



Financial Controls Policy

**Market House
14 Market Street
Lerwick**

A charitable company limited by guarantee registered in Scotland No. 165677
Registered Office Market House, 14 Market Street, Lerwick, Shetland ZE1 0JP
Company Secretary Catherine Hughson
Recognised by the Inland Revenue as a Scottish Charity - No. SCO 17286

Voluntary Action Shetland

FINANCIAL REGULATIONS AND PROCEDURES

INTRODUCTION

These financial regulations are a means by which Voluntary Action Shetland can meet its legal and other obligations in connection with the Charities Act 2011, Inland Revenue and The Companies Act, 2006.

This will enable Directors and staff to be aware of the financial regulations and ensure that Voluntary Action Shetland meets its obligations and requirements as a Company Limited by Guarantee, a Registered Charity and conditions of funding agencies and our auditors.

The company must state its name, place of registration, and registration number and charity number on all business letters, official publications and invoices.

These Financial Regulations and procedures set out a framework for the proper financial administration of Voluntary Action Shetland.

The Financial Regulations and procedures need to be read and understood by any member of staff who may be incurring expenditure on behalf of Voluntary Action Shetland.

Ultimate responsibility for ensuring the proper financial administration of Voluntary Action Shetland rests with the Executive Officer, on behalf of the Directors.

No member of staff shall commit expenditure without proper prior authorisation by the Executive Officer or in the event of absence the Team Leader.

RESPONSIBILITIES

The Executive Officer shall be responsible for the proper administration of Voluntary Action Shetland's financial affairs.

The Executive Officer shall be responsible to Voluntary Action Shetland for proposing regulations to ensure the proper administration of the finances of Voluntary Action Shetland.

The Board of Voluntary Action Shetland shall provide strategic direction to the Executive Officer on the administration of Voluntary Action Shetland's financial affairs, to protect the assets of Voluntary Action Shetland and ensure that it operates within its financial means.

The Executive Officer shall be responsible for advising Voluntary Action Shetland Directors on the impact of changes in financial legislation, regulations and taxation relevant to the affairs of Voluntary Action Shetland.

The Executive Officer shall be responsible for the provision of financial advice and information to the Board of Voluntary Action Shetland to ensure they can fulfil their

responsibilities, including an explanation of the financial implications of any decisions.

The Executive Officer shall ensure that at all times proper and adequate financial systems exist which deliver the information necessary for effective financial management.

The Executive Officer shall ensure that the Board of Voluntary Action Shetland is kept informed of Voluntary Action Shetland's overall finances through regular reporting and information.

MONITORING AND CONTROL

It is the responsibility of the Executive Officer to monitor and control the overall income and expenditure (including commitments) against the budget of Voluntary Action Shetland.

It is the responsibility of each Project Manager to monitor the income and expenditure that he/she is responsible for.

BUDGET PREPARATION

Each year the Executive Officer will prepare project budgets in conjunction with project managers for the approval of the Directors.

FINANCIAL YEAR

The financial year for Voluntary Action Shetland will be from 1 April – 31 March each year. Audited accounts will be prepared each year and presented to the AGM in June for approval. An independent auditor will be appointed annually at the AGM.

ACCOUNTS

All project accounts are kept on the SAGE business package. Each project is set up separately to ensure correct accountability can be maintained. All payments and income will be accounted for by way of receipts correctly stamped, coded, dated and authorised by the Executive Officer or designated officer. Each project manager will ensure financial documentation is forwarded to the finance officer promptly.

The Executive Officer has designated authority to sign cheques up to the value of £1000 effective from 1 April 2001. Any amount over this threshold requires an additional authorised signatory. (As per Management Board decision 3 October 2000)

BANKING

Voluntary Action Shetland currently operates a treasurer's account with a local bank.

Voluntary Action Shetland may invest monies of the Company not immediately required for the purposes of its activities in such investments and securities in such a manner as may be considered advantageous and to dispose of and vary such investments and securities.

The Executive Officer and three Directors are authorised to sign cheques on behalf of Voluntary Action Shetland.

The Bank provides bank statements monthly and these are reconciled each month by the Finance Assistant and approved by the Executive Officer or Team Leader.

INCOME

All income will be recorded on the financial management system (SAGE) in the appropriate project code. All receipts or offers of funding will be filed appropriately.

INVOICING

All invoices for goods and services will be issued by the end of the month in which the goods or services were provided unless otherwise agreed. Monthly statements will be issued.

EXPENDITURE

All expenditure will be properly accounted for.

All project managers must get authorisation from the Executive Officer for any expenditure above £100.

All invoices will be stamped, dated, coded and authorised by either the Executive Officer or a designated employee. Advice notes will be retained until receipt of invoice.

Blank cheques will **NEVER** be signed.

No cheques should be signed without original documentation attached.

The only exceptions to payments not being supported with original documents would be for such items as advance booking fees, items bought on credit, if original documents not available, fax copies or e-mails will be accepted.

CREDIT CARD

The company credit card can only be used if authorised by the Executive Officer.

PETTY CASH

The current petty cash float is £100; the Petty Cash Book will be balanced quarterly. When the float is expended a cheque will be issued for sufficient funds to bring the float up to the agreed sum. Receipts must be provided for all petty cash purchases. The Petty Cash balances will be transferred to the computer system quarterly.

FINANCIAL REPORTS

Financial reports are prepared at the end of each calendar month. The project managers will receive a report for their particular project.

The Financial Director meets with the Executive Officer after each month end to go through the financial reports.

AUDIT FINANCIAL ACCOUNTS

Audited financial accounts will be prepared after each year-end. These will be presented for approval at AGM or special general meeting.

They must be prepared to take into account the requirement of the Companies Act 2006, Office of Scottish Charities Regulator, Statement of Recommended Practices (FRS102) and funding agencies.

PROPERTY AND FIXED ASSETS

A register of property and fixed assets will be kept stating date of purchase, cost and serial number if applicable.

Voluntary Action Shetland will adhere to good practice in relation to its finances.