



Bethnal Green Nature Reserve Trust

Financial Controls Policy

Last Updated: 01 May 2024

About this Policy

This policy ensures that Bethnal Green Nature Reserve Trust (the **Trust**) has best practices in place in relation to its finances to ensure strong control of all income and expenditure and compliance with all relevant financial reporting requirements.

Financial Records and Accounts

1) Financial records must be kept so that:

- The Trust meets its legal and other statutory obligations, such as under the Charities Act 2011 and other relevant charities legislation, HMRC regulations, and common law.
- The Trustees have proper financial control of the organisation.
- The Trust meets the contractual obligations and requirements of funders and local authority.

2) The books of accounts must include an up-to-date spreadsheet detailing all the transactions appearing on the CAF bank account. The accounting spreadsheet is to be updated monthly.

3) Annual Accounts must be drawn up at the end of each financial year within 3 months of the financial year end (March to March) and presented to the Board at the next Annual General Meeting.

4) Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.

5) A report comparing actual income and expenditure with the budget should be presented to the trustees every three months or whenever Board meetings take place. The Senior Manager and Treasurer are responsible for sharing the latest monthly accounts with Trustees two weeks in advance of each Board meeting.

6) The Board will appoint an appropriately qualified auditor/independent examiner to audit or examine the accounts before presentation to the next AGM. Once approved, the accounts and annual report are to be uploaded on the Charities Commission portal.

Banking

- 1) The Trust currently banks with CAF Bank plc located at 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ. The account is held in the name of the Bethnal Green Nature Reserve Trust.
- 2) The Trust signatories are Gwen Wright (Treasurer) and Bryony Harris (Secretary). Any adjustments to the mandate will always be approved and minuted by the Board of Trustees.
- 3) CAF Bank provides a monthly statement which shall be checked and reconciled by the Senior Manager (Michael Smythe) & Treasurer (Gwen Wright) by the 28th of each month.
- 5) All payments require approval by the nominated signatories - Gwen Wright (Treasurer) and Bryony Harris (Secretary) - before payroll, invoices or site expenses are processed.
- 5) The Trust does not use any other bank or financial institution for charity business. The Trust does not use an overdraft facility or hold any loans.

Income

- 1) All monies received and all miscellaneous costs (this includes sundry receipts such as payment for telephone calls, photocopying etc.) will be recorded promptly in the internal set of accounts and banked without delay. The Charity will maintain files of documentation to back this up.

Payments (expenditure)

- 2) The aim is to ensure that all expenditure is consistent with the Trust's Objectives and is properly authorised and paid within one calendar month (30 days) of receipt of a valid invoice (or any shorter period if required by the relevant invoice). The latest approved budget provides the authorised signatories with authority to spend up to the budgeted expenditure, not beyond it. Please see the Trust's *Financial Reserves Policy* for more detail.
- 3) The Treasurer and Secretary hold the signatory mandate for approving all online payments and will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key.
- 4) The Trust generally makes payments by electronic transfer but when making payment by cheques:
 - A) Blank cheques will NEVER be signed.
 - B) The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
 - C) No cheques should be signed without original documentation (see below).

Payment documentation

- 1) Every payment out of the Trust's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by the Trust and filed. The bank signatory should ensure that it is referenced with:
 - Online banking reference for payment / Cheque number
 - Date transfer made / cheque drawn
 - Amount of transfer / cheque

2) The only exceptions to payments not being supported by an original invoice are Items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a record of the transfer will be kept along with the reasons for not requiring an invoice.

3) Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment. All staff are hired on a freelance basis and will be responsible for paying the tax on their salaries.

4) 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 trustees.

5) Petty cash will always be maintained whereby the Site Manager, Compost Toilet Attendant and Forest Fridays leader is entrusted with a float as agreed by the Trustees (current amount c. £50). Anyone drawing from petty cash must leave receipts in the petty cash box which will be checked by the Treasurer and General Manager every month. When that is more or less expended, funds will be drawn from the Trust's bank account to bring up the float to the agreed sum.

6) Expenses / allowances. The Trust has a policy of reimbursing all work-based expenditure paid for personally by project leads (e.g. Site Manager or Forest Fridays leader), providing:

- Fares are evidenced by tickets.
- Other expenditure is evidenced by original receipts.
- Car mileage is based on local authority scales.
- No authorised signatory signs for the payment of expenses to themselves.

Interns and volunteers should generally not be required to incur expenses but may incur travel expenses if they are travelling to support the Trust in a specific event/workshop or public talk. In this scenario, interns/volunteers must provide an invoice and the Trust would issue payment at the end of the month.

Cheque Signatures

1) Each cheque will be signed by at least two people.

2) A cheque must not be signed by the person to whom it is payable.

Other rules

1) The Trust does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Trust in excess of £300.00 must be authorised and minuted by the trustees. Please see the Trust's *Financial Reserves Policy* for more detail

2) 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 trustees. This covers such items as the new service contracts, emergency repairs and site equipment purchase or hire.

3) All fundraising and grant applications undertaken on behalf of Trust will be done in the name of the Trust, with the prior approval of the trustees (or in urgent situations the approval of the Chairperson) who will provide full details to the next trustees' meeting.

4) The Trust 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 of assets. Additionally, the Trust will maintain a property record of items of significant value, with an appropriate record of their use.

This policy will be reviewed on an ongoing basis, at least once a year. The Trust will amend this policy, following review, where appropriate.