

Springboard Opportunity Group Financial Controls Policy

Background

- Springboard Opportunity Group is a Company Limited by Guarantee. These procedures aim to ensure it complies with the legal requirements of the Companies Act and the Charities Act and Statements of Recommended Practice (SORP) reporting requirements.
- This policy is written in conjunction with the Charity Commission's internal financial controls for charities checklist (CC8).
- In addition, Springboard Opportunity Group believes that full and effective financial procedures are necessary in order to promote efficient operation and in order to protect its staff in their handling of the organisation's finances and assets.
- All staff, volunteers and the Board of Trustees (the Board) are required to follow these procedures which will be reviewed regularly.
- The Board is legally responsible for ensuring that the Company is adequately resourced and that its financial policies, procedures and controls are effective, correctly implemented, regularly reviewed and updated as necessary.
- The Board are responsible for reviewing the financial structure of the Company on a regular basis and for developing future financial strategy in line with this policy.

Organisation Structure and Responsibilities

- The Board has established a Finance & Resources sub-committee to oversee the Company's finances and report to each meeting of the Board. This consists of the Treasurer, the Chair and at least two other members of the Board. The CEO and Business Manager attend in a non-voting capacity.
- Meetings of the Finance & Resources sub-committee will be held not less than three times a year. Any consultants offering financial advice and support may also be invited to attend when requested.
- The Treasurer provides an overview on financial policy and procedures and is acquainted with the financial systems in operation. The Treasurer supports the work of the Finance & Resources sub-committee and the staff member(s) delegated to carry out financial procedures.
- The day-to-day operation of the financial procedures (as defined in Section 2) is carried out by the delegated staff member(s) and it is the responsibility of the Business Manager, under direction of the CEO, to ensure this happens.
- The Business Manager offers information and proposals to the Finance & Resources sub-committee and the Board on service delivery matters including annual budgets (see Section 6) and is responsible for all financial reporting.
- The Business Manager is responsible for ensuring all financial functions are undertaken.
- Proposals for developing or changing financial strategy and management will be considered by the sub-committee and recommendations made to The Board as required.
- Any issues or proposed changes arising from the monitoring and implementation of the approved financial procedures, planning, reporting and resourcing are reported through the

organisational structure to the Board of Trustees for consideration. The Business Manager and CEO may make recommendations to the Board.

Security

- All financial information and documents will be stored securely and in such a way as to comply with General Data Protection Regulation 2018 (GDPR).
 - Electronic financial information will be password protected.
 - Documents including cheque books, debit cards etc, and cash / cheques will be kept in a locked cupboard with access limited.
 - PIN, passwords etc. will be kept securely and separate from key documents.

Accounting

- The Company's financial year will run from 1 September to 31 August.
- In conjunction with the Book Keeper, the Business Manager is responsible for:
 - Establishing and monitoring all accounting records. Any major changes proposed to existing approved systems must be reported to the Board.
 - All cash management functions.
 - Preparing the weekly bank reconciliation.
 - Presenting monthly management accounts to the Finance and Resources sub-committee and the CEO.
 - Managing day to day financial priorities. These are agreed by the CEO and by the Board within the operational and strategic plans and priorities of the Company.
 - Ensuring that the accounting records are in good order and for submitting them for examination in line with existing statutory regulations. This will be done in conjunction with the Treasurer.
- Any exceptional items of expenditure and any large variances to the Company's operating budget are to be reported to the Board as they arise.
- It is the responsibility of the Business Manager to provide information regarding all funding contracts with details of specific funding arrangements to the CEO.
- Any member of the Board has the right to inspect the financial records at any time.
- All accounting records and related documentation (including electronic records) are kept for a minimum of 7 years.
- Should any matter arise which involves, or is thought to involve, fraud, money laundering or other irregularities in the exercise of any aspect of the financial function concerning cash or other property belonging to the Company, it is a requirement that the person making the discovery reports the details immediately to the Treasurer and the Business Manager (who will report to the CEO).
- If the matter is thought to relate to the Business Manager, CEO or any member of the Board, then a report must be made to the Chair of the Board. Should collusion be suspected, advice should be sought from the Charity Commission.
- Each year in the course of preparing annual financial accounts, accounting policies are reviewed by the Treasurer, the Business Manager, CEO and the Board, and updated if appropriate.

- **Annual Independent Examiner’s Statement**

- The Board is responsible for appointing the auditors or independent examiner of the Company.
- The Examiner annually carries out a review of accounts prepared by the directors and issues an annual Statement under a number of headings by reference in particular to the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.
- The Examiners have access to all financial records and to any other documentation.
- Liaison between the Examiners and the Company is the responsibility of the CEO and Business Manager, in conjunction with the Treasurer.
- A timetable is agreed each year by the Examiner and the CEO and Business Manager in conjunction with the Treasurer to meet legal requirements for the submission of annual accounts to members and Companies House and the Charities Commission and to meet any requirements set by funders.
- Accounts for the preceding financial year are produced and approved by the Board before 31st May each year.

Authorisation

- The Board delegates to the CEO and Business Manager the power to authorise all orders for work, goods and services.
- Any major expenditure over £250 is to be guided by the following procedures:

Value	Authorisation Requirements
Over £250	Need to be authorised by the Business Manager and staff will have to complete a written request.
Between £1001 and £3,000	At least two written quotes.
Between £3,001 and £15,000	Minimum of three written quotes, based on a clear written specification or requirement
Between £15,001 and above	Minimum of three formal competitive tenders invited. The Treasurer plus one trustee must give formal agreement.

- In situations where urgent work is needed to prevent damage to the building, or risk to users of the building, the CEO or Business Manager (liaising with at least one trustee) can authorise spend without obtaining three quotes.
- Orders made to suppliers must be accompanied by a purchase order or reference number where a supplier has requested one for invoice.
 - All staff must be aware that expenditure is committed when an order is placed on behalf of the Company, not when the payment is requested. Therefore, all orders must be placed on the purchase order system within agreed budgets and powers.
 - On receipt of invoices into the Company offices, they should be date stamped and passed immediately to the Book Keeper.
 - Invoices received will be checked against the purchase order system by the Book Keeper.

- Final authorisation for payment will be made by the Business Manager and CEO.
- BACS payment, rather than cheque or cash, should always be offered to suppliers for goods and services.
- Once payment is made, invoices must be stamped or written "PAID", dated and filed.
- Any change to the authorisation procedures must be approved by the Board

Online purchasing

- A Springboard Debit Card will normally be used for on-line purchases.
- A log is maintained of card use which must be by authorized members of staff only.
- Staff using their own cards for on-line purchasing should submit a copy of the receipt / invoice with their expenses claim.
 - This must be with the prior agreement of the Business Manager.

Salaries

- All payroll related issues must be treated with the utmost confidentiality.
- All documentation related to staff pay must be stored in a locked cupboard, with access limited.
- The Business Manager is responsible for ensuring that all salaries are paid in accordance with procedures:
 - Any deductions / additions to monthly pay must be advised by the cut-off date, typically the 7th of the month.
 - Any expenses or additional mileage claims must be submitted by the payroll cut-off date. These must be authorised by line managers in order for payment to be made.
 - The Monthly payroll is processed through 'Moneysoft' and then entered into the online banking system by the Book Keeper, duly authorised at each stage. Associated payroll entries and journals are entered on SAGE.
 - Payslips are issued to all staff.
 - All establishment of or removal of personnel to/from the payroll are recorded in writing.
 - All new salaries or changes to current salaries must be approved by the Board.
 - Monthly salaries are credited to employee's bank accounts on or around the 20th of each month.
 - Staff advances are only be issued in exceptional circumstances at the discretion of the CEO.
 - All posts will be allocated to points on the Springboard salary scale and paid accordingly.
- Access to payroll information and documentation is limited to the CEO, Business Manager, Book Keeper, and Grant Managers.

Pensions

- Springboard operates a Pension Scheme with NOW Pensions in line with current legislation.
- Information about the scheme will be given to all new employees.

Springboard Bank Accounts and Administration of Accounts

Springboard Opportunity Group's main bankers are:

CAF BANK, PO Box 289, Kings Hill, West Malling, Kent, ME19 4TA

- Other accounts may be held to ensure safe and economic financial management of the Company's finances.
- Payment from any account must be authorised as follows (other than salaries, where the procedure above will be followed) and as specified by mandates:
 - Under £1,500 – two staff member signatories.
 - £1,501 - £5,000 –two staff member signatories with e mail authorization from one trustee.
 - Over £5,000 – two staff member signatories with e mail authorization from two trustees.
- Payments/withdrawals of cash by debit card:
 - Cards will be used by authorized members of staff only, and a log maintained of use.
- At their first meeting after each AGM the Board will agree any necessary changes to cheque signatories and appropriate bank mandates will be completed. These will include the CEO, Business Manager and at least one trustee.
- The Bank Mandate agreed will specify at least two signatories are required for all cheque payments. The exception to this is a current account where an amount not exceeding £2,000 will be kept, to allow use of a debit card.
- A copy of the current mandate will be kept on record.
- No two related Trustees (or staff) will sign a cheque.
- Cheques made payable to a nominated signatory will not be signed by that person.
- Only completed cheques will be signed (no blank cheques will ever be signed).
- All cheque expenditures will be recorded and cross-referenced to the cheque number, with nature of payment and payee clearly identified.
- Cheque number, date of payment and amount will be written on the corresponding invoice
- Transfers between bank accounts will only be made on the authority of the CEO or Business Manager.
- New bank accounts will only be opened with the authority of the Board with a minute of the Board meeting as evidence. Signatories will be agreed in line with the above policy
- Cheque books will be kept in a secure cabinet. All cheques are crossed and printed with "payee only".
- Any changes to the panel of signatories must be approved by the Board and the appropriate bank mandate form signed.
- All bank accounts will have an official title and no account will ever be opened in the name of an individual.
- Bank account statements are received at regular intervals and are reconciled to the accounting records on a fortnightly basis by the Book keeper.
- Direct debits and standing orders will be reviewed on a Quarterly basis by the Book keeper, and either the Business Manager, CEO or a trustee.

- The Business Manager has delegated authority to liaise with the banks on all matters related to the financial affairs of the organisation, and to review the bank accounts regularly. Any issues identified will be reported to the CEO at the earliest opportunity.
- BACS payments will always be authorised by the Business Manager or the CEO and one other internet banking authorised person.
- Access to stored financial and banking information, cheque books and bank cards is limited to the CEO, Business Manager, Book Keeper..

Budget setting and budgetary control

- It is the responsibility of the CEO and the Business Manager to prepare and present the overall budget to the Board of Trustees for approval.
- The CEO will bring requests for additional extra-budgetary or exceptional items of expenditure during the year to the Board at timetabled meetings. In the case of urgent requests for new expenditure, approval may be given via Chair and Treasurer's action at the specific request of the CEO. Such action will then be reported to the next meeting of the Finance & Resources sub-committee.
- The Business Manager is responsible for presenting budget reports showing variances and any exceptional items of expenditure to the Finance & Resources sub-committee and Board.

Aged Debtors

- Outstanding invoices will be systematically monitored and Aged Debtors Procedure followed.
- A report on Aged Debtors will be presented to the Finance and Resources sub group
- Where families are unable to pay, the reasons for this will be explored with them.
- The decision to write off debts will be made by the Finance and Resources sub-committee subject to approval by the Full Board.
- Debts up to £25 may be written off by the Business Manager in discussion with CEO.

Expenses

- Staff expenses are reimbursed through the expenses system. To claim expenses, staff must complete an Expenses Claim Form.
 - The claim must be supported by the relevant documentation and authorised by their Line manager.
- The Company will reimburse reasonable actual expenses incurred on its behalf. No staff should be out of pocket in these situations but care should be taken to incur only reasonable levels of cost.
- Expenses should be submitted regularly, by the 7th of the month following the month of the claim, and not delayed more than 3 months. All expenses, apart from mileage must be accompanied by original receipts.
- Employees can claim business mileage through the normal expenses procedure when using their own vehicles for company travel.

- This must not include claims for travel to and from home and the normal place of work in line with HMRC guidance. Employees can claim from their home to an inclusion placement or other setting if it is not their usual Springboard base.
- The following rates are currently payable. These rates will be reviewed regularly.
 - Cars: 45p per mile.
 - Public Transport/ cycling: 25p per mile.
- The Company will not reimburse any additional costs associated with use of employee's own vehicles such as insurance or maintenance costs. These notional costs are implicit in the mileage rate given.
 - Payments of expenses will normally made by BACS, with salary.
 - Expenses can also be claimed by volunteers and trustees.
 - An expense form must be completed in all cases.

Petty Cash

- There is one petty cash account, held in Clevedon.
- The amount held in each petty cash account shall not exceed £100.
- No more than £30 shall be spent in each transaction.
- Expenditure of more than £30 shall be claimed via expenses unless there are exceptional circumstances.
- When cash is taken from the petty cash tin (e.g. for a cash float), a temporary voucher should be completed and signed by an authorised person and the person taking the money. This should remain in the petty cash tin and checked against the receipt and balance of money that is subsequently returned to the tin.
- All petty cash expenditure must be accompanied by a receipt and attached to a signed petty cash voucher, countersigned by the Line Manager or Administrator and logged.
- The petty cash account will be checked and monitored by the Book Keeper or a delegated member of the team on at least a quarterly basis.
- Daily administration of the accounts will be the responsibility of the Clevedon administrator who will inform the Book Keeper and Business Manager when reimbursement of cash is required.
- Petty cash tins must be kept securely and accessed only by authorised members of staff.
- Cash withdrawals from the CAF Bank account or Santander Current account (by debit cards) will be used to reimburse the petty cash accounts.

Insurance and Fixed Assets

- The Board is responsible for ensuring that the assets of the organisation, its activities, and members and clients of the organisation are adequately insured.
- The Company currently insures:
 - Toys, equipment, office contents, computers and peripherals.
 - All staff and Board members for loss of money and personal accident, gross income and for Public Liability and Employer's Liability.
 - Buildings.
- It is the policy of the Company to capitalise only those fixed assets that have a purchase price of more than £1,000 and an estimated life of more than 12 months.

- IT equipment should include all peripherals, software programmes and installation costs for the purpose of valuation.
- The CEO and Business Manager are responsible for making claims against insurance policies and for ensuring that all losses and claims are fully investigated and the police notified when appropriate.
- The Company maintains an inventory of all fixed assets that is compiled and updated by the Business Manager.
- The organisation's property cannot be removed or loaned from its premises without the agreement of the Business Manager.

Reserves

- The Company needs reserves in order to meet various possible contingencies including:
 - delays in receiving funding from a variety of funders
 - to act as a reserve in the case of changing levels of funding
 - to cover the cost of winding up some or all of our services
 - the need to make provision for possible staff redundancy
 - the need to cover possible future liabilities
- The Board has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the free reserves) held by the Charity should be at least 25% of the annual budget, which equates to 3 months of the resources expended in general funds.
- At this level the Board feel that they would be able to continue the current activities of the Company in the event of a significant drop in funding. It will obviously be necessary to consider how the funding would be replaced or activities changed.
- If at any time the free reserves do not meet this target the Board will consider ways in which additional unrestricted funds can be raised.
- The Board will monitor and review the position of the reserves at least once a year.

Funding Management

- The Business Manager and/or Grant Managers are responsible for ensuring the collation and compilation of all financial information for grant funding applications and claims. These may be countersigned according to the requirements of the funding application.
- The Business Manager is also responsible for ensuring the reconciliation of the project accounts with Springboard's internal accounts on a regular basis and reporting on income and expenditure against individual project budgets. However, the responsibility for monitoring the actual expenditure incurred against the budget and for budgetary cost control rests with the CEO
- All funding claim documentation must be authorised by the CEO, Business Manager, Chair of Trustees or Treasurer, as required by individual funders before submission and copies of claims retained for auditing/examining purposes.
- All successful funding bids and grant applications will be reported to Finance and Resources sub-committee.

Investment Policy

- Springboard will invest available funds in order to achieve a return that will better enable us to achieve our charitable aims. Charity Commission Guidance '*Charities and investment matters: a guide for trustees. Updated August 2016*' will be followed.
- When making financial management and investment decisions we will:
 - Act within our powers
 - Exercise care and skill bearing in mind the risk and volatility of financial markets
 - Monitor inflation, interest, and exchange rates as necessary
 - Consider investments that correspond to our ethos, aims and objectives
 - Invest only with properly regulated bodies
 - Monitor the exemption from tax liability of our investments
 - Diversify our investments as we consider appropriate in order to spread risk
 - Take financial advice
 - Follow legal requirements
 - Review our investments at least annually, at the last Finance and Resources meeting of the academic year, and in the light of any changes in our financial circumstances, guidance or other legislation
 - Explain our policy in our annual report
- When considering our level of investment, we will ensure that sufficient funds are available for immediate access and identify funding for short- and longer-term investment. We will take into account:
 - Our immediate financial needs
 - Our future spending commitments
 - Any conditions concerning restricted funding
 - Our longer-term objectives
 - Past patterns of expenditure
 - Unplanned changes
- Investment decisions will be approved by the Finance & Resources subgroup in the first instance. They may elect to escalate specific decisions to the Full Board.

Social, Environmental and Ethical Concerns

- The Trustees of Springboard Opportunity Group are committed to socially responsible investment, i.e. investments where social, environmental and ethical concerns are recognised.
- While it is impractical for the Trustees to know precisely which companies its funds are being invested in it is reasonable for them to ensure that the organisations they invest with (banks, pension companies) are themselves committed to Socially Responsible Investments. This is reviewed during the July Finance and Resources meeting each year.

Financial Services Compensation Scheme: (FSCS)

- Investments and savings will be made bearing in mind the scope of this scheme to cover Registered Charities.

- This will not always be the only consideration and it may be necessary to keep amounts above the protected limit in one or more accounts to ensure sufficient funds are always available.

Review

- This policy will be reviewed annually by the Finance & Resources sub-committee which will report its recommendations to a full Trustee Board meeting.

This policy was adopted at a meeting of Springboard Opportunity Group’s Board of Trustees	
Held on:	04/07/2023
Signed on behalf of the Board of Trustees	
Name of signatory	Jenie Eastman
Date to be reviewed	July 2024