



Charity Number 1186844

Financial Controls Policy Reviewed August 2021

1. Introduction

As a basic Financial Management guiding principle, the Board of Trustees must act responsibly with the Charity's funds. This is a collective responsibility, not solely that of the Treasurer and Chair.

Records will be kept so that OGLBT can:

- a) Meet its legal and other obligations, e.g. HMRC, Charities Acts, Companies Acts, contract and common law.
- b) Enable the committee to be in proper financial control of the OGLBT.
- c) Enable the OGLBT to meet the contractual obligations and requirements of funders.

1.2 The OGLBT will keep proper books of accounts which may be excel spreadsheets or a handwritten cash analysis book. They will include:

- a) A cash book (spreadsheet page), analysing all the transactions in the OGLBT bank account(s).
- b) A petty cash book (another spreadsheet page) if cash payments are being made.

1.3 The financial year will end on the [31st March] each year.

1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next committee meeting.

1.5 Prior to the start of each financial year, the committee will approve a budgeted income and expenditure statement for the following year.

1.6 A report comparing actual income and expenditure against the budget will be presented to the committee every three months.

2. Banking

2.1 The OGLBT will bank with the **(Information below to be redacted for the publicly accessible version of the policy to prevent fraudulent use)**

- 2.2 The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the committee as will all the changes to it.
- 2.3 The charity will require the bank to provide regular statements and electronic access to all transactions. These will be reconciled with the cash book at least every three months.
- 2.4 The charity will not use any other bank or financial institution or use overdraft facilities, credit cards or loans without of the agreement of the committee.

3. Receipts (income)

- 3.1 All monies received will be recorded promptly in the finance spreadsheet and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). The OGLBT will maintain files of documentation to back this up.

4. Payments (expenditure)

The aim is to ensure that all expenditure is on the OGLBT business and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.

- 4.1 The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- 4.2 Blank cheques will NEVER be signed.
- 4.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 4.4 No cheques will be signed without original documentation (see 6 below).
- 4.5 Internet Purchases. When purchases are made over the internet the OGLBT will ensure that only well know bona fide sites are used for purchasing and that they have appropriate security as illustrated by a locked padlock in the bottom right-hand side of the screen when a payment is being made. The supplier's star rating for customer satisfaction will be reviewed. Purchases will be properly authorised in a similar way to other purchases. Purchases will not be made from unknown private individuals over the internet. Complex passwords (include lower case and uppercase letters, numbers and symbols) will be used and a copy given to the Treasurer.

5. Electronic Banking

Electronic Banking is to be the preferred method for financial transactions.

- 5.1 The Chair and the Treasurer will have a unique password which is agreed with the bank.
- 5.2 The Treasurer will be able to access the electronic banking system for the purposes of putting transactions onto the system, making online payments authorised by the trustees cheque signatories and for checking account balances.
- 5.3 The Treasurer will check that purchases have been properly authorised and ensure there is evidence that goods have been received in good condition and authorised services have been delivered.
- 5.7 Cheques. Authorisation from two cheque signatories will be required for each cheque payment.

5.8 Online payments. Following authorisation by trustees, the Chair will e-mail the Treasurer to confirm their authorisation. This email will act as evidence for any Independent Examiner as to who authorised the payment.

6. Payment documentation

6.1 Every payment out of the OGLBT bank accounts will be evidenced by an original invoice. That original invoice will be retained by the OGLBT and filed.

6.2 The only exceptions to cheques not being supported by an original invoice or screenshot of an electronic payment to a supplier would be for small payments to individuals. Here a Expense Claim form will be used, to be submitted with receipts to the treasurer for payment, preferably by BACs.

7. Petty cash

7.1 Petty cash will always be maintained by the Treasurer who is entrusted with a float as agreed by the committee. When the float is, more-or-less expended, a cheque for cash or BACs payment to the float holder or a BACs payment to the float holder, will be drawn for sufficient funds to bring up the float to the agreed sum. The cheque or BACs payment will be supported by a complete set of expenditure vouchers, totaling the amount required to top up the float to the amount agreed by the committee ie. £100. The vouchers will be analysed against the budget headings.

8. Expenses/allowances

8.1 The OGLBT will, if asked, reimburse expenditure paid for personally by members/volunteers, providing:

- Prior authorisation by the committee
- Fares are evidenced by tickets or if paid contactless a redacted bank statement
- Other expenditure is evidenced by original receipts

9. Cheque signatures

9.1 The preferred method of payment is by BACs; whenever this not possible, all cheques, must be signed by two authorised signatories.

9.2 If a cheque need to be made out to a bank signatory it should preferably be signed by other signatories rather than themself.

10. Other undertakings

10.1 The OGLBT does not accept liability for any financial commitment unless properly authorised. All orders for goods or services over £100 must be authorised and minuted by the committee.

10.2 All fundraising and grant applications undertaken on behalf of OGLBT will be done in the name of OGLBT with the prior approval of the committee or in urgent situations the approval of three committee members by email one of whom will provide full details to the next committee meeting.

10.3 The OGLBT will adhere to good practice in relation to its finances.

10.4 When relevant the committee will set up and maintain a fixed-asset register of physical assets like laptops. stating the date of purchase, cost, serial numbers and normal location. The OGLBT will maintain a property record of items of significant value, with an appropriate record of their use.

10.5 The committee will review the necessary insurance requirements each year.

10.6 These controls will be reviewed yearly and revised if necessary.

----- End of policy -----

Acknowledgment: We are grateful to CASH-ONLINE for the use of their template in the preparation of this policy - www.cash-online.org.uk

Version History

16/02/2021	Date of approval
17/08/2021	Reviewed, amended and approved by OLGBT Board