



*Penny Royal Almshouses*

Registered Charity no. 240660

## Old Windsor United Charities

### Financial Control Policy

The trustees of Old Windsor United Charities recognise that internal financial controls are essential checks and procedures that allow the trustees to:

- meet their legal duties to safeguard the charity's assets
- administer the charity's finances and assets in a way that identifies and manages risk
- ensure the quality of financial reporting by keeping adequate accounting records and preparing timely and relevant financial information.

This policy covers all the charity's financial affairs including:

- financial records and accounts
- banking
- income
- expenditure
- delegation of financial responsibility

#### **1 Financial Records and Accounts**

1.1 The accounts must include:

- a cashbook, or electronic equivalent, analysing all the transactions appearing on the bank accounts
- HMRC compliant payroll records (if registered for PAYE)
- a record of monthly maintenance contributions paid by each resident.

1.2 Accounts will be drawn up to the end of each financial year within 3 months of the financial year end and submitted to the Charity Commission within 10 months of the financial year end.

1.3 The Trustees will approve a budget prior to the start of each financial year.

1.4 A report of actual income and expenditure will be presented at every trustee meeting.

#### **2 Banking**

2.1 Bank accounts will be held in the name of The Old Windsor United Charities. The following account(s) will be maintained:

- a current account
- a deposit account

2.2 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 as will any changes to it.

2.3 The Clerk to the Trustees will reconcile bank statements with the charity's records on a regular basis and report to trustee meetings on the status of accounts.

### **3 Income**

- 3.1 Monthly Maintenance Contributions (MMC) for each resident will be recorded separately in the accounting record and updated monthly. Any non-payment of MMC will be reported directly to the Trustee responsible for finance who will investigate promptly and report to trustees.
- 3.2 All other monies received will be recorded in the accounting record and banked without delay. The charity will keep records of all transactions.

### **4 Expenditure**

- 4.1 All expenditure will be in accordance with the objects of the charity. The latest approved budget indicates the limits of expenditure for authorised signatories.
- 4.2 The Clerk to the Trustees 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 will always be inserted on the cheque before signature and the cheque stub will always be properly completed. No cheques will be signed without original documentation (see below).

### **5 Payment documentation**

- 5.1 Every payment (including BACS, Direct Debit and Standing Order) out of the Old Windsor United Charities bank account(s) will be evidenced by an original invoice or similar document (never a supplier's statement or final demand).

Each Direct Debit and Standing Order payment will be agreed in advance by the Treasurer, before being set up.

For each BACS payment or cheque the first and second signatories will ensure that they are satisfied that the cost/expense is properly incurred and that the invoice is in order before making and countersigning the payment.

The original invoice will be retained by the charity and filed.

- 5.2 Wages and Salaries. There will be a clear trail to show the authority and reason for every such payment. All employees will be paid within the PAYE, National Insurance and Pension regulations.
- 5.3 All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc. will be authorised by the Chair of the Trustees.
- 5.4 Expenses/allowances. The Old Windsor United Charities will reimburse expenditure paid for personally by trustees or staff, providing:
  - fares are evidenced by tickets
  - mileage allowance as agreed by the trustees
  - no signatory signs for the payment of expenses to themselves
  - other expenditure is evidenced by original receipts.

### **6 Cheque/BACS Signatures**

- 6.1 All payments will be authorised by at least two people as per the bank mandate.

6.2 A cheque/BACS payment must not be authorised by the person to whom it is payable.

**7 Delegation**

7.1 Any orders placed or undertakings given which are likely to cost the charity in excess of £5,000 must be authorised and minuted by the trustees. With prior agreement, such amounts can be authorised electronically by trustees.

**This policy has been approved for issue by the trustees of Old Windsor United Charities**

Signature:.....

Name:.....

Date:.....

*Reviewed 29<sup>th</sup> January 2025*