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FINANCIAL PROCEDURES

Wycombe Islamic Mission and Mosque Trust Limited (WIMMT)



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FINANCIAL PROCEDURES

Introduction

These money rules/financial procedures have been based on the NAVCA Good Practice Guide, which was written for small to medium-sized voluntary sector organisations. Copies have been circulated to all company Directors for consideration before approval at a Board meeting.

1. General Rules

1.1 Financial records will be kept so that the Company and its Board of Directors can:

- meet their legal obligations, e.g. Charities Act, Companies Act
- monitor and plan the finances of the organisation
- meet the contractual obligations and requirements of funders
- show how funds were used to benefit the community

1.2 The Board of Directors will ensure that the organisation keeps proper books of account, which will include:

- a cash book/computerised accounts, analysing all the transactions from and to the organisation's bank account(s), and showing transactions on restricted funds if appropriate
- an asset register
- a petty cash book
- Inland Revenue deduction sheets P11 or appropriate electronic payroll system where appropriate.

1.3 The financial year will end on **31st March**

1.4 Accounts will be drawn up after each financial year within **six** months of the end of the year and will be presented, after audit or independent examination (if required by law, funders or the constitution), to the Annual General Meeting (if appropriate) having been approved at a meeting of the Board of Directors.

1.5 Before the start of each financial year the Board of Directors will discuss and approve a properly costed budget for the following year.

1.6 A report comparing actual income and expenditure, separately identifying restricted funds and their usage, with the budget will be presented to the Board of Directors every **three** months.

1.7 The AGM will appoint an appropriately qualified auditor/independent examiner to audit/independently examine the accounts if required by law, by the constitution or a funder.

2. Banking

- 2.1 The organisation will bank with Lloyds **Bank Plc** at its High Wycomb branch, where the accounts will be in the name of **Wycombe Islamic Mission and Mosque trust**. The following account(s) will be maintained, **Current Account and Reserve Account with on-line Access**.
- 2.2 No other accounts will be held at any other bank or financial institution unless approved and minuted by the Board of Directors.
- 2.3 The Board of Directors will require the bank to provide statements every month; which will be reconciled with the cash-book (manual or electronic) every **two** months.
- 2.4 The Treasurer will check every quarter that this reconciliation has been done and sign the cashbook or statement accordingly.

3. Income

- 3.1 Care should be taken to ensure that once funds are received into the control of the organisation, their continued security is maintained.
- 3.2 All monies received (whether cash or cheques) should be banked as soon as possible – at least weekly. No amount should be held back for “feeding” petty cash.
- 3.3 All cash or cheques received by post should be listed as soon as they arrive.
- 3.4 Cash or cheques should be placed in a safe or locked cash box if they cannot be banked on the day of receipt.
- 3.5 A duplicated receipt should be given for any cash income.
- 3.6 If a large amount of cash income is received, e.g. from a fund-raising event two people should count it and sign a sheet confirming the amount.
- 3.7 All documentation (e.g. the terms and conditions of a grant) relating to income should be kept and filed.

4. Payments by Cheque/ Electronic Transfer

- 4.1 Money will only be spent to meet the conditions and requirements of the funders and for the benefit of the community within the objectives of the constitution.
- 4.2 **The finance officer** will be responsible for holding the cheque book (both unused and partly used cheque books) which should be kept under lock and key.
- 4.3 The bank mandate will specify **two** signatories on each cheque from a “pool” of 4 people authorised to sign cheques, which has been approved and minuted by the Board of Directors (the Board of Directors must abide by any relevant clause in their governing document).
- 4.4 Blank cheques will NEVER be signed.
- 4.5 A cheque must not be signed by the person to whom it is payable.
- 4.6 A cheque stub will always be filled in.

- 4.7 Payments will only be made against an original invoice (or other documentary evidence).
- 4.8 The same person should not be responsible for ordering, processing and checking invoices, raising and authorising cheque requisitions and signing cheques.
- 4.9 The budget holders may place orders or sign contracts for goods or services included in an approved budget by the Board of Directors or otherwise up to the value of £5000. Orders for goods, services and contracts exceeding £1500 and up to £50,000 will be authorised by the executive. Any order for goods, service or contract exceeding £50,000 will be authorised by the board. In urgent circumstances expenditure up to £5000 can be approved by any two of the following, Chair of the Board, Treasurer, Vice Chair, Secretary which will then be reported at the next board meeting.
- 4.10 All cheque/ electronic expenditure should be recorded in the cash book (manual or electronic) and cross-referenced to the cheque number.
- 4.11 Where the Board has approved the budget and relevant spend this will be devolved to Chief Officer.

5. **Payments by Cash**

- 5.1 All cash payments should be from a cash float (preferably on the Imprest System) which is replenished from the bank account and not by the retention of incoming money. The cash float will never exceed **£200**.
- 5.2 The **Finance Officers will** be responsible for holding the petty cash tin key and for paying petty cash against a properly authorised petty cash voucher with receipt attached.
- 5.3 All payment and topping up of petty cash will be recorded in the petty cash book.
- 5.4 The cash float will be counted 6 monthly and reconciled to the petty cash book by the **Treasurer**.

6. **Payment by Internet Banking**

- 6.1. Salaries will be paid monthly by online banking.
- 6.2. Other payment will also be paid through on-line banking subject to clause 4 above.

7. **Wages, Salaries and Pension contributions**

- 7.1 Pay records will be kept for each member of staff and these should be kept separately from the personnel records. Pay records will state the starting/leaving dates, salary level.
- 7.2 All members of staff will be employed under a proper contract of employment and compliance with PAYE/NIC regulations ensured.
- 7.3 If a new employee does not have a P 45 the organisation will issue them with a P46 which must be filled in and signed by the employee

7.4 Expenses should not be rounded up. Actual expenses must be authorised and will then be reimbursed to staff, Board of Directors and volunteers, providing:-

- fares are evidenced by tickets
- other expenditure is evidenced by original receipts
- car mileage is based on a scale approved and minuted by the Board of Directors.

7.5 Company Pension will be maintained through a broker and administered in line with legislative requirements. All records will be maintained on Pension contributions.

8. Controls over Fixed Assets

8.1 A list or register of fixed assets i.e. land, buildings and equipment will be held and updated regularly including all assets donated for use by the organisation. Information held on each asset should include; cost, age of asset, name and address of supplier, serial numbers, and details of guarantees as appropriate.

8.2 Assets will be checked regularly, and adequate insurance cover taken out.

9. Organisational Chart showing Financial Responsibilities

	Financial Responsibility
Board of Directors	<ul style="list-style-type: none"> • Oversight of all resources, budgets and assets • Budget approval • Approval of Annual Accounts • Appointment of Auditors • Company Pension
Chief executive / Department managers	<ul style="list-style-type: none"> • Oversight of day-to-day financial arrangements • Securing resources • Budget setting • Budget control • Audit reports • Reporting to the Board of Directors • Liaison with the Treasurer
Treasurer (Appointed by the Board)	<ul style="list-style-type: none"> • Oversight of the financial policy, procedures and controls • Reporting to the Board

	<ul style="list-style-type: none"> • Company Pension
Finance Officer	<ul style="list-style-type: none"> • As per Job description: • Oversee all financial transactions, purchases and payments in line with approved budgets • Oversee all contracts in line with approved budgets • Budget setting and control • Ensure full cost recovery for all projects • Reports and claims to funders • Reports to Board of Directors

10. Other Rules

- 10.1 Once a year the Board of Directors will consider the level of reserves that it is prudent for the organisation to hold. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account if the organisation were to close.
- 10.2 The **Chief executive or appointed officer** will be responsible for taking out appropriate insurance. The Board of Directors will review all insurance cover **at least once** every year.
- 10.3 These procedures will be reviewed by the Board of Directors every two years or earlier if necessary.

Policy Review

Last review date: December 2020

Next scheduled review date: December 2021