



## **Cary Cares: Finance & Reserves Policy**

**This policy refers to and should be read in conjunction with all other Cary Cares policy documents.**

### **1. Overall Financial Controls**

- 1.1 Financial controls throughout the charity are segregated in such a way to provide a 'double check' and these are reviewed annually by the trustees.
- 1.2 Annual budgets of income and expenditure are prepared and approved by the trustees and performance is regularly measured against these at Trustee meetings.
- 1.3 Trustees are regularly provided with updates about the financial performance of the charity by the treasurer and these are discussed at each of their meetings.
- 1.4 Sufficient evidence is retained of all financial transactions to ensure that the charities legal requirements are fulfilled.
- 1.5 The Trustees ensure that an appropriate level of reserves is maintained at all times in line with their agree objectives outlined in Section 5 below.
- 1.6 The Trustees ensure that annual accounts are produced and that they comply with legal requirements. These accounts are formally approved at an annual meeting and as appropriate, overseen by an appointed auditor or external examiner.
- 1.7 The Trustees ensure that the annual report, accounts and return are filed on time.
- 1.8 Any newly appointed trustees will be provided with the latest copy of the accounts.
- 1.9 All trustees and volunteers are made aware of why any charity is at risk from financial crime or abuse and are provided with examples of potentially fraudulent activities and understand their responsibilities for reporting suspicions internally, to the commission and to the police.
- 1.10 A 'Register of Interests' is maintained and is reviewed at each AGM.

### **2. Income**

- 2.1 All incoming post is kept secure and is opened in the presence of two unrelated people. Any incoming cheques and cash is recorded immediately.

- 2.2 When undertaking public collections & fundraising events, legal requirements are adhered to. Any monies collected is counted and recorded by two unrelated people and is banked as soon as is reasonably possible without the deduction of expenses. Records are maintained for each fundraising event.
- 2.3 Following registration, the charity will maximise the lawful take-up by its donors of Gift Aid, regular checks will be made to ensure all eligible tax repayments are obtained and relevant records will be maintained as required by HMRC.
- 2.4 The charity identifies and monitors the receipt of large legacies and ensure that they are correctly included in the accounts.
- 2.5 The treasurer implements procedures and checks to ensure that any conditions on 'restricted funds' are observed.
- 2.6 Regular checks are made to ensure that all income records agree with the bank paying-in book and statements. These checks are made by someone other than the person who made the entry into the accounting records.

### **3. Purchases and Payments**

- 3.1 All invoices received are checked against orders, confirming prices and the receipt of the goods or services prior to authorisation for payment.
- 3.2 All payments over the value of £70 are required to be authorised by a quorum of Trustees prior to issue or drawdown. Email authorisation is sufficient.
- 3.3 The charity has a separate 'Grant Making Policy' which the trustees ensure is adhered to when making and monitoring grants.
- 3.4 The charity's cheque book is kept by the treasurer in a secure place and can only be accessed by nominated individuals.
- 3.5 All cheques are signed by two authorised signatories and will only be signed when supported by documentary evidence of the nature of the payment e.g. invoice. No signatory will ever sign 'blank cheques'.
- 3.6 All cheque expenditure is recorded and noted with the relevant cheque number, nature of payment and payee.
- 3.7 Debit cards are issued to the authorised signatories on the bank account. The signatories undertake to keep these secure at all times. These cards may only be used by the named signatory for agreed expenditure up to the value of £70 per transaction, unless prior authorisation has been gained as per 3.2 above. All card transactions must be supported by receipts, which are supplied to the treasurer for recording and reconciliation. All card transactions are regularly checked and verified by two trustees to ensure that the card users are adhering to the charity's policy. Debit cards are cancelled if the holder ceases to work for the charity.
- 3.8 The treasurer is authorised to set up automated payments on the bank account following prior agreement for the expenditure item by the trustees. Through regular reviews, the trustees ensure that any such automated payments are cancelled when such goods or services are no longer being supplied.
- 3.9 The charity does not hold a petty cash account and every effort is made to minimise cash payments. Any such payments are taken from the charities current account, recorded appropriately and supported by appropriate documentation.
- 3.10 All payments made for the reimbursement of expenses are made in accordance with the Charity's separate expenses policy and appropriate records are retained.

- 3.11 The treasurer makes monthly checks to ensure that the expenditure records are accurate and agree with the bank statements and that there are no discrepancies with any payments made and the original invoice or payment record.
- 3.12 An independent trustee makes separate monthly checks to ensure the Charity's financial policies are being adhered.

#### **4. Bank Accounts**

- 4.1 The charity holds two bank accounts: a current account, for all expenditure and a donations account. The treasurer ensures that a balance of around £1000 is maintained in the current account to meet immediate needs.
- 4.2 The charity uses the Community Bankline system and ensures that its terms and conditions are adhered to and that those accessing the account on behalf of the charity are appropriately trained.
- 4.3 Bank statements are regularly received, reconciled and made available to the trustees.
- 4.4 A separate audit trail is maintained of all banking transactions.
- 4.5 The treasurer regularly checks the on-line accounts to ensure that there is no third party use.
- 4.6 The charity's banking arrangements, costs and benefits, are reviewed annually. No bank accounts are opened or closed without proper authorisation from the trustees.

#### **5. Reserves**

- 5.1 Cary Cares is essentially a grant making charity. The funds held by Cary Cares consist of donations made during the CoVid Pandemic to alleviate conditions of need, hardship or distress of residents or groups situated within the parishes of Castle Cary and Ansford. The charity has no paid employees, minimal running costs and minimal volunteer expenses. The trustees are committed to ensuring that funds raised in response to the Pandemic emergency and any future donations are re-distributed back to the community to appropriate beneficiaries as define by our Grant making policy within approximately 18 months of receipt. The trustees aim to retain only minimal reserves (outside of any 'restricted funds' to ensure that the charity will have adequate financial stability to ensure that it meets this objective.
- 5.2 The trustees will maintain the charity's reserves at a level which is estimated to be between 6 and 9 months of its operational expenditure. Currently this stands at £XXXXpm and so the total target reserves held will be £XXXXXX.
- 5.3 Cary Cares funds are partly made up of a 'restricted fund' for the provision of Food and Essentials. This restricted fund currently stands at approximately £9500.00 which, with the current level of take-up is sufficient to last in excess of 2 years.
- 5.4 The trustees will review the amount of reserves (and restricted funds) that are required to ensure that they are adequate to fulfil the charity's continuing obligations on a quarterly basis at their meeting.