

Friends of Firs Farm

Registered Charity 1177069



Financial Policy

Applicability

Friends of Firs Farm (FOFF) is a charity that provides or assists provision of facilities for recreation and leisure to improve the social welfare of people in North London/Enfield by supporting the preservation, promotion and improvement of Firs Farm Wetlands Park and Playing Fields.

FOFF presently has no paid employees. This policy currently applies to all trustees, other volunteers, contractors, and third-party representatives of FOFF. Its requirements are reflected in other policies and procedures, agreements, and contracts, as necessary.

Separation of Duties

Authorisation of payments and/or transfers (For example, an on-line banking payment or credit card transaction) may only be made by registered trustees of FOFF, as identified on the Charity Commission website (<https://register-of-charities.charitycommission.gov.uk/charity-search/-/charity-details/5115990/trustees>). No one person may both authorise and pay any payment or transfer.

Conflict of Interest

To avoid conflicts of interest arising, no trustee of FOFF or other volunteers may:

- Authorise or make changes to payments of his or her own expenses incurred while conducting business on behalf of FOFF or personnel entitlements or records, or;
- Make payments or enter into contracts with family members or organisations in which they have an interest, either directly or through a close family member.

Contracting

FOFF has developed A robust contracting process is to be implemented with major contracts openly tendered, subject to board scrutiny and approval, and retendered every 3 to 5 years. This is set out in the Charity's Tender Policy and Process document (updated 2022). Contracts and other agreements should be recorded in a simple contracts register and each reviewed annually to ensure these continue to meet the charity's needs and offer good value for money.

Budgeting

The Trustee with responsibility for the management of financial matter will prepare an annual budget for FOFF. The Trustees collectively shall scrutinise and approve this budget. The budget should include prudent income forecasts that have been tested to confirm that there is a reasonable expectation of securing the funding planned for all work planned of in the budget.

Financial Reporting



The Trustee with responsibility for the management of financial matter will provide up to date financial reports, which shall be submitted for consideration by the other Trustees regularly. Reports should use simple clear English so that all Trustees may be able to understand them. The report will:

- Explain the charity's current and likely future financial position.
- Focus on the key issues and risks, the action being taken to address these and the expected outcome.
- Highlight any significant deviations from budget or funding shortfalls.

Financial Management

Budget holders nominated by the Trustees of FOF are to review financial reports, investigate any variances to budget/forecast and unusual or unexpected transactions that cannot be adequately explained and take appropriate action. Any significant issues should be reflected in reports to the Trustees.

Cash

Any cash held by FOF must be secured under lock and key. The limit of the amount of cash held will be kept within the limit covered by insurances held by FOF. Access to cash reserves will be restricted to those who need access, as determined by the Trustees collectively.

In general, cash payments by FOF will be avoided wherever possible. Cash shall not be sent through the post. Any cash and cheques received by FOF shall be banked regularly, particularly if significant sums of cash are received. Cash shall be banked 'gross' (i.e. income is not netted off against other expenditure). All transactions will be recorded.

Cash will be kept separate from personal money and never used for personal expenditure. Where significant sums are to be banked, two individuals shall escort the money and it shall be transported by car, not on foot or travelling on public transport. To ensure the safety of individuals acting on behalf of FOF, in the event of a robbery, the money is to be handed over without resistance.

Banking

Bank accounts, savings and any other form of investment may only be opened with the written approval of all the Trustees. All accounts held shall be reconciled at least monthly. The bank reconciliation, statement, cashbook, chequebook, and any other supporting documentation shall be cross checked someone other than the person concerned with the original recording of the transactions.

Bank mandates, account signatories and e-banking access are to be kept up-to-date and individuals may only be added with the written approval of all Trustees. The list of people with



access and their access levels shall be reviewed annually, as part of the audit preparation process.

When cheques are issued, all cheque stubs should be completed fully. Payments exceeding:

- £x require y signatures.
- £a require b signatures, one of whom must be the chair of Trustees.

Cheque books shall be secured under lock and key, must be used in sequence and only one cheque book shall be held at any time.

Income

Regular checks are carried out to ensure that records are being accurately maintained and that there are no discrepancies in the accounting records. Specifically, that:

- Records of cash and cheques received agree with bank paying-in slips;
- The paying-in slips equate with the bank statements, both in terms of amount banked and date of credit; and
- All transfers or other direct payments into the bank can be identified and verified against paperwork.

Restricted funds (i.e. donations where the donor has specified a purpose) are accounted for separately to ensure these are only used in accordance with donors' restrictions.

Multi-year funding is accounted for in a way that ensures future year funding is not inadvertently spent in the current accounting year.

Anonymous or suspicious donations are subject to appropriate due diligence to minimize the risk of fraud.

Expenditure

Where authority for expenditure is delegated, each budget line should have a specific nominated budget holder who shall have the authority to approve expenditure against that budget. Expenditure may not be authorised beyond the limit of the delegated budget without appropriate approval by all Trustees.

The prior approval of all Trustees is required for any projects or proposals more than £x that are not included in the budget and for any that will result in a budget being overspent. All expenditure must be properly authorised, represent good value for money and be on appropriate items or services. Delegations and any subsequent changes shall be issued in writing and clearly specify budget lines and limits.



Budget holders shall check invoices received against orders and confirm that the goods or services have been received, are correctly priced, with any discounts or credit notes considered and sales tax (e.g. VAT) excluded if appropriate, before authorising payment. The budget holder will report to the Trustees monthly on all such expenditure.

Cheque books, credit cards and on-line systems and passwords will be adequately safeguarded. Physical items, such as e banking encryption devices and cheque books will be kept under lock and key when not in use. Passwords shall not be written down or shared, and will be changed regularly and if compromised. Electronic records shall be routinely backed up and back-ups stored in a separate location to IT equipment in case of fire.

Cheques will always be crossed, blank cheques never signed, and mandates restricted to only those who need to sign cheques.

Expenses claims shall be countersigned by the budget holder or a Trustee to confirm that the claim is valid, the expenditure was made in relation to the business of FOF and the amounts claimed are reasonable in the circumstances.

Payment of any expenditure that may be novel (i.e. using a budget for a purpose for which it was not intended or exceeding permissible limits) or contentious (i.e. where the need for it or the cost involved may be questioned) shall require the prior approval of all Trustees.

Assets

Purchases of fixed assets and equipment that have a life expectancy of, and will provide benefit for, more than one financial year may be treated as capital items and their value written down over the lifetime of the asset. In general, the minimum value for an item to be treated as a capital asset is £x.

A fixed asset register shall be maintained and reviewed annually. This will allocate items inventory codes, and these shall be marked accordingly. After each annual review, insurance cover shall also be reviewed to prevent being under or over insured.

In deciding whether we will accept and hold donations of cryptoassets, or not, the Trustees will assess the opportunities, benefits, risks, and limitations. In doing so, the Trustees will ensure that the Charity either has or sources relevant expertise. If the Trustees decide to accept cryptoassets, the Charity will implement appropriate financial and other controls, and manage the risk on an ongoing basis.



Fraud/Bribery

If fraud is suspected, it is to be brought to the attention of the Chair of Trustees in the first instance. If for any reason this may be inappropriate, it should be reported to any of the Trustees. The appropriate actions to be followed shall be agreed by the Trustees collectively.

Hospitality

Trustees, other volunteers, contractors, and third-party representatives of FOFF may be offered hospitality in the form of being taken out to drinks or events, or gifts by suppliers or others. It is essential that this is entirely above board and can be demonstrated to be so. They may only accept hospitality or gifts, which are worth less than the value of £x. Such gifts shall be declared in a Hospitality Book, held by the Chair of Trustees, unless these are trivial and of value of less than £20. The Hospitality book shall be reviewed and signed off by the Chair of Trustees annually, as part of audit preparation.

Losses

Any losses are to be investigated. The amount and circumstances of the loss shall be determined and, in particular, whether the loss arose from weaknesses in procedures and/or a failure to apply procedures correctly. Appropriate action shall be taken by the Trustees to ensure no further losses occur, arising from similar circumstances. The value of any item shall be at realisable value. Any loss must be approved for write off in line with the delegations from the Trustees. The loss is to be written off on the accounting system and the record of investigation and approval for write-off filed for audit purposes.

Records.

Records (in particular, cashbooks and other prime books of account) shall be retained for 7 years and supporting vouchers for 18 months. A secure archive is identified, and records kept under lock and key. The archive shall be organised to enable records to be easily identified and retrieved.

IT and Online Security

FOFF presently has no IT assets that are owned by the Charity or networked electronic systems. Where financial documentation is held electronically by Trustees or other people associated with the Charity, they will undertake to maintain on their own IT equipment security software, such as anti-virus and firewalls, and ensure these are to be kept up-to-date, preferably by automatic renewal. There will be effective controls for authorising and managing access (e.g. spreadsheets containing financial information shared electronically should be password protected).

Trustees or other people associated with the Charity who handle information relating to FOFF electronically must ensure that software updates are installed promptly on their IT equipment, and that passwords are strong, not shared and changed regularly.



All financial data relating to FOFF accounts if stored electronically must be backed-up on a regular basis. To allow for disaster recovery, electronic copies of data shall be stored in separate locations, and in a secure and fire-proof environment. Trustees and volunteers must be made aware of what they need to do (and not do) to maintain online security.

Version Control - Approval and Review

Version No	Approved By	Approval Date	Main Changes	Review Period
1.0				