

## **NAMSS FINANCIAL CONTROLS POLICY**

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# NAMSS FINANCIAL CONTROLS POLICY

NAMSS is, under the definition of the Companies Act 2006 designated as a 'Small Company'.

## 1. Introduction

1.1 Financial records will be kept so that NAMSS can:

(a) Meet its legal and other obligations, e.g. Charities Act 2011 (including and particularly SORP (FRS 102)), Companies Act 2006, Inland Revenue, Customs & Excise and common law.

(b) Enable the Executive Committee [trustees] to be in proper financial control of NAMSS.

(c) Enable NAMSS to meet its contractual obligations and requirements.

1.2 NAMSS will keep proper books of accounts [paper or electronic], which will include, (if applicable):

(a) A cashbook analysing all the transactions in the Small Charity's bank account(s).

(b) A petty cash book if cash payments are being made.

(c) Inland Revenue deduction cards P11 and Schedule D numbers for freelance workers.

1.3 The NAMSS Administrator has the delegated responsibility for maintaining the books of accounts as defined above.

1.4 The NAMSS Administrator will report to the Treasurer on all matters concerning financial administration. The Treasurer has the Executive responsibility for ensuring that proper financial systems and procedures are in place so that all necessary controls and checks are in place to protect the Association and its funds.

1.5 The financial year will end on the 31<sup>st</sup> August each year.

1.6 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting.

- 1.7 Prior to the start of each financial year, the Executive Committee will approve a budgeted income and expenditure account for the following year. This budget may be varied according to changes as approved by the Executive Committee.
- 1.8 A report comparing actual income and expenditure with the budget will be presented by the Treasurer to the Executive Committee at every ordinary Executive Committee Meeting.
- 1.9 The AGM will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM.

## **2. Banking**

- 2.1 NAMSS will use the services of any clearing bank approved by the Executive Committee, where accounts (including 'online' accounts) will be held in the name of NAMSS. The following accounts will be maintained:
  - (a) A current account
  - (b) A deposit/high interest account
  - (c) Other low risk, high interest bearing account as approved by the Executive Committee
  - (d) A credit card account
- 2.2 The bank mandate (list of people who can sign cheques, access 'on-line' and authorise electronic transfers on the organisations behalf) will always be approved and minuted by the Executive Committee as will all the changes to it.
- 2.3 NAMSS will require the bank to provide statements every month (these may be electronic) and these will be reconciled with the cash book/accounts on a regular basis by the NAMSS Administrator.
- 2.4 NAMSS will not use any other bank or financial institution or use overdraft facilities or a loan without of the agreement of the Executive Committee.
- 2.5 If used, the NAMSS Credit/debit Card will be held by the Treasurer and be only used for purchases directly related to and for NAMSS.
- 2.6 Electronic payments may be made by members/non-members via the charity's website by means of an approved and secure interface, e.g. STRIPE. This may incur a small handling fee, which will be absorbed.

### **3. Receipts (Income)**

- 3.1 All monies received will be recorded promptly in the cashbook and banked as soon as possible. The NAMSS Administrator will maintain files of documentation to back this up.

### **4. Payments (Expenditure)**

- 4.1 All expenditure and investments must be related to NAMSS business and be properly authorised.
- 4.2 All payments will normally be made by credit transfer, credit card, debit card or cheque. Any cash payments must be authorised by the Treasurer in advance.
- 4.3 The most recent approved budget provides the cheque signatories with authority to spend, but not exceed, the amount on any expenditure line without Executive Committee approval.
- 4.4 The NAMSS Administrator will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept securely and for the specified archive period.
- 4.5 Blank cheques will never be signed.
- 4.6 The relevant payee's name and amount will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 4.7 No cheques/BACS/credit or debit card payments should be signed/authorised without original documentation (see below).
- 4.8 In accordance with the bank mandate, each cheque (or other bank instruction), must be signed by at least two people (of the three authorised).
- 4.9 A payment (cheque, BACS, credit/debit card or cash) made to a nominated signatory must not be signed by that person.
- 4.10 Copies of all documentation for items purchased via the NAMSS Credit or debit card will be forwarded by the Treasurer (who holds the card and is authorised to use it) as soon as practically possible to the NAMSS Administrator for reconciliation.

## **5. Payment Documentation**

- 5.1 Every payment out of the NAMSS bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). The original invoice will be authorised for payment by the Treasurer and then retained by the NAMSS Administrator. The NAMSS Administrator will ensure that it is referenced with:
- (a) Cheque number or state 'Paid by BACS/credit or debit card'
  - (b) Date cheque drawn/BACS/card payment made
  - (c) Amount of cheque/BACS/card payment
  - (d) Who signed the cheque.
- 5.2 The only exceptions to cheques/BACS/card payment not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a pro-forma invoice or cheque/BACS/card requisition form will be used and a photocopy of the cheque kept.
- 5.3 If Petty Cash is operated, this will always be maintained on the 'Imprest system' whereby the NAMSS Administrator holds a float – the amount as agreed by the Executive Committee. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

## **6. Expenses**

- 6.1 Expenses are refunds of payments which an Executive Committee member (or other authorised NAMSS member) has needed to meet personally (or has been met on his or her behalf) while engaged on NAMSS business.
- 6.2 All claims for 'out of pocket' expenses should be supported by receipts from third parties, except where circumstances make this unreasonable. These should be attached to the NAMSS Expenses Claim Form, 'NAM3' (or 'NAM4' in the case of external parties such as exhibitors, speakers, sponsors, etc.) and sent to the NAMSS Administrator.

- 6.3 Any costs that are legitimate expenditure and reasonably necessary to allow Executive or other NAMSS members to carry out their roles or responsibilities and are not reclaimable from a more appropriate source, can be classed as expenses and repaid to them or paid directly by the Association.
- 6.4 Legitimate expenses and guideline amounts are:
- (a) Public transport (ordinary class/rail savers/economy flights)
  - (b) Taxi fare – where no other means are available
  - (c) Private car allowances (at a rate of 45p per mile). Toll roads should only be used in exceptional circumstances.
  - (d) Overnight accommodation (£120, or £180 if in London)
  - (e) Sustenance allowance if not included in the event or meeting and for lunch if daytime travel exceeds 4 hours (£10 lunch and £30 dinner) – these apply to 'External Meetings' attended on behalf of NAMSS.
  - (f) Sustenance expenses during Executive meetings & events will be paid for directly by the Treasurer in full.
- 6.5 The NAMSS Expenses Claim Form (NAM3/4) and guideline amounts (as defined in 6.4) will be reviewed annually by the NAMSS Executive Committee at their January meeting.

## **7. Investments**

- 7.1 The Executive Committee has overall responsibility for the investment of NAMSS funds.
- 7.2 The purpose of investing funds not required on a day-to-day basis is purely to return an investment income to the Association.
- 7.3 Any and all proposed investments will first be presented to the Executive Committee by the Treasurer for consideration and authorisation before NAMSS funds are invested.
- 7.4 No investment will be considered that may put at risk the capital [invested funds] of NAMSS – these will be confined to high interest bearing bank accounts or 'High Interest Deposit Bonds'.
- 7.5 The Treasurer will at each ordinary Executive Committee meeting present a report on the Associations investments and propose amendments to it.

- 7.6 Under exceptional conditions, the Treasurer and the Chairperson will jointly be authorised to transfer investments into the NAMSS bank account if urgently required.
- 7.7 There are many deposit accounts available, and some designed specifically for charities, which pay interest gross of tax. If however, the account preferred by the Executive Committee pays interest on the NAMSS deposit net of tax, then it should be ensured that the Association are able to reclaim the tax.

## **8. Other undertakings**

- 8.1 NAMSS does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £1,000, must be authorised and minuted by the Executive Committee. In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the Executive Committee. This could cover such items as the new service contracts, office equipment, purchase/hire.
- 8.2 All fundraising, sponsorship and grant applications undertaken on behalf of NAMSS will be done in the name of NAMSS, with the prior approval of the Executive Committee, or in urgent situations the approval of the Chairperson and Treasurer, who will provide full details to the next Executive Committee meeting.

## **9. Other Rules**

- 9.1 NAMSS will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location. Additionally the NAMSS Administrator will maintain a property record of items of significant value, with an appropriate record of their use.
- 9.2 All financial related paperwork (including electronic records), such as bank statements, cheque stubs, invoices, purchase orders, expenses claims, etc., will be kept for a minimum period of 6 years before being destroyed in an appropriate manner.

- 9.3 To ensure legal compliance, the Treasurer and NAMSS Administrator will complete annually the Charity Commission's 'Internal Financial Controls for Charities Checklist' (copy appended to this document) and a report on the outcome presented at the next meeting of the Executive Committee.
- 9.4 This policy will be reviewed annually by the NAMSS Executive Committee at their January meeting.

## **10. Definitions**

- 10.1 **Budget** means an estimate of future incoming funds, expenditure and other applications of funds for a particular accounting period.
- 10.2 **Association** means NAMSS (National Association for Managers of Student Services), otherwise referred to as the charity.
- 10.3 **Trustees** mean Association/charity trustees. Charity trustees are the people who, under the charity's governing document are responsible for 'the general control and management of the administration of a charity' (s.97, Charities Act 1993). In the case of NAMSS, the Trustees are the elected and co-opted members of the Executive Committee.
- 10.4 **Current Assets** includes cash, bank/building society deposits, consumable stocks, trading stocks, debtors and prepayments or any other amounts receivable in the short term.
- 10.5 **Independent Examiner** means a person independent of the trustees who is reasonably believed to have the requisite ability and practical experience to carry out a competent examination of the Associations accounts. This will usually mean an accredited and professionally qualified individual/company.
- 10.6 **Auditor** means a person eligible under s.25 of the Companies Act 1989 to audit the accounts of companies (i.e. a registered auditor), or in the case of an audit which is required by the governing document of a charity rather than by the Charities Act 1993 and amendments or the Companies Act 1985, a person qualified to conduct the audit.

## **11. NAMSS Forms:**

- 11.1 NAM1 - NAMSS Request for Funding for Regional Meeting/Working Group
- 11.2 NAM2 - NAMSS Regional Meeting/Working Group Claim Form
- 11.3 NAM3 - NAMSS Expenses Claim Form
- 11.4 NAM4 – NAMSS Expenses Claim Form (External stakeholders)

**NAM1**

**REQUEST FOR FUNDING FOR REGIONAL EVENTS/OFFICIAL NAMSS WORKING GROUPS**

Please complete this form 2 weeks in advance if you would like funding to support regional activities, an event or services. Events and activities include regional meetings where there may be refreshments, photocopying, secretarial assistance or a fee for a visiting speaker. Services include consultancy work where there may be expenses or a fee payable.

**Please send completed requests to:**

Jackie Cannell, Operations Officer, NAMSS, PO Box 176, Huntingdon, PE27 9DJ or email to [jackie.cannell@namss.ac.uk](mailto:jackie.cannell@namss.ac.uk) Tel: 07813 003 035

|                       |                                |
|-----------------------|--------------------------------|
| NAMSS Region:         |                                |
| Activity:             |                                |
| Date:                 |                                |
| Speaker Fee/Expenses: | £            Details:          |
| Refreshments:         | £            per head, total £ |
| Other: i.e. copying   | £            Details:          |
| Total                 |                                |

|                |  |
|----------------|--|
| Name:          |  |
| Job Title:     |  |
| College:       |  |
| Address:       |  |
| Telephone No:  |  |
| Email address: |  |

Please note that NAMSS reserves the right to refuse payment if this form has not been completed and approved prior to the activity/service taking place.

**Office Use only**

|  |  |
|--|--|
| Expenditure Authorised<br>Yes <input type="checkbox"/> No <input type="checkbox"/> | Reason for non-authorisation (if appropriate): |
| Date received:   |  |
| Authorised by:   |  |
| Approval notified to originator:   |  |

**NAM2**

**CLAIM FOR FUNDING FOR REGIONAL EVENTS/OFFICIAL NAMSS WORKING GROUPS**

Please complete this form if you would like to claim funding for regional activities, an event or services. This form, NAM2, should be used when the final amounts are known provided that a NAM1 has been completed and approved prior to the event or service. If unsure, please contact Jackie Cannell, details below.

**Please send completed requests to:**

Jackie Cannell, Operations Officer, NAMSS, PO Box 176, Huntingdon, PE27 9DJ or email to [jackie.cannell@namss.ac.uk](mailto:jackie.cannell@namss.ac.uk) Tel: 07813 003 035

|                       |   |                   |
|-----------------------|---|-------------------|
| NAMSS Region:         |   |                   |
| Activity:             |   |                   |
| Date:                 |   |                   |
| Speaker Fee/Expenses: | £ | Details:          |
| Refreshments:         | £ | per head, total £ |
| Other: ie copying     | £ | Details:          |
| Total                 |   |                   |

|                |  |
|----------------|--|
| Name:          |  |
| Job Title:     |  |
| College:       |  |
| Address:       |  |
| Telephone No:  |  |
| Email address: |  |

Please note that NAMSS reserves the right to refuse payment if a NAM1 form has not been completed and approved prior to the activity/service taking place.

**Office Use only**

|  |  |           |
|--|--|-----------|
| NAM1 completed:  | Expenditure Authorised:                                  | Comments: |
| Yes <input type="checkbox"/> No <input type="checkbox"/> | Yes <input type="checkbox"/> No <input type="checkbox"/> |           |
| Date received:   |  |           |
| Authorised by:   |  |           |
| Payment Date:  |  |           |

**NAMSS EXPENSES CLAIM FORM - NAM3**

Return the completed form to: Jackie Cannell, NAMSS, PO Box 176, Huntingdon, PE27 9DJ

| First Name:  |  | Surname:               |  |
|--|--|------------------------|--|
| Institution:   |  |                        |  |
| Address:   |  |                        |  |
|  |  | Post Code:             |  |
| Cheque Payable to <i>(state name)</i> or tick box to request BACS transfer <i>(made within 48 hours)</i>                                       |  | <input type="text"/>   | BACS transfer <input type="checkbox"/> |
| Expense in relation to a meeting of <i>(name of Stakeholder Group, Meeting or Event)</i>   |  | <input type="text"/>   |  |
| Details of Travel undertaken:  |  |                        |  |
| Date of Meeting  | <input type="text"/>   | Location               | <input type="text"/>                   |
| Travel Postcode From   | <input type="text"/>   | PostcodeTo             | <input type="text"/>                   |
| Details of Expenses: Receipts must match total claimed with exception of car travel where expenses will be paid based on the declared mileage. |  |                        |  |
| Expense  | Notes  | Mileage                | Total (£)                              |
| Rail/Air Travel  | <i>Rail savers/Economy flights should normally be used</i>   |                        |  |
| Car Travel   | <i>Rate of 45p per mile</i>  |                        |  |
| Taxi   |  |                        |  |
| Car Parking  |  |                        |  |
| Accommodation  | <i>Guideline maximum claim of £120 per night or £180 for London</i>                                  |                        |  |
| Lunch  | <i>Claimed if not provided and daytime travel exceeds four hours. Guideline maximum claim of £10</i> |                        |  |
| Evening Meal   | <i>Guideline maximum claim of £30</i>  |                        |  |
| TOTAL  |  |                        |  |
| I confirm that this claim accurately reflects the expenses I have incurred on behalf of NAMSS.   |  |                        |  |
| Signature:   |  | Date:                  |  |
| Approved by Signature:   |  | Date:                  |  |
| Cheque No:   |  | Date of BACS transfer: |  |
| Budget:  |  |                        |  |

**EXPENSES CLAIM FORM – NAM4 FOR EXTERNAL USE ONLY**

Return the completed form to: Jackie Cannell, NAMSS, PO Box 176, Huntingdon, PE27 9DJ

| First Name:  |  | Surname:               |  |
|--|--|------------------------|--|
| Institution:   |  |                        |  |
| Address:   |  |                        |  |
|  |  | Post Code:             |  |
| Cheque Payable to (state name) or tick box to request BACS transfer (aim to pay within 48 hrs)   |  |                        | BACS transfer <input type="checkbox"/> |
| Expense in relation to (name of Meeting, Event etc.)   |  |                        |  |
| Details of Travel undertaken:  |  |                        |  |
| Date of Meeting/Event  |  | Location               |  |
| Travel: Postcode From  |  | Postcode To            |  |
| <b>SECTION 1:</b> Receipts must match total claimed with exception of car travel where expenses will be paid based on the declared mileage.            |  |                        |  |
| Expenses   | Notes  | Mileage                | Total (£)                              |
| Rail/Air Travel  | <i>Rail savers/Economy flights should normally be used</i>   |                        |  |
| Car Travel   | <i>Rate of 45p per mile</i>  |                        |  |
| Taxi   | <i>To/from stations/airports to venue for journeys up to 10 miles</i>                                |                        |  |
| Car Parking  |  |                        |  |
| <b>SECTION 2:</b> Expenses listed below are paid in exceptional circumstances and require written authorisation from the Treasurer prior to the event. |  |                        |  |
| Accommodation  | <i>Guideline maximum claim of £120 per night or £180 for London</i>                                  |                        |  |
| Lunch  | <i>Claimed if not provided and daytime travel exceeds four hours. Guideline maximum claim of £10</i> |                        |  |
| Evening Meal   | <i>Guideline maximum claim of £30</i>  |                        |  |
| <b>TOTAL</b>   |  |                        |  |
| I confirm that this claim accurately reflects pre-agreed and authorised expenses I have incurred for work undertaken for NAMSS.                        |  |                        |  |
| Signature:   |  | Date:                  |  |
| Approved by Treasurer: <input type="checkbox"/> Yes <input type="checkbox"/> No  |  | Date:                  |  |
| Signed by Treasurer:   |  | Date of BACS transfer: |  |
| Cheque No:   |  | Budget/Cost Centre:    |  |

## **12. Charity Commission's 'Internal Financial Controls for Charities Checklist':**

### **CC8 Internal Financial Controls for Charities Checklist**

July 2012

[Editable version of the checklist](#) (Microsoft Word format)

[Full colour version of the checklist](#) (PDF format)

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#### **A. Self-assessment checklist**

The questions in this checklist are designed to help charity trustees and their advisors evaluate the charity's performance against the legal requirements and good practice recommendations set out in our guidance on internal financial controls for charities. Trustees should review their charity's performance at least once a year.

Each of the questions on the checklist links to a paragraph of the guidance, where further details can be found. Not all the controls listed will be appropriate for all charities, for example, where a section of the checklist deals with an area of activity that the charity does not undertake then that section of the checklist will not apply.

Charities must always comply with legal requirements and these requirements are identified by  in the checklist. A 'yes' answer for good practice recommendations does not mean there is no scope for further improvement. A 'no' answer does not always indicate a problem. It may be that the charity has not put in place a particular control because the risk involved is small and the potential loss is acceptable, given the cost that would be involved in putting in place stronger internal controls.

Finally, the answers in the checklist should be based on the trustees' knowledge of what actually happens in the charity and not what they expect to happen. Having an internal control in place is only part of the picture. It must operate in practice to be effective.

## B. Some key issues, monitoring arrangements and risk of fraud

|  |            |           |
|--|------------|-----------|
| <b>B1 Financial controls throughout the charity</b>  | <b>Yes</b> | <b>No</b> |
| Is there segregation of duties to provide automatic 'double check'?  | ✓          |           |
| Do the trustees carry out an annual review of the internal financial controls?   | ✓          |           |
| <b>B2 Monitoring activities</b>  | <b>Yes</b> | <b>No</b> |
| Are annual budgets of income and expenditure prepared, and approved by the trustees?   | ✓          |           |
| Is performance measured against budgets at regular intervals and explanations sought for variances?  | ✓          |           |
| <b>B3 Internal audit and audit committee</b>   | <b>Yes</b> | <b>No</b> |
| Have the trustees considered the need to appoint an internal auditor or set up an audit committee?   | ✓          |           |
| <b>B4 Information and communication</b>  | <b>Yes</b> | <b>No</b> |
| Are the trustees provided with regular information about the financial performance of the charity?   | ✓          |           |
| Do the trustees discuss the financial performance of the charity at each of their meetings?  | ✓          |           |
| Are terms of reference in place for any finance sub-committee, or similar sub-group of the trustee board?  | N/A        | N/A       |
| Does any finance sub-committee report to the full board of trustees for final decision making?   | N/A        | N/A       |
| <b>B5 Trustees' responsibilities</b>   | <b>Yes</b> | <b>No</b> |
| Are sufficient accounting records kept of all transactions? <input type="checkbox"/>   | ✓          |           |
| Have the trustees considered the need for a reserves policy and put in place a reserves policy if one is needed? <input type="checkbox"/>                  | ✓          |           |
| Do the accounts comply with legal requirements? <input type="checkbox"/>   | ✓          |           |
| Are the accounts formally approved by trustees at an annual meeting?   | ✓          |           |
| Have the trustees appointed an auditor or independent examiner? <input type="checkbox"/>   | ✓          |           |
| Are newly appointed trustees given a copy of the latest accounts?  | ✓          |           |
| Do the trustees file the annual report and accounts and annual return on time? <input type="checkbox"/>  | ✓          |           |
| <b>B6 and B7 Managing the risks of financial crime and abuse</b>   | <b>Yes</b> | <b>No</b> |
| Are trustees and staff made aware of why the charity is at risk from financial crime and abuse and of typical examples of potential fraudulent activities? | ✓          |           |

|  |   |   |
|--|---|---|
| Does the charity have an anti bribery policy, policies on the acceptance of hospitality, the acceptance of donations & a register of interests in place? | ✓ |   |
| Does the charity have policies and controls over access to and storage of electronic information?  |   | ✓ |
| Does the charity have computer programmes to protect its data and systems from external interference?  | ✓ |   |
| Does the charity have procedures for reporting suspicions internally, and to the Charity Commission and the police?                                      |   | ✓ |

## C Income

| <b>C1 Income received in the post</b>   | <b>Yes</b> | <b>No</b> |
|---|------------|-----------|
| Is incoming post opened in the presence of two unrelated people?  |            | ✓         |
| Are all incoming cheques and cash recorded immediately?   | ✓          |           |
| Does the charity keep unopened mail secure?   | ✓          |           |
| <b>C2 Income from public collections and fundraising events</b>   | <b>Yes</b> | <b>No</b> |
| If the charity undertakes public collections or fundraising events:   |            |           |
| Are public collections undertaken within legal requirements? <input type="checkbox"/>   | N/A        | N/A       |
| Are collection boxes numbered and their allocation and return recorded?   | N/A        | N/A       |
| Are all collection boxes sealed?  | N/A        | N/A       |
| Are all collection boxes regularly opened and counted by the charity and a record kept of their locations and history of takings?   | N/A        | N/A       |
| Are collections counted in the presence of the collector and a receipt given to them?   | N/A        | N/A       |
| Are two unrelated people involved in counting and recording the income?   | N/A        | N/A       |
| Is cash banked as soon as possible and without deduction of expenses?   | N/A        | N/A       |
| Are records maintained for each fundraising event?  | N/A        | N/A       |
| For ticket incomes are: <ul style="list-style-type: none"> <li>• Tickets pre-numbered?</li> <li>• Records kept of all persons issued with tickets to sell, and which ticket numbers they have been allocated?</li> <li>• Records kept of which tickets sold?</li> <li>• Reconciliations made of money received against tickets sold?</li> </ul> | N/A        | N/A       |
| Has the charity complied with Part II of the Charities Act 1992 where professional fund-raisers are engaged? <input type="checkbox"/>   | N/A        | N/A       |
| <b>C3 Gift Aid donations</b>  | <b>Yes</b> | <b>No</b> |
| Does the charity maximise the lawful take-up by its donors of Gift Aid?   | N/A        | N/A       |
| Are regular checks made to ensure all eligible tax repayments are obtained?   | N/A        | N/A       |
| Does the charity keep the records required by HMRC for Gift Aid claims?   | N/A        | N/A       |

|   |            |           |
|---|------------|-----------|
| <b>C4 Legacies</b>  | <b>Yes</b> | <b>No</b> |
| Does the charity identify and monitor the receipt of large legacies and ensure that they are correctly included in the accounts?                                | N/A        | N/A       |
| <b>C5 Tainted charity donations and substantial donors</b>  | <b>Yes</b> | <b>No</b> |
| Has the charity kept the necessary records to identify transactions with 'substantial donors' for donations received up to April 2011? <input type="checkbox"/> | N/A        | N/A       |
| From April 2011, have the trustees put in place procedures to identify 'tainted charity donations'?   | N/A        | N/A       |
| <b>C6 Trading income</b>  | <b>Yes</b> | <b>No</b> |
| If the charity undertakes trading activities (either trading in furtherance of its objects or non-charitable trading):  |            |           |
| If the level of non-charitable trading is significant is it carried out in a trading subsidiary?  | N/A        | N/A       |
| Does the charity have a pricing policy for the goods and services supplied?   | ✓          |           |
| Does the charity have invoicing procedures for goods and services supplied?   | ✓          |           |
| Does the charity review outstanding debts and collection procedures?  | ✓          |           |
| Are there procedures to reconcile amounts invoiced and cash received to outstanding invoices?   | ✓          |           |
| <b>C7 Banking and custody procedures</b>  | <b>Yes</b> | <b>No</b> |
| Are incoming receipts banked promptly?  | ✓          |           |
| Is insurance held to cover contents of the safe/cash box/cash in transit?   | N/A        | N/A       |
| Are funds banked without deduction of expenses?   | ✓          |           |
| <b>C8 Checks on income records</b>  | <b>Yes</b> | <b>No</b> |
| Are regular checks made to ensure income records agree with the bank paying-in books and statements?  | ✓          |           |
| Are checks made by someone other than the person who made the entry in the accounting records?  | ✓          |           |

## D Purchases and payments

|   |            |           |
|---|------------|-----------|
| <b>D1 Controls and authorisation of expenditure on goods and services</b> | <b>Yes</b> | <b>No</b> |
| Is there a written policy on the authorisation of expenditure?            | ✓          |           |

|  |            |           |
|--|------------|-----------|
| Are invoices received checked against orders confirming pricing and the receipt of the goods or services ordered?                  | ✓          |           |
| <b>D2 Controls and authorisation of expenditure on grants</b>  | <b>Yes</b> | <b>No</b> |
| If the charity makes grants, does it have a grant-making policy?   | N/A        | N/A       |
| Does the charity make and monitor grants in accordance with the grant-making policy?   | N/A        | N/A       |
| <b>D3 Payment by cheque</b>  | <b>Yes</b> | <b>No</b> |
| Does the charity follow any stipulation in the governing document about who can sign cheques?                                      | ✓          |           |
| Does the bank mandate require at least two signatories?  | ✓          |           |
| Is there a practice of not signing of blank cheques?   | ✓          |           |
| Are cheque books etc kept in a secure place with access only by nominated persons?   | ✓          |           |
| Are any monetary limits placed on an individual's signing recorded in writing?   | ✓          |           |
| Is all cheque expenditure recorded in the cash book and noted with the relevant cheque number, nature of payment and payee?        | ✓          |           |
| Are cheques signed only with documentary evidence of the nature of the payment, eg invoice?  | ✓          |           |
| <b>D4 Payments by debit/credit/charge card</b>   | <b>Yes</b> | <b>No</b> |
| Does the charity have a policy for the use of payment cards, including the criteria for their issue, spending limits and security? | ✓          |           |
| Does the charity communicate the policy for the use of cards to all trustees and staff using them?                                 | ✓          |           |
| Are cards cancelled when the holder ceases to work for the charity?  | ✓          |           |
| Is all card expenditure supported by vouchers and invoices and recorded in the accounting records each time the card is used?      | ✓          |           |
| Are card statements sent to the charity finance team and checked to supporting records and invoices?                               | ✓          |           |
| Is the cardholder's use of the card independently reviewed periodically to confirm its use is consistent with the policy?          | ✓          |           |

|   |            |           |
|---|------------|-----------|
| <b>D5 Payments by direct debits, standing orders &amp; BACS direct credit</b>   | <b>Yes</b> | <b>No</b> |
| Are only named individuals authorised to set up direct debits, standing orders and direct credits?  | ✓          |           |
| Does the charity use a dual authorisation system for BACS payments?   | ✓          | ✓         |
| Does the charity monitor the arrangements to ensure that automatic payment arrangements are cancelled when the goods and services are no longer being | ✓          |           |

|  |            |           |
|--|------------|-----------|
| supplied to the charity?   |            |           |
| <b>D6 Payment in cash</b>  | <b>Yes</b> | <b>No</b> |
| Is every effort made to minimise cash payments?  | ✓          |           |
| Are all payments by cash made from cash float & not from incoming cash?  | N/A        | N/A       |
| Is supporting documentation authorised by someone other than the person maintaining the petty cash or the person making the claim?       | N/A        | N/A       |
| Are details of all payments entered in a petty cash book?  | N/A        | N/A       |
| Are regular independent checks made of the petty cash float & records?   | N/A        | N/A       |
| <b>D7 Wages and salaries</b>   | <b>Yes</b> | <b>No</b> |
| Are statutory deductions (tax and NIC) made from employees' wages and salaries and regularly forwarded to HMRC? <input type="checkbox"/> | N/A        | N/A       |
| Does the charity comply with minimum wage legislation? <input type="checkbox"/>  | N/A        | N/A       |
| Are any other deductions from salaries made only where they are required or authorised? <input type="checkbox"/>                         | N/A        | N/A       |
| Are the end-of-year returns (P60 and P11Ds) completed and filed with HMRC by the deadline? <input type="checkbox"/>                      | N/A        | N/A       |
| If the charity employs staff are required pension arrangements in place? <input type="checkbox"/>  | N/A        | N/A       |
| Do all employees have contracts of employment?   | N/A        | N/A       |
| Are personnel records kept and held separately from wages records?   | N/A        | N/A       |
| Are salary levels properly authorised and recorded?  | N/A        | N/A       |
| Is there a system of authorisation for recording and notifying starters and leavers, changes of hours and other payroll changes?         | N/A        | N/A       |
| Are payments made by BACS?   | N/A        | N/A       |
| <b>D8 The payment of expenses and reimbursements</b>   | <b>Yes</b> | <b>No</b> |
| Does the charity have a written policy to cover the payment and reimbursement of expenses?   | ✓          |           |
| Is the policy communicated to all trustees, staff and volunteers?  | ✓          |           |
| Are expenses reimbursed only where the individual incurred the expense in the course of carrying out the charity's business?             | ✓          |           |
| Does the expense claim include a self-declaration that the claim is accurate and incurred on the business of the charity?                | ✓          |           |
| Are reimbursements made by BACS transfer or cheque?  | ✓          |           |
| If the charity pays mileage rates for travel are the rates in accordance with HMRC approved rates?                                       | ✓          |           |
| <b>D9 Loans</b>  |            |           |

|   |            |           |
|---|------------|-----------|
| Are the terms of the loan documented?   | N/A        | N/A       |
| Does the charity have a repayment plan in place to repay the principal and any interest due?                              | N/A        | N/A       |
| <b>D10 Checks on expenditure records</b>  | <b>Yes</b> | <b>No</b> |
| Are regular checks made to ensure expenditure records are accurate and agree with the bank statements?                    | ✓          |           |
| Are regular checks made to ensure no discrepancies between the payments made and the original invoice or payment records? | ✓          |           |
| Are checks made by someone other than the person who made the entry in the accounting records?                            | ✓          |           |

## E Assets and investments

|   |            |           |
|---|------------|-----------|
| <b>E1 Controls over fixed assets</b>  | <b>Yes</b> | <b>No</b> |
| Is a comprehensive fixed asset list held and updated regularly?   | N/A        | N/A       |
| Are assets checked regularly to ensure they are still in good repair and are of use to the charity?           | N/A        | N/A       |
| Has insurance cover been considered?  | N/A        | N/A       |
| Is the use of fixed assets reviewed annually (to ensure put to best use and serving the charity's interests)? | N/A        | N/A       |
| <b>E2 Investments</b>   | <b>Yes</b> | <b>No</b> |
| Does the charity have an investment policy?   | ✓          |           |
| Does this policy include the need to consider diversification of investments, including bank accounts?        | ✓          |           |
| Is the performance of investments regularly reviewed?   | ✓          |           |
| Is professional advice taken, where appropriate, on the selection or disposal of investments?                 |            | ✓         |
| Does the charity inspect investment properties to ensure tenant covenants are adhered to?                     | N/A        | N/A       |
| Are there controls to ensure that all investment income due is received?                                      | ✓          |           |
| <b>E3 Money held as a current asset</b>   | <b>Yes</b> | <b>No</b> |
| Are secure records held of all bank and building society accounts?  | ✓          |           |
| Are bank statements regularly received and regular bank reconciliations carried out?                          | ✓          |           |
| Are instructions to open or close accounts properly authorised and reported to trustees?                      | ✓          |           |
| Are checks made to ensure that there are no dormant accounts?   | ✓          |           |

|   |            |           |
|---|------------|-----------|
| Are the accounts monitored to ensure there is no third party use?   | ✓          |           |
| Do the trustees regularly review the costs, benefits and risks of their current and deposit accounts?   | ✓          |           |
| <b>E4 Electronic banking</b>  | <b>Yes</b> | <b>No</b> |
| If the charity uses electronic banking to make payments does the system used require authorisation of transactions by two individuals?                    |            | ✓         |
| Are PCs kept secure with up-to-date anti-virus and spyware software and a personal firewall?  | ✓          |           |
| Are trustees and staff made aware of the need to ensure that the charity's security details (including the password and PIN) are not compromised?         | ✓          |           |
| Is the PIN and password regularly changed, for example to mitigate the risks of compromising security when individuals leave the charity?                 | ✓          |           |
| Does the charity maintain a list of persons (trustees and staff) who are approved to have access to the PIN and password?                                 | ✓          |           |
| Does the charity keep an audit trail of electronic banking transactions?  | ✓          |           |
| Have those using online banking facilities been trained in their use?   | ✓          |           |
| <b>E5 Non-traditional banking</b>   | <b>Yes</b> | <b>No</b> |
| If the charity uses non-traditional banking methods:  |            |           |
| Are policies set and approved by trustees defining the circumstances when non-traditional banking methods may be used?                                    | N/A        | N/A       |
| Is the use of such methods limited to essential transfers where traditional banking methods cannot be used?   | N/A        | N/A       |
| Does the charity keep an audit trail of non-traditional banking transactions?   | N/A        | N/A       |
| Does the charity ensure that the controls that are in place for its traditional bank transactions also operate with non-traditional banking transactions? | N/A        | N/A       |
| <b>E6 Restricted funds and endowment funds</b>  | <b>Yes</b> | <b>No</b> |
| Are procedures in place to ensure that any restrictions put on the use of funds, by the donor or through an appeal, are observed?                         | ✓          |           |
| Does the charity ensure that the conditions attached to permanent endowments are observed?  | N/A        | N/A       |

Last check: WD/JC 25<sup>th</sup> January 2019  
Next Check: January 2020