

Financial Controls and Management Policy



1. Introduction

- 1.1. The Eldonian Community Trust ("the Charity") is committed to managing its finances responsibly, transparently, and in compliance with all relevant laws and Charity Commission guidance. This policy sets out the financial controls and procedures that ensure effective stewardship of the Charity's funds.
- 1.2. The policy applies to all trustees, staff, volunteers, and any individuals who manage or access the Charity's funds.

2. Governance and Oversight

- 2.1. The Board of Trustees has overall responsibility for the financial health of the Charity. The Treasurer leads on financial matters and reports regularly to the board.
- 2.2. The board will:
 - 2.2.1. Approve an annual budget
 - 2.2.2. Receive and review quarterly financial reports
 - 2.2.3. Approve all annual accounts and returns for submission to the Charity Commission
- 2.3. An external accountant or auditor will be appointed where required by law or deemed appropriate by the board.

3. Bank Accounts and Authorisation

- 3.1. All bank accounts will be held in the name of the Charity.
- 3.2. At least two unrelated trustees must be signatories on all bank accounts.
- 3.3. All payments above £250 must be authorised by two approved signatories. Online banking permissions will be configured accordingly.
- 3.4. Blank cheques must never be signed. Cheque stubs and bank statements will be reconciled monthly.
- 3.5. Debit or credit card use must be authorised in advance and used only for agreed charitable purposes. Receipts must be retained.

4. Income and Fundraising

- 4.1. All income, including donations, grants, and fundraising receipts, must be properly recorded and banked promptly.

- 4.2.** Cash donations must be counted by two people and a record kept.
- 4.3.** Gift Aid claims will be managed by the Treasurer or designated officer in line with HMRC rules.
- 4.4.** Restricted funds (donations or grants for a specific purpose) will be tracked separately and only used for their intended purpose.

5. Expenditure and Procurement

- 5.1.** Expenditure must:
 - 5.1.1.** Be approved within budget or agreed by the board
 - 5.1.2.** Be necessary and reasonable for delivering the Charity's objectives
 - 5.1.3.** Comply with procurement rules (including competitive quotes where appropriate)
- 5.2.** Reimbursement claims (e.g. expenses for volunteers) must be submitted using a standard form, with receipts, and approved by the Treasurer or Chair.
- 5.3.** Regular payments (e.g. rent, insurance) will be monitored to ensure value for money.

6. Petty Cash and Cash Handling

- 6.1.** Use of cash should be minimised. Where petty cash is necessary:
 - 6.1.1.** A logbook will be maintained with receipts
 - 6.1.2.** The float will be capped (e.g. £100)
 - 6.1.3.** Reconciliations will be done monthly by a designated person
- 6.2.** Cash collected at events must be counted and recorded by two people, then banked within 3 working days.

7. Financial Records and Reporting

- 7.1.** Financial records will be maintained in accordance with charity law and good accounting practice.
- 7.2.** All income and expenditure will be recorded accurately and stored securely for a minimum of 6 years.
- 7.3.** The Treasurer will prepare regular reports for the board, comparing actual income and expenditure to the approved budget.
- 7.4.** Annual accounts will be prepared in accordance with the Charity SORP and submitted to the Charity Commission.

8. Fraud and Misuse Prevention

- 8.1.** The Charity has zero tolerance for fraud or financial abuse. Any suspected fraud must be reported immediately to the Chair or Secretary.
- 8.2.** All trustees have a duty to:
 - 8.2.1.** Remain vigilant
 - 8.2.2.** Uphold segregation of duties (e.g. not authorising and approving the same transaction)
 - 8.2.3.** Review financial reports carefully
- 8.3.** Serious financial concerns may be reported to the Charity Commission under the Serious Incident Reporting framework.

9. Policy Review

- 9.1.** This policy was approved by the Board of Trustees on Friday 9th May 2025 and will be reviewed annually or as required.