

# **Faith Movement CIO**

## **Financial Control Policy**

### **1. Introduction**

The Faith Movement Charitable Incorporated Organisation (hereinafter referred to as “the Faith Movement”) is a charity registered in England, number 1188137.

The purpose of this manual is to form the basis and point of reference for the Faith Movement with regards to financial control policy and procedure. The Financial Control Manual will be reviewed annually for required amendments. The Trustees hold joint responsibility for the adherence to the guidance below and for the overall robust control of the Faith Movement’s finances and assets.

### **2. Trustee Responsibilities**

Trustees have a number of key responsibilities that must be met in relation to accounting and financial reporting; these are:

1. To keep sufficient accounting records explaining all transactions and showing the Faith Movement’s financial position.
2. To prepare an Annual Report and statutory accounts meeting legal requirements.
3. To formally approve the Trustees’ Annual Report and accounts.
4. To ensure that accounts are subjected to any external scrutiny required by law or by the Faith Movement’s governing document.
5. To ensure that the Trustees’ Annual Report, accounts and annual return are filed on time.
6. To meet requests from the public for copies of the Faith Movement’s most recent Trustees’ Annual Report and accounts.
7. To safeguard the assets of the Faith Movement and to ensure proper allocation of resources.
8. To take steps towards the prevention and detection of bribery, fraud, financial abuse and other irregularities.

### **3. Finance Officer**

The Trustees will elect from their own number a Finance Officer. The Finance Officer will be responsible for ensuring that all monies of the Faith Movement are used for the furtherance of the aims of the Faith Movement. The Finance Officer is responsible for ensuring compliance with accountancy regulations and is responsible for the production of the accounts of the Faith Movement.

The Finance Officer will make a written report to the Trustees at each meeting of the Trustees. The Trustees will appoint two others, who, together with the Finance Officer will form the Finance Sub-Committee. Apart from conference expenditure, any expenditure over £2,000 must be approved by the Trustees.

### **4. Accounting and Annual Report**

The purpose of the accounts is to ensure that the Faith Movement meets the statutory accounting requirements of the Charities Commission and to provide accurate and useful data for the Board of Trustees.

#### **4.1 Book Accounting**

1. Accounting will be undertaken by the Faith Movement Accountant, using double entry accounting on a suitable accounting application.
2. The books of accounts must include a ledger analysing all the transactions appearing on the bank accounts and a trial balance.
3. Accounting should be aligned with the basis on which the Faith Movement is required to prepare its accounts (i.e., as a small charity on a cash basis, or on an accruals basis under Charities Statement of Recommended Practice if it becomes a charity with gross income in excess of £250k).
4. The accounts and ledgers held on the accounting application will form the basis of interim reporting to Trustees and also the basis for the annual accounts to be filed.
5. Financial records must be kept so that:
  - a. The organisation meets its legal and other statutory obligations, such as Charity Acts, Her Majesty's Revenue & Customs and common law;
  - b. The Trustees have proper financial control of the organisation;

- c. The organisation meets the contractual obligations and requirements of funders.
6. A report comparing actual income and expenditure with the prior period position should be presented to the Trustees every three months, or whenever meetings take place.

#### 4.2 Annual Accounts

1. The Trustees will appoint the independent examiner who acts as external examiner, accountant and preparer of the financial accounts.
2. The Finance Officer, in conjunction with the Accountant where appropriate, will ensure that all financial records, supporting documentation and reconciliations are made available to the examiner.
3. The Finance Officer, in conjunction with the Accountant, will communicate with the Examiner to ensure that examination queries are resolved and that accounts are completed and signed within seven months.
4. The final draft accounts, when ready, will be presented by the Finance Officer to the Trustees for approval and signature.
5. The Finance Officer, in conjunction with the Accountant and the Examiner, will ensure that the examined final accounts are filed with the Charities Commission within nine months of the year-end.

### 5. Banking

1. The Charity banks with Lloyds Bank and accounts are held in the name of the "Faith Movement". The following accounts will be maintained: Faith Movement Main Account and Faith Movement Magazine Account.
2. The bank mandate is approved and minuted by the Trustees. Currently the three bank signatories are the Chair of the Board of Trustees, Finance Officer and Accountant.
3. The Faith Movement will require the bank to provide statements every month and these will be reconciled with the ledger and trial balance at least every three months.
4. The Faith Movement will not use any other bank or financial institution or use overdraft facilities or loans without the agreement of the Trustees.

## **6. Income**

As the majority of income received by the Faith Movement is in the form of direct debit donation or subscriptions, online bookings and PayPal receipts, most cash receipts are direct to the main bank account or magazine bank account. Income is to be recognised by the Faith Movement on a cash basis in accordance with Charity Commission account standards for small charities under Charities SORP 2015.

Where cash income is being handled in relation to a specific event, a cash receipts book should be retained by the event team and reconciled against cash to be banked at the end of the event. All monies received in manual cash form should be flagged to the officer responsible for the related activity (e.g. conference booking cash payments) as soon as possible. Cash should be banked as soon as possible and notification of any banked cash income should be sent, along with the total and the related activity, to the Accountant and Finance Officer. In the event of losses of cash in transit, the Accountant and the Finance Officer must be informed immediately and take the appropriate action. Invoices should be issued whenever it is appropriate. They should include the following details:

- The Faith Movement logo;
- A statement that the Faith Movement is a registered charity, and its charity number;
- The name and address of the person or organisation being invoiced;
- The date of the invoice, which must be the date it is posted to the accounts;
- The nature of the services and/or goods being charged for;
- The rate at which services and/or goods are being charged;
- If the invoice is to a funding body it should state the funding period to which it relates;
- The invoice total;
- Payment instruction and terms of payment.

Where acceptable to the person/organisation to which it is addressed, the invoice may be sent electronically in PDF format; otherwise the invoice shall be printed and sent by post. Endeavour should be made to bring unpaid invoices to the attention of the Trustees, in the form of an aged debt position, where they are material or deemed appropriate.

## **7. Expenditure Control**

Apart from Conference expenditure, any expenditure over £2,000 must be approved by the Trustees. Unusual or new expenditure items under £2,000 should be flagged to the Chair of the Trustees and the Finance Officer. The Finance Officer, or Accountant, will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept in a secure location. Blank cheques should not be signed. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. No cheques should be signed without original documentation (see below). Payments made from the bank account should be made and authorised only by one of the named bank signatories. Where individual payments in excess of £2,000 are made directly into the bank account via BACS payment system or online transfer the instructing payer should check for confirmation that payments are received.

## **8. Payment Documentation**

All payments out of the Faith Movement's bank accounts should be evidenced by an original invoice or demand. That original invoice will be retained by the Faith Movement and filed. The cheque signatory should ensure that it is referenced with: cheque number, date cheque drawn, amount of cheque. The only exceptions to cheques or online payments not being supported by an original invoice are items such as advanced booking fees for future events, deposit for a venue, VAT, etc. Here a demand or formal request for funds should be provided to the Accountant to file in support of the transaction.

The Faith Movement will, if asked, reimburse travel expenditure paid for personally those involved in its activities, providing fares are evidenced by tickets. Other expenditure is evidenced by original receipts. Any personal expense items to be reimbursed to Trustees should be approved by the Finance Officer and at least one other Trustee.

## **9. Other Rules**

The Faith Movement does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost

the Faith Movement in excess of £2,000 must be authorised the Trustees and minuted. In exceptional circumstances such undertakings can be made with the Finance Officer's approval who will then provide full details to the next meeting of the Trustees. (This covers such items as the urgent payments, payments to address key compliance issues and other such items that may be deemed "essential" or "urgent" in the normal course of the Faith Movement's business.) All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the Faith Movement with the prior approval of the Trustees or in urgent situations the approval of the Chair of the Trustees who will provide full details to the next Trustees' meeting.

Adopted     19<sup>th</sup> May 2021.....

Review       May 2023.....

Next Review .....