




Foreland Fields Charity

Finance Policy

Registered Charity No: 1178764

Date of Last Review	6 th May 2025
Review Cycle	Annually
Date (Month / Year) of Next Review	6 th May 2026
Date Policy was Ratified by charity	6 th May 2026
Named Lead for Writing/Review	Karen Glover
Category of the Policy	General
Signed – Chair	6 th May 2025
	

1. Introduction

In order for Foreland Fields Charity to achieve its aims then the trustees need to ensure that assets are properly used, that its funds are spent effectively and its financial affairs are well managed.

Foreland Fields Charity Finance Policy will adhere to the following principles:

- 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
- to identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud
- to ensure that financial reporting is robust, meeting legal requirements and of sufficient quality, by keeping adequate accounting records and preparing timely.
- to ensure that the trustees comply with charity law and regulation relating to finance.
- Review of controls - The trustees should, annually, ensure a review is conducted of the effectiveness of the charity's internal financial controls. This should include an assessment of whether the controls are relevant to, and appropriate for, the charity and not too onerous or disproportionate.

2. Principles

Foreland Fields Charity is responsible for taking steps to ensure that expenditure reflects best value principles.

The charity will ensure that:

The budget share is spent for the purpose of Foreland Fields Charity only.

Purchasing arrangements achieve value for money.

Stocks and assets are recorded and adequately safeguarded against loss or theft.

All income due is identified and all collections receipted, recorded and banked promptly.

The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled. Checks on the reconciliation to be carried out every three months by the treasurer.

The use of petty cash is strictly controlled.

Any suspected irregularity will be reported immediately to the...The Foreland Fields Charities board of trustees

The charity will adhere to current General Data Protection legislation.

With a gross income of more than £25,000 in the charity's financial year, the charity is required to have the account independently examined or audited.

Where the gross income is in excess of 85,000 the charity is registered for VAT as within the HMRC Charity VAT Guidance.

Trustees of the charity have a legal obligation to keep the details on the charity register accurate and up to date.

The charity will ensure that the Trustees' Annual Report, accounts and annual returns are filed on time with the Charity Commission, where filing is required by law.

The charity will meet requests from the public for copies of the charity's most recent trustees' annual report and accounts.

3. Delegated Authority

Board: The trustees of Foreland Fields Charity are the people who share ultimate responsibility for governing the charity and directing how it is managed and run. Trustees must make sure that the charity is carrying out the purposes for which it is set up, and no other purpose. The governance of Forelands Fields Charity is governed by the Charities Act 2011 or other Government General Regulations governing charities.

Financial Year: Foreland Fields Charity's financial year is April to March

Treasurer: The Treasurer is the member of the Board who leads the strategic and operational responsibility for the financial management of Foreland Fields Charity.

Finance Officer: The Finance Officer is the person who has the day-to-day responsibility for the administration of Foreland Fields Charity's financial transactions.

Note: *It may be the case from time-to-time that the Treasurer and the Finance Officer are the same person. For that reason, these policies and procedures are constructed in a way which does not require or imply that one role acts as a monitor/validator of the other.*

Authorised Chair Person: The Chair of Foreland Fields Charity is the person authorised by the Board of Trustees to approve financial instruments (cheques, purchase orders, invoices, etc) on its behalf.

Bank signatories: Are the persons authorised by the Board of Trustees to approve financial transactions on the bank after authorisation from the Chair. Bank signatories are the Treasurer, The Chair, Finance Officer and a trustee (Jeremy Edwards) .

Note: *Dual signatories are required to authorise of such transactions.*

On-Line Payments will be actioned by the Finance Office or Treasurer once authorised by dual signatories. The charities limit for an individual payment is a max of £50,000

Note: *Copies of transaction must be kept either in paper version or electronic as evidence*

4. Income Policy & Procedures

To safeguard, monitor and control income including grants, donations & contribution in the form of BACS, cheques & cash.

To outline the structure of authorisation for dealing with income, credit-control and cash management.

Recording Income:

Receiving income online/direct to bank: Where payments are made directly into the bank account via online payment system the Finance Officer will check for such direct payments each time a bank statement is received, or on-line as circumstances require.

When payment by cheque or cash is received:

When cheques or cash arrive the Finance Officer will ensure that cheques are properly signed and made payable to Foreland Fields Charity and will record their arrival in the accounts.

- Cheques and cash received must be banked at least once per week. Any cheques or cash not banked immediately must be locked away in the safe at Foreland Fields School until it is banked.
- All cash collected is banked by the charity as soon as possible without deduction of expenses.
- Records of cash and cheques received agree with bank paying-in slips or counter foils.
- Counter foils or paying-in slips agree with the bank statements, both in terms of amount banked and date of credit.

Foreland Fields School is insured through the Kent County Council 'Safe Hands' Scheme.

Note *Cash in the safe is not insured*

Public collections and fundraising events

The trustees will ensure that activities are undertaken in accordance with the various statutory regulations which cover public collections. For example, licensing arrangements must be made in advance with the appropriate local authorities. The commission's guidance Charities and fundraising (CC20) <https://www.gov.uk/government/publications/charities-and-fundraising-cc20> explains the legislative framework within which the trustees will operate when raising funds from the public.

- At least two people are involved in handling and recording the money received.
- Collection boxes are individually numbered and their issue and return are recorded.
- All collecting boxes are sealed before use so that it is apparent if they have been opened before they are returned.
- All collection boxes are regularly opened and the contents counted.
- All cash collected is banked by the charity as soon as possible without deduction of expenses.

For fundraising and sponsored events, the charity will the following controls are in place:

- Records are maintained for each fundraising event, in sufficient detail to identify gross receipts or takings and costs incurred.
- For all events for which there is ticket income or gate money:
 - (i) that tickets all are pre-numbered
 - (ii) a record is kept of all persons who have been issued with tickets to sell, and the ticket numbers that have been allocated to each person
 - (iii) a record is kept of which tickets have been sold

- (iv) all money from tickets and any unsold tickets are collected
- (v) a reconciliation is made of receipts against tickets sold

Where external fundraisers are engaged, the trustees must comply with the requirements of Part II of the Charities Act 1992 (Charities and fundraising (CC20) gives further details).

Legacy Income:

Significant time can elapse between the notification of a legacy and its final receipt.

Records will be maintained of all legacies notified to the charity. Agents can also be used to check probate records to ensure that a charity is aware of all legacies to which it may be entitled. The charity will procedures should ensure that:

- legacies to which the charity is entitled are recorded in accounting records.
- adequate correspondence files are maintained.
- regular reviews of progress on collection of outstanding legacies.

Tainted charity donations:

Section 27 and schedule 3 of the Finance Act 2011 introduces new legislation to counter the abuse arising whereby a donor gets relief from tax, only for the capital or a benefit from the donation to end up back in the hands of the donor. These new rules became effective from 1 April 2011 and replaced the substantial donor provisions.

Although the regime is intended to affect the tax position of the donor, should the charity have claimed a repayment of tax on the gift, an income tax charge will arise on that repayment. The charity itself may be liable for this charge if the charity was a party to, or aware that, the main purpose or one of the main purposes of the arrangements was to provide financial advantage to the donor.

Further information on tainted charity donations is available on the HMRC website.

Cash in transit:

All persons carrying cash to or from the bank are instructed to put their personal safety first in the event of any attempt to steal the money.

In the event of losses of cash in transit, the Treasurer must be informed immediately and take the appropriate action.

If the amount of cash (i.e.: excluding cheques) being banked is greater than £250 then two people are required to take the cash to the bank.

Raising payments/invoices:

Invoices should be issued whenever it is appropriate.

Invoices should include the following details:

- Foreland Fields Charity logo;
- A statement that Foreland Field Charity 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 for;

- The purchase order number (where available) and/or any other appropriate identification information provided by the person or organisation being invoiced;
- If the invoice is to a funding body it should state, the funding period to which it relates;
- The invoice total;
- Foreland Fields Charity payment instruction & 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. In either case the invoice must be despatched within 2 working days of being produced.

Outstanding invoices:

The Treasurer will review the outstanding invoices every month.

If an invoice hasn't been paid within 28 days of being issued, then a second invoice should be issued. The second invoice should be a copy of the first, but with "REMINDER" added to it. Any invoice which remains unpaid for more than 56 days must be brought to the attention of the Board to determine what further action should be taken. Bad debts will be formally written off annually by the Board as part of the preparation for the audited/examined accounts.

Banking:

Certain basic controls, if performed regularly, may serve as an early warning of anything going wrong.

The charity will ensure that:

- Transfers or other direct payments into the bank are identified and verified against supporting paperwork.
- The charity bank account is set up with dual- authority and authorisation of payments are completed by the authorised signatories in accordance to the mandate, which has been agreed within the minutes annually.
- Records of payments (including direct debit, BACS, or standing orders) are checked against as part of the bank reconciliation process. The Chair must sign the bank reconciliation and bank statements **monthly**.
- The charity will ensure the trustees passwords to the bank are changed annually and it is included in the charity minutes
- Trustees must treat emails received relating to bank accounts with caution, in particular, trustees and staff should not respond to emails or telephone calls asking for personal security details.

Payments by cheque/Bacs:

The use of cheques to make payments is diminishing with the use of electronic payment. It is important that payments are only made for expenditure properly authorised and incurred by the charity.

The charity will ensure that:

- Cheque books are kept in the school safe at all times.
(The charity switched to online payments)
- The charity will regular review of bank mandates and authority limits on a yearly basis (or sooner should the signatories change before then).
- It is prohibited to sign of blank cheques.

- Online payments required 2 Authorised signatures on the supporting invoices /documents prior to paying on-line
 - The prompt recording of payments in cash books including details of the cheque number, nature of the payment and the payee.
 - The charity will obtain documentation to support the validity of the payment including relevant invoices and confirmation that the goods or services have been received.
 - Bank Statements/Transactions are reviewed monthly, on completion of the Bank reconciliation and dually authorised by the Treasurer and Chair.
- All transactions above must be recorded in the accounts directly as they are raised.

Debit card, credit card and charge cards:

The charity does not authorise the use of debit, credit or charge cards.

Tender / procurement Process

The charity will follow the Local Authorities procurement guidance for tendering rules:

- For purchases up to £24,999* one written quotation.
- The charity will additionally, complete best value exercises, consisting of records of internet/ online searches, where costing comparisons are made.
- For purchases of £25,000* and up to the current public procurement threshold, three written quotations are obtained and submitted to the charity for approval according to the charity constitution.
- For purchases above the public procurement threshold for goods and services, or above £1m for works, a tendering procedure compliant with public procurement regulations is required.

*These limits should be viewed as upper limits. The limits will be reviewed annually to consider standing and local knowledge.

All of the above will be minute at the appropriate committee/Charity meeting to ensure that the charity is seen to be obtaining value for money at all times.

5. Budgeting controls

A budget is a plan translated into money for a defined period of time. The time period is usually the financial year. The budget is prepared after Foreland Fields Charity has clarified its aims and objectives and produced a variety of action plans to achieve them.

The purposes of a budget are:

- To co-ordinate different activities towards a single plan;
- To set and communicate financial targets;
- To maximise and allocate resources;
- To identify financial problems;
- To establish a system of control by having a plan against which actual results can be compared;
- To compel planning.

To help ensure that grants are made in line with the objectives, policies of the grant-making charity, bids will be submitted to the treasurer / finance officer to monitor the expenditure against bid requirements.

6. Criminal financial abuse (fraud, theft, money laundering)

Fraud and theft

The Government has a number of initiatives in the area of fraud such as the National Crime Agency (NCA) and other related work streams (i.e. National Fraud Reporting Centre). Established on 1 October 2008, the aim of NCA is to initiate, co-ordinate and communicate on counter-fraud activity across the private and public sector.

The Fraud Act 2006 is available on the website of the Office of Public Sector Information. The Fraud Advisory Panel website includes details of measures to protect against fraud. In February 2009 the Fraud Advisory Panel published an Occasional Paper on Fraud in the charitable sector and an investigation into the incidence, origins and impact of fraud on the charitable sector, Breach of Trust.

Money laundering

Money laundering legislation in the UK is governed by three Acts of primary legislation:

- The Terrorism Act 2000
- The Anti-Terrorist Crime and Security Act 2001
- The Proceeds of Crime Act 2002

Secondary legislation is provided by the Money Laundering Regulations 2003 and 2007

The intergovernmental Financial Action Task Force (FATF) has produced guidance on anti-money laundering issues which may be accessed on its website

Bribery

The Bribery Act 2010 created four new offences and the provisions of the Act applying to individuals and commercial organisations, including charities. As a matter of general principle and to comply with the trustees' legal duties, trustees should avoid any situation where there is an expectation of a gift or payment in return for an advantage of any kind. Charity trustees will need to use their judgment and their knowledge of their charities' activities, and of the country they are operating in, to decide upon appropriate anti-bribery procedures which are proportionate to the risks faced by the charity.

Small bribes paid to speed up a service are sometimes called facilitation payments. Some charities work in areas where such payments are the norm in the local culture, often where charitable need is extreme. The Ministry of Justice (MOJ) guidance confirms that, notwithstanding the small amounts usually involved, they are still bribery payments. Therefore, they are an unacceptable use of charity funds.

For more information, see the Quick Start Guide to the Bribery Act 2010 on the Ministry of Justice website.