



Financial Policy & Procedure

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1. Purpose of this document

To define the financial systems used by THE FRIENDS of CHAIN BRIDGE FORGE.

All suggestions for amendments to these procedures will be agreed and signed by the Directors.

All procedures and policies will conform to a common format and will indicate version and date of issue. Approval of procedures and policy will be recorded in the Directors minutes

Copies of approved policies and procedures and will be available on THE FRIENDS of CHAIN BRIDGE FORGE website and a paper copy will retained within the Forge.

It is the responsibility of each THE FRIENDS of CHAIN BRIDGE FORGE to ensure they are complied with.

2. Ordering supplies and services

All Friends need to be aware that expenditure is committed when an order is placed on behalf of THE FRIENDS OF CHAIN BRIDGE FORGE, not when the cheque is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets.

Only authorised people will place orders and these will be accomplished using the company debit/credit cards, Cheque or Bank transfer. Consumables maybe purchased using cash held in the till. This will only be done when credit/debit cards are not available. Records of purchase will be supported by appropriate paperwork so that the cost, description and supplier.

Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedure as above, with the appropriate expenditure amount being the total committed expenditure over the period of the contract, or where the contract is open-ended, over the first 12 months of the contract. Larger contracts in excess of £500 shall not be entered into without adequate agreement from the Directors and this will be recorded in the Directors minutes.

All purchases must be recorded either by using online paperwork, invoices or written documentation. If appropriate the template for a Purchase Orders found at the back of this document can be used.

All incoming invoices are to be passed to accounts team as soon as they arrive. Invoices will be recorded in the accounts system.

Refunds of overpayments or cancellations of bookings/orders will be resolved by the Treasurer.

3. Cheque writing and signing

All cheques for £100 or over require two Directors signatories. Cheque signatories should check that the expenditure has been authorised by the appropriate person before signing the cheque.

Signatories will not sign cheques which are payable to themselves, or blank cheques. Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed. The only acceptable exception is that the amount can be blank as long as the cheque is endorsed 'Not more than £'. Receipts for this type of expenditure must be returned immediately.

The day-to-day limit on encashment of cheques is £250. However, where a larger cash float is required (for a major event for example), this must be approved by the Treasure.

4. Handling of cash

Petty cash will be managed by the Treasurer and or Directors. The Petty Cash will be kept locked in the Forge till. A Float of £25 in notes will be maintained. It will also carry limited coinage as need for commercial operation.

If a float is needed then this will be furnished from Petty Cash. Money will be retuned together with sales tickets for the money spent.

5. Taking Card Payments

The Forge has a SumUp card reader to take payments. These payments are transferred to the Forge bank account.

6. Bank Transfer

Where needed the Treasurer or Authorised Director will organise a bank transfer through an online account or through Bank.

7. Expenses

Friends and Volunteers can claim expenses as agreed by the Directors. These expenses will be paid to the claimant's bank account. The claim must be accompanied by note detailing the reason for the expense and where possible a receipt. See separate procedure details.

7. Income

Where invoices are requested these should be raised on THE FRIENDS OF CHAIN BRIDGE FORGE letterhead (See attached template) or in a format agreed with the Directors. All invoices will be sequentially numbered.

Outstanding invoice payments will be followed up at least monthly.

Normally project and grant income will be received via bank transfer to THE FRIENDS OF CHAIN BRIDGE FORGE. If a cheque is used then will be paid into the Bank and the accounts team will be told of the origin and purpose, This money will be ring fenced within the accounting system and record of payments against these allocations will be recorded.

8. Bank account

THE FRIENDS OF CHAIN BRIDGE FORGE's bankers are:

- Santander Uk plc,
 - Current account 09 01 27 90797831

- Deposit Account 09 01 27 90801277.

All income will be paid into the current accounts as soon as possible, not less than once a week. The makeup of each transaction will be clearly recorded, for later computer entry.

9. Books of account and records

Proper accounting records will be maintained and managed on an online accounts package,

At a minimum, the following records will be kept:

- Appropriate control accounts (i.e. bank control, petty cash control, VAT control).
- Monthly trial balances.

Bank account will be reconciled at least monthly.

Note: The FRIENDS of CHAIN BRIDGE FORGE will not be VAT registered.

The FRIENDS of CHAIN BRIDGE FORGE will use the services of accountant to submit its returns to HMRC and Companies House.

Purchases, other cheque payments and banking sheets will be filed in the appropriate reference order, with any supporting documentation. All petty cash vouchers, cheque stubs etc. will be retained for audit and for statutory purposes thereafter.

All fixed assets costing more than £500 will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal.

10. Insurance

The FRIENDS OF CHAIN BRIDGE FORGE will cover as a minimum the following:

- Public Liability
- Product Liability
- Employer Liability
- Contents for items owned by the Company

11. Budget setting

12 monthly income and expenditure budgets will be prepared in time for final approval by the Directors and the members at an Annual General Meeting, before the start of the financial year under consideration.

The Friends of Chain Bridge will set a budget before the start of the financial year under consideration. The budget will be approved by the Directors and the members at an Annual General Meeting, before the start of the financial year under consideration..

The approved budget will be used as a base to construct a cash-flow forecast for the year, which will be updated monthly.

3 and 5 year forecast will be developed as good practice.

12. Financial monitoring

The Directors will receive appropriate, regular reports of income and expenditure against budget.

Detailed cash-flow reports will be produced as appropriate.

THE FRIENDS OF CHAIN BRIDGE FORGE's financial year is from 1st April to 31st March. Annual accounts will be submitted for audit, as required under the Companies Act.

13. Role of Treasurer

Extracted from Charity Finance Yearbook:

Specific responsibilities are to:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of THE FRIENDS of CHAIN BRIDGE FORGE's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of THE FRIENDS of CHAIN BRIDGE FORGE meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Board of THE FRIENDS of CHAIN BRIDGE FORGE's financial integrity.
- Ensure that the accounts are properly audited, that accepted recommendations of the auditors are implemented, and meet the auditor at least once a year.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor THE FRIENDS of CHAIN BRIDGE FORGE's investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities

14. Role of Board and Directors

The committee is responsible for:

- Approving the budget for the year.

FINACIAL PROCEDURES

Commercial in Confidence

- Approving signatories to the bank accounts.
- Discuss areas of concern.
- Approving exceptional items of expenditure.
- Monitoring the financial position based on monthly reports, with advice from the Director.
- Approving the annual accounts, auditors report and appointment.



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