

Financial Controls Policy

Purpose of the Policy

This policy summarises some simple but effective financial controls that are in place to assure the Trustees that income and expenditure is being properly accounted for in accordance with Charity Commission advice.

1. Income Controls

- All income (donations, grants, fundraising) should be recorded promptly.
- Cash and cheque donations should be counted and recorded by two people and banked as soon as possible.
- Payment for events should be made online, but if cash is collected for any reason by a hub leader, a Fundraising Form and/or Cash Summary Form should be completed (on the Team page under 'Spinnaker Forms').
- Online donations should be reviewed weekly to ensure proper recording and reconciliation.

2. Expenditure Controls

- All payments should be supported by invoices or receipts.
- Expenditure must be authorised as follows:
Payments up to £50 per item can be authorised by the Treasurer.
Payments over £50 per item should be authorised by the CEO or a trustee.
Payments above £1,000 should be authorised by the CEO and a Trustee.
- Payments should be made via bank transfer, never by cash unless essential and approved.

3. Use of Payment Cards

Payments should be approved following the expenditure control guidelines given above. Receipts must be provided to the Finance Officer immediately after purchase. Purchases should be reconciled along with the monthly bank reconciliations. Purchase limits are the same as outlined above.

4. Bank Reconciliation

- Monthly bank reconciliations must be prepared by the Finance Officer and reviewed by a Trustee or independent person not involved in day-to-day banking.
- Any discrepancies must be investigated and resolved promptly.

5. Payroll and Expenses

- Payroll should be reviewed monthly by the Finance Officer and approved by the Treasurer.
- Staff/volunteer expense claims must be submitted with receipts and approved by the Treasurer.

6. Financial Reporting and Budget Monitoring

- The Finance Officer should prepare a monthly financial report comparing actual income and expenditure to budget.
- Reports should be reviewed by the Exec/Trustees.
- Variances should be explained and action taken where necessary.

7. Annual Review and Audit

- Prepare and review annual accounts in line with Charity Commission and Companies House requirements.
- Engage an independent examiner or auditor as required by law or policy.
- Review financial procedures annually to ensure they remain robust and proportionate.

8. Review Procedure with Finance Officer

- A Trustee will meet with the Finance Officer every six months to review:
 - Bank reconciliations
 - Payroll check - review two salary payments, checking gross, net and against contracts
 - HMRC - do audit trail of payments to payroll records
 - Review gift aid recovery and declaration
 - Unusual or large transactions
 - Outstanding payments or income
 - Cash flow forecast
- Meeting outcomes and agreed actions will be documented.

9. Document Retention and Backup

- Financial records should be retained for a minimum of six years.
- Digital records will be backed up to a secure area in SharePoint annually.

10. Fraud Prevention and Whistleblowing

- Ensure all staff and volunteers know how to report suspected fraud and are aware of the whistleblowing policy.

All Spinnaker Trust policies and procedures can be found on the team page of our website: www.spinnaker.org.uk/policies

Approved by the Board of Trustees on: 29/09/25

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