



Financial Controls

TARRERSHALL BEDE HOUSE TRUST

Registered charity number: 242378

Financial Controls Policy and Procedures

1 Introduction

- 1.1 The trustees of The Tattershall Bede Houses (the **Charity**) recognise that internal financial controls are essential checks and procedures that allow the trustees to:
- (a) meet their legal duties for protection of the Charity's assets;
 - (b) administer the Charity's finances and assets in a way that identifies and manages risks, including risks of conflicts of interest, loss, waste, bribery, theft or fraud;
 - (c) ensure the quality of financial reporting by keeping adequate accounting records and ensuring that suitable accounting policies are selected and applied consistently;
 - (d) make judgements and estimates that are reasonable and prudent; and
 - (e) ensure that charity law is complied with.
- 1.2 This policy covers all the Charity's financial affairs but should be read in conjunction with the Charity's policies on Investments, Reserves and Trustee Expenses.

2 Financial Records and Accounts

- 2.1 The Charity will comply with its obligations in relation to accounting as set out in Part 8 of the Charities Act 2011 and **[for charities that are companies limited by guarantee] the Companies Act 2006**. The Charity will maintain all accounting records as required by such legislation. N/A
- 2.2 The accounting records must include:
- (a) a cashbook, or electronic equivalent, analysing all of the transactions appearing on the Charity's bank accounts;
 - (b) a petty cash record if cash payments are being made;
 - (c) HMRC compliant payroll records (if registered for PAYE and National Insurance); and



- (d) a record of all monthly maintenance contributions paid by each resident and all benefits received on behalf of each resident.
- 2.3 Accounts will be drawn up to the end of each financial year preferably within 3 months of the financial year end and submitted to the Charity Commission within 10 months of the financial year end. **[(for charities that are companies limited by guarantee) The accounts will also be filed at Companies House within 9 months of the financial year end.]** Highlighted text N/A
- 2.4 The Trustees will approve a budget prior to the start of each financial year.
- 2.5 A report comparing actual income and expenditure with the budget will be presented at every full trustee meeting or when requested by the trustees.

3 Banking

- 3.1 Bank accounts will be held in the name of the Charity. The following account(s) will be maintained:
 - Current account 1
 - Savings account 2 accruing interest at current rate at time of writing 1%
- 3.2 The Charity should ensure that:
 - (a) all cheque and cash receipts are recorded promptly in the accounting records;
 - (b) all cheques and cash receipts are banked regularly and, if not banked on the day of receipt, are kept in a secure manner; and
 - (c) all funds are banked gross without deduction for costs or expenses.
- 3.3 The bank mandate (list of people who can sign cheques or authorise electronic payments on the Charity's behalf) will always be approved and minuted by the trustees. Any changes to the bank mandate will be minuted by the trustees. The minute approving the bank mandate will set out the levels of authority of any individuals who are only given limited authority limits to incur expenditure without approval of the trustees and such limits shall be consistent with the provisions of this policy.
- 3.4 Debit and credit cards will only be issued to individuals who have been approved by the trustees, with such approval being minuted by the trustees. All expenditure is to be supported by appropriate documentation (see below) and should only be for items of expenditure in accordance with the budget. All statements for payment cards must be sent directly to the Charity and not the card holder, and the **[treasurer] / [Clerk]** will reconcile the statements on a regular basis and report any **[material]** discrepancies to the trustees. **No cards are held by the Trustees or Clerk for any accounts.**



- 3.5 The **clerk** will reconcile bank statements with the Charity's records on a regular basis and report to trustee meetings on the status of accounts and any discrepancies.
- 3.6 If the Charity holds more than **£85,000** on deposit with any single bank or building society, the trustees shall take appropriate steps to ensure that the Charity is protected by the Financial Services Compensation Scheme and, where appropriate, shall diversify the Charity's deposit holdings amongst alternative institutions. N/A

4 Income

- 4.1 Monthly Maintenance Contributions (**MMC**) for each resident will be recorded separately in the accounting records which will be updated monthly.
- 4.2 Any non-payment of MMC will be reported directly to **Chairman who will investigate firstly with the Clerk** and promptly and report to trustees. Residents should be encouraged to pay their Maintenance Contributions through electronic means and payment in cash should be discouraged. If payments are received in cash, where possible, cash should be received in the presence of two unrelated individuals and banked in the Charity's account as soon as possible.
- 4.3 All other monies received will be recorded in the accounting records and banked without delay. The charity will keep records of all transactions.
- 4.4 If the Charity is notified that it is entitled to a legacy, details of the legacy should be recorded in the Charity's accounts and the Charity should take steps to monitor receipt of the legacy to ensure it is received.

5 Expenditure

- 5.1 The Charity may only incur expenditure in accordance with the objects of the Charity. The latest budget approved by the trustees indicates the limits of expenditure for authorised signatories and no un-budgeted expenditure **[in excess of £500]** should be incurred without the prior approval of the trustees.
- 5.2 The Clerk will keep cheque books (including unused and partly used cheque books) and these will be securely stored. Blank cheques will never be signed. The relevant payee's name and the amount in words and figures must always be inserted on a cheque before signature and the cheque stub must always be properly completed. No cheques will be signed without original documentation (see below).
- 5.3 In respect of online banking no payments will be paid without original documentation, passwords should not be written down or disclosed and IT controls should be maintained to minimise cyber security risks.
- 5.4 If expenditure is related to restricted funds or permanent endowment held by the Charity appropriate records will be maintained to ensure that the Charity can demonstrate it has complied with any prohibition on the manner in which such funds are to be expended.



6 Payment documentation

- 6.1 Every payment (including BACS, Direct Debit and Standing Order) out of the Charity's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). The original invoice will be retained by the Charity and filed. The signatory should ensure that a record of the payment made is noted on the invoice, including the cheque number or BACS reference.
- 6.2 Wages and Salaries. There will be a clear trail to show the authority and reason for every such payment. All employees will be paid in accordance with the regulations that relate to PAYE, National Insurance and Pensions.
- 6.3 All staff appointments and departures from employment will be authorised by the trustees, minuting the dates and agreed salary level. Similarly, all changes in hours and variable payments such as overtime etc. will be authorised by the [trustees] / [Chairman].
- 6.4 Petty cash. **NO PETTY CASH IS HELD FOR THE BEDE HOUSE TRUST AT ANY TIME.**
- 6.5 Expenses/allowances: The Charity will, if asked, reimburse expenditure paid for personally by staff, providing the expenses were incurred in accordance with approved activities of the Charity and:
- (a) fares are evidenced by tickets;
 - (b) mileage allowances are as agreed by the trustees;
 - (c) no signatory signs for the payment of expenses to themselves; and
 - (d) all other expenditure is evidenced by original receipts.

7 Cheque/BACS Signatures

- 7.1 The Clerk is authorised to sign cheques and authorise BACS payments up to a limit of £1,000 or such alternative sum as agreed by the trustees from time to time and minuted.
- 7.2 Any payments over £1,000 will be authorised by at least two people who are on the bank mandate and in accordance with the provisions of the bank mandate.
- 7.3 No cheque or other form of payment may be authorised by the person to whom it is payable.

8 Delegation

Any orders placed or undertakings given which are likely to cost the charity in excess of £2,000 must, if not authorised by the budget for the year, be authorised and minuted by the trustees. With prior agreement, such amounts can be authorised electronically by the trustees.

9 Fundraising



- 9.1 All fundraising will be done in accordance with the Charity’s fundraising policy and in compliance with the Code of Fundraising Practice issued by the Fundraising Regulator.
- 9.2 Records should be maintained for any fundraising events in sufficient detail to enable the Charity to identify the gross receipts from the event and the costs incurred in holding the event. Any cash collected by the Charity during the event should be banked as soon as possible without deduction of expenses.
- 9.3 If external fundraisers are engaged, the Charity must comply with the requirements of Part II of the Charities Act 1992.

10 Fixed Assets

- 11 The Charity will maintain a fixed asset register detailing all of the Charity’s assets including, but not limited to, land, buildings, vehicles, fixtures and fittings and equipment used in the Charity’s activities with sufficient information to enable assets to be located and identified. The register will be updated on a regular basis to note any changes.
- 12 Investments and Reserves
 - 12.1 The Charity’s investments will be managed in accordance with the Charity’s Investment Policy.
 - 12.2 The Charity will maintain reserves in accordance with the Charity’s Reserves Policy.

This policy has been approved for issue by the board of trustees:

Signature.....
 Name.....
 Date.....

Review date: October 2026