval: |  | Date: |  |

**Appendix 2:**

**Part 1: Details of Funds passed to Treasurer or banked**

Account to be deposited into: *(please tick)*

Club (Barclays, account no: 40681261 sort code: 20-62-53)

Charity (Barclays, account no: 80681288 sort code: 20-62-53)

Source of income:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­\_\_\_

Committee the income to be allocated to:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project for which these funds have been collected for:­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Breakdown of incoming funds:*** Cash (details below) £\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Cheques (details below) £\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 ***Total Gross Income* £**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Less Expenses*** deducted (list details of expenses and include receipts)

1)

2)

3)

4)

 ***Total Expenses*** £\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Net funds passed to Treasurer or banked £**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date banked/passed to Treasurer:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of person passing funds/depositing into bank:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Cash and cheques breakdown***

Cheque……………………………………….

Cheque……………………………………….

Cheque……………………………………….

Cheque……………………………………….

£50 notes…………………………………….

£20 notes…………………………………….

£10 notes…………………………………….

£5 notes………………………………………

£2 coins………………………………………

£1 coins………………………………………

50p and 20p coins…………………………..

10p and 5p coins……………………………

Bronze……………………………………….

**Total:**………………………………………..

Were there any **Gift Aided** donations? If so, please indicate within the breakdown above so tax relief can be claimed (increases the value of the donation by 25%).

**Part 2: Request for payments from the Treasurer**

Account the funds to be paid from:

Club Charity *(please tick)*

Amount to be paid:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­\_\_

Purpose of payment:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PAYEE:­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PAYEE full adress:­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Has the expenditure been agreed by the Council?

Yes No

*If payment is to be made from the Charity account, please state below:*

Committee the expenditure to be allocated to:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Project the expenditure to be allocated to:­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For Treasurer use only:

Date payment made:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cheque number:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Appendix 3: RCN Charity Services Fund Expenses Claim Form**

**(Form EC1)**

Name: ………………………………….. Position: ……………………………………..

Address (for cheque to be sent) ……………………………………………......................

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Receipt No.** | **Date** | **Description**  | **Project Costed** | **Amount**  |
| 1 |  | Total travel claim (per attached EC2) |  |  |
| 2 |  | Car Park Fees |  |  |
| 3 |  | Sundries |  |  |
| 4 |  | Train ticket |  |  |
| 5 |  | Telephone |  |  |
|  |  | **Total travel and subsistence claim:** |  |  |

Please attach receipts for all expenses except mileage.

|  |
| --- |
| I declare that the expenses above have been actually and necessarily disbursed by me and are claimed in accordance with RCN Charity Services Fund financial procedures.Signed: ………………………………………….. Date: …………………..... |
| I confirm that I have checked each page of this claim and that it has been made in accordance with RCN Charity Services Fund financial procedures.Authorised: Name: ……………………………………..Position: ………………………………………………Date: ……………….. |
| PTODate payment made: ……………………… Made by: ………………………….Signed: ………………………………………… |

**Appendix 4: RCN Charity Services Fund Travel Claim Form**

**(Form EC2)**

For month of: ……………………………………………………………………………………

Name: …………………………………….. Position: ………………………………………..

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Journey Details (start and finish destination)** | **Departure and return times** | **Reason for journey** | **No of miles**  | **Amount claimed (miles x £0.45p p/m)** |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |
|  |  |  |  | **Total****travel****claim** | **£** |

I declare that the expenses detailed above have been actually and necessarily disbursed by me and are claimed in accordance with RCN Charity Services Fund financial procedures.

Signed: …………………………………………

Date: ………………………………………….

**Appendix 5: RCN Charity Services Fund Asset Acquisition Form**

|  |  |
| --- | --- |
| Date of acquisition |  |
| Description (inc. serial number) |  |
| Cost |  |
| Location of the asset |  |