

Nailsea Shedders Internal Charity Financial Controls
Policy and Procedures NSP008

1 Understand the types of financial controls appropriate for our charity

Rigorous internal financial control and management of our Charity's resources that are in proportion to our Charity's size. These are essential checks and processes to help:

- protect our charity's assets, including its money and property
- make informed decisions about our charity's financial position
- meet our legal duties, for example to manage our charity's resources responsibly

2 Understand our charity's financial information

We ensure our Charity's financial position and performance remains transparent through:

- A standing agenda item at trustee meetings, and...
- Information sent to each trustee before any meeting.

3 Preparing accounts and reports

Nailsea Shedders will monitor and classify all expenditure so it can be linked to the activity to which it relates. The results of this will be maintained and presented to the Trustees and their agents (see Section 7) at least 6 monthly and will form part of the annual report.

4 Embedding internal financial controls

In line with our philosophy of transparency and trust the charity places operational responsibility for managing finances with the trustees and any specific Agents (see Section 7) they appoint.

The principle applied is that of seeking prior agreement from at least two trustees, or one trustees and one of their agents (see Section 7), that the financial transaction is in line with our charity's constitution and goals, and is affordable within the current financial status.

Financial Controls cannot be overridden by anyone.

All Members are responsible for and are aware how to raise financial concerns. This includes any suspicious conduct or activity which goes against the values and principles of our Charity.

Nailsea Shedders Internal Charity Financial Controls
Policy and Procedures NSP008

5 Monitoring financial performance

All our Charity Bank accounts are checked at least weekly, often daily, by the trustees or their financial agents (see Section 7)

An ongoing record of the types of Income and Expenditure will be maintained and presented to the Trustees and their agents (see Section 7) at least 6 monthly and will form part of the annual report.

All trustees and their agents (see Section 7) should get regular financial information. This should explain any significant over or underperformance of income and expenditure plans.

6 Reviewing and monitoring internal financial controls

The trustees are accountable for ensuring that the financial policies and processes remain appropriate and adequate to meet the Charity's constitution, goals and operating environment.

This policy and associated processes will be reviewed by the trustees at least every other year.

7 Splitting financial duties between people

The primary accountability for managing the Charity's finances lies with the trustees. This includes ensuring we operate within our constitution and meet, and can demonstrate compliance with, governing financial, and Charity Commission Rules.

The trustees can delegate the responsibility to manage specific aspects and processes to nominated "Agents". Such Agents need to be knowledgeable in the Charity's financial policies and processes and will maintain regular (at least monthly) communication with the Trustees. A record of the delegation to agents should be kept.

Current examples of Delegation to Agents include: -

- Management of the Bank Accounts (see Section 10)
- Applications for Grants
- Management of Gift Aid

8 Recording and reporting Incidents/Risks

Depending on the type and level of the incident/Risk, Trustees, their Agents or any member must consider reporting any serious incidents to the [Charity Commission](#):

- all types of fraud to [Action Fraud](#)

Nailsea Shedders Internal Charity Financial Controls
Policy and Procedures NSP008

- tax fraud to [HMRC](#)
- any incident involving financial services, such as investments, insurance or pensions, to the [Financial Conduct Authority](#)
- data breaches to the [Information Commissioner's Office \(ICO\)](#)

For example, a significant or potential loss to our charity's money or assets.

Failure to report a serious incident to the Commission may result in regulatory action taken against the Charity.

Auditors and independent examiners must report any matters of material significance to the Charity Commission.

9 Reserves

The Charities policy is to ensure, what we do, where we operate and our financial reserves are necessary and proportionate to support our fiscal resilience. These Reserves are funds which need to be held back "just in case", without necessarily stockpiling assets which could otherwise be released to improve our performance and community reach.

Our target is to maintain a Reserve Account which does not exceed 12 months of operational expenditure; the final balance may be higher, as it contains training, projects, and other capital requests for equipment.

The primary driver for our Reserve is that we rent premises with no security of tenure and may have to move at relatively short notice. We therefore need sufficient fiscal depth to negotiate other immediate and short term appropriate options on premises.

This reserve also considers the need for immediate legal advice.

10 Banking

Nailsea Shedders has three business Bank accounts all of which are managed on-line:

- Community Main Account (Operational Income and Expenditure)
- Community Account (UkeBox Donations)
- Reserve Account (see Section9)

The Community Main Account is where operational income and expenditure flows in and out. We aim to ensure there will not be less than 3 months of operational costs in this account.

Community Account (UkeBox ac) which is used by the musical wing of our Charity, UkeBox who play to raise funds which are subsequently donated to other Charitable

Nailsea Shedders Internal Charity Financial Controls
Policy and Procedures NSP008

groups. This would not be expected to go above £1000. There is a separate list managed by a member of UkeBox, with input from two other authorised Banking signatories (Agents) who oversee these transactions.

The Community Main account is overseen by the Chair of the Charity trustees, one other trustee, and one Agent.

The Community UkeBox is also overseen by the Chair of the Charity trustees, one other trustee, and three Agents.

The Reserve account is overseen by the Chair of the Charity trustees, one other trustee, and one Agent.

On-line access to the accounts must follow the procedures set by the bank in which they are held. Notionally, changes to the account nominees can only be implemented with the approval of the main account holder (the Chair of Trustee or nominated Agent). The setting-up of regular payments from the accounts (Direct debits or Standing Orders) should be kept to a minimum and require the agreement of two or more of the Trustees.

Nominated Trustees and Agents can hold a bank card through which they may make transactions, including on-line purchases, on behalf of the Charity providing they follow the guidance in the governing policies.

Any Cash or cheques received by the Charity should be banked as soon as possible.

Cheques written by the Charity must require two signatories (nominated Trustees or their Agents)

11 Income

All income from our activities (including members subscriptions) is considered as donations. There are instances where the donating party require an "invoice" for their own internal controls.

All income will be processed through our bank accounts and will be classified so it can be linked to the activity to which it relates. This is with the exception of a small "float" to cover consumables and refreshments.

Income (donations) collected as part of an event (eg a UKeBox concert) should be recorded at the time of the event and banked as soon as is practical.

Nailsea Shedders Internal Charity Financial Controls
Policy and Procedures NSP008

Any cash donations may be banked by a Trustee or one of their Agents by them accepting the cash payment and subsequently making a BACS payment to the charity. Such payments should carry a note indicating the purpose of the payment (eg Job No).

Nailsea Shedders will seek to claim gift aid on all donations.

Nailsea Shedders will pursue grant applications as they become available. Where such grants have preconditions on their use, these should be considered as part of the application to ensure they are complementary to our constitution and goals, and that we have the capability to deliver on them.

12 Expenditure

Nailsea Shedders will monitor and classify all expenditure so it can be linked to the activity to which it relates.

Any significant expenditure on materials needed to complete a project/job/activity will be communicated to the individual or organisation requesting the work prior to its commencement.

Nailsea Shedders may reimburse expenditure incurred by any member in the operation of the Charity. Small amounts (up to £25 notionally) can be paid directly by one of the Nominated Trustees or their Agents directly from the "float" or who have Banking Access. Larger sums (eg Equipment purchases) require agreement of two Trustees or their Agents, ideally in advance. The same guidance applies for Trustees and is further detailed in a separate policy.

As part of our support to the community, Nailsea Shedders makes donations to other groups and Charities. This is particularly relevant to UkeBox who raise money at their performances, all of which is onward donated to worthy causes, usually in the local community. It is Nailsea Shedders' policy to ensure that the recipients of such donations are reputable and whose goals and aims are generally in-line with our own.

Prepared by

Authorised on behalf of Nailsea SHedders Trustees by