

Finance Policy

Introduction

1. Introduction

This is a statement of the Financial Controls Policy of The SUN Network. The organisation will follow good practice in all financial matters and this statement is designed to clarify certain areas and set areas of responsibility.

The overall financial control of The SUN Network rests with the Board of Directors, but in practice, this is devolved to the Executive Director.

2. Financial Records

Financial Records will be kept so that the organisation can:

(a) Meet its legal and other obligations; The Companies Act 2006, The Community Interest Company Regulations 2005, HM Revenue and Customs and common law (b) Enable the Board of Directors to be in proper financial control of the organisation (c) Enable the organisation to meet the contractual obligations and requirements of funders

Accurate books of accounts will be kept using appropriate software which will enable separate funds to be identified, together with the relevant expenditure.

The financial year will end on the 31st March each year

Accounts will be drawn up after each financial year within three months of the end of the year and presented to the board and next Annual General Meeting. They will be independently examined or audited in accordance with the requirements of a Community Interest Company.

Prior to the start of each financial year, the Board of Directors will approve a budgeted income and expenditure account for the following year.

A report comparing actual income and expenditure with the budget will be presented to the Board of Directors at each Board meeting.

At the AGM the Board of Directors will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM.

3. Banking

The organisation will bank with a suitable bank, currently Santander. Accounts will be held in the name of Healthwatch Cambridgeshire and Peterborough.

Bank mandates will always be approved by the Chief Executive/Chair of Directors as will any changes.

The organisation will require the bank to provide statements monthly, these will be reconciled with the cash book every month. The board will spot check that this reconciliation has been done at least twice a year, signing the reconciliation statement accordingly.

The organisation will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the Board of Directors.

4. Petty Cash

There is currently no petty cash provision.

5. Payment by bank transfer

Authorised payments are initiated from the Santander cash account checking the amount, payee details and payment date. A secondary user will verify the details before authorising the payment.

All payments will be recorded in the appropriate software with the supporting documentation attached and reconciled against the bank statement on a monthly basis.

6. Company Debit Cards

The company debit cards are in the names of Lois Sidney (Executive Director) and Jonathan Wells (Chair of Directors) and shall be kept securely. If a card is lost/stolen, this will be reported to the Board immediately.

All debit card payments will be recorded in the same way as other payments with all supporting documentation attached.

All transactions paid for by debit card will be recorded in the appropriate software and reconciled against the bank statement on a monthly basis.

7. Invoicing

The Executive Director is responsible for ensuring that all invoicing is completed routinely, and payment is pursued through the appropriate channels.

8. Payment Documentation

Every payment out of the organisation's bank account will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained and filed. Each payment will have been authorised by the Executive Director.

The only exceptions to payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here the payment will be recorded in the appropriate software and a copy of the originating documentation filed.

9. Receipts

With regard to receipt of monies the following practice will be observed:

- All monies received will be recorded promptly and banked without delay
- Sales receipts will be reconciled to the amounts deposited in the bank by the Executive Director
- Records will be maintained to show the source of all income, whether in the form of invoices, receipts or other documentation

10. Salaries

There will be a clear trail to show the authority and reason for EVERY such payment and all payments will be made via internet banking where possible. Salaries will not be paid in cash. All employees will be paid within the PAYE and National Insurance regulations.

The Executive Director will authorise all salary payments.

All staff appointments/departures will be authorised by the Executive Director and reported to the Board of Directors. Similarly, all changes in hours, salary and variable payments such as overtime, etc. will be authorised by the Executive Director.

An employer's pension is available through The Peoples Pension. 2% of salary is contributed by the organisation and a minimum of 3% by the employee.

11. Expenses

Expenses incurred wholly and necessarily by staff, volunteers and The Board of Directors in the course of their duties will be reimbursed on completion of the relevant claim form with receipts attached. Payments must be made by internet bank transfer and will be paid around the 15th of the month. Staff must submit claim forms by the 5th of the following month to enable effective budgeting management by the Executive Director.

Receipts must be presented for all items apart from mileage. Vehicle mileage is paid in accordance with HMRC exempt rates.

12. Other undertakings

The SUN Network does not accept liability for any financial commitment unless properly authorised. Any orders placed, or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £10,000 must be authorised and minuted by the Board of Directors. In exceptional circumstances such undertakings can be made with the Chair's approval who will then provide full details to the next meeting of the Board.

The Executive Director will ensure that three quotes are obtained (where possible) before a service is purchased or renewed. Authorisation under £10,000 – Executive Director, over £10,000 - Board.

All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of The SUN Network Cambridgeshire and Peterborough with the knowledge of the Executive Director.

The annual plan will begin in January of every year so that the work for the coming financial year is clearly outlined at the earliest opportunity. It should be noted, however, that confirmation of the statutory funding streams connected to contracts are not usually received until February/March which may affect the final plan.

13. Reserves Strategy

The reserves strategy outlines the amount of money the organisation must have beyond restricted and designated funds and how it will be monitored. This amount of money will be for the purpose of either providing a buffer during periods of low cash flow or ensuring redundancy and outstanding debts owed should the company decide to cease trading.

14. Bad Debts

Owed by SUN NETWORK

SUN Network will pay all outstanding invoices within 30 days of receipt. Any difficulties in maintaining payments on behalf of SUN Network will be immediately brought to the attention of the Board

Owed to SUN NETWORK

Any unpaid invoices will be picked by the Executive Director. These will be reported to the Board to explore next steps. Any debts owing to SUN Network will be pursued. In the event that SUN Network is unsuccessful in full retrieval of payment, then the Board will explore any further action. Each case will be discussed, and any legal action taken will be based on measuring the overall risk to the organisation.

15. Finance Records

All financial records, including annual audited accounts, will be kept for the period as specified in the Retention of Records Policy.

Approved by The SUN Network Board of Directors Date: 23 April 2018

Next Review Date: April 2020

Responsible Officer Executive Director of The SUN Network.

Signed:.....

Date:.....

Signed:.....

Date:.....

