



Sneinton Alchemy

Financial Controls Policy

1. Introduction

1.1 Financial records will be kept so that Sneinton Alchemy Community Interest Company (“Alchemy”) can:

- (a) Meet its legal and other obligations, e.g. CIC regulator, HMRC and common law.
- (b) Enable the directors to be in proper financial control of Alchemy.
- (c) Enable Alchemy to meet the contractual obligations and requirements of funders.

1.2 Alchemy will keep proper books of accounts, which will include:

- (a) A cashbook analysing all the transactions in Alchemy’s bank account(s).
- (b) A petty cash book if cash payments are being made.
- (c) HMRC deduction cards P11 for employees and UTR numbers for freelance workers.

1.3 The financial year will end on the 31st December each year.

1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting.

1.5 Prior to the start of each financial year, the directors will approve a budgeted income and expenditure account for the following year.

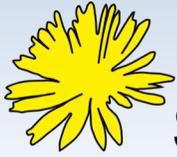
1.6 A report comparing actual income and expenditure with the budget will be presented to the directors every three months.

1.7 The AGM will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM.

2. Banking

2.1 Alchemy will bank with the Cooperative Bank. Accounts will be held in the name of Sneinton Alchemy CIC. The following accounts will be maintained:

Community Direct Plus account.



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2.2 The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the directors as will all the changes to it.

2.3 Alchemy will require the bank to provide statements every month and these will be reconciled with the cash book at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly.

8.1 Alchemy will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the directors.

3. Receipts (income)

3.1 All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). Alchemy will maintain files of documentation to back this up.

4. Payments (expenditure)

The aim is to ensure that all expenditure is on the company's business and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.

4.1 The Secretary will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.

4.2 Blank cheques will NEVER be signed.

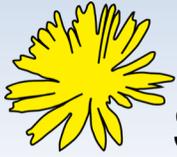
4.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.

4.4 No cheques should be signed without original documentation (see below).

5. Payment documentation

5.1 Every payment out of Alchemy's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by Alchemy and filed. The cheque signatory should ensure that it is referenced with:

- Cheque number
- Date cheque drawn
- Amount of cheque



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- Who signed the cheque.

5.2 The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.

5.3 Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition, asking for payment to an employee, the HMRC, etc. All employees will be paid within the PAYE, National Insurance regulations.

5.4 All staff appointments/departures will be authorised by the directors, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the directors.

5.5 Petty cash will always be maintained on the imprest system where by Administration Worker is entrusted with a float as agreed by the trustees. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

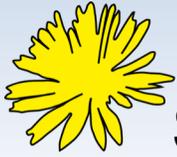
5.6 Expenses / allowances. Alchemy will, if asked, reimburse expenditure paid for personally by staff, providing:

- Fares are evidenced by tickets.
- Other expenditure is evidenced by original receipts.
- Car mileage is based on HMRC scales.
- No cheque signatory signs for the payment of expenses to themselves.

6. Cheque Signatures

6.1 Each cheque will be signed by at least two people.

6.2 A cheque must not be signed by the person to whom it is payable.



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7. Financial Transaction Card

7.1 The use of a financial transaction card offers a major advantage in convenience and costs for Alchemy, enabling for example online purchases of good and services. A number of precautionary procedures are in place to prevent any possible abuse of the organisation's card.

7.2 A single card will be held for the company, in the name of a director. Any other cards issued by the bank will be immediately destroyed. The cardholding director will remain personally responsible for the use of the card, and sign a declaration to this effect. Only the cardholder will use the card.

7.3 The card will be a debit card only, no credit cards will be used.

7.4 The card will be used only for activities which are a direct consequence of Alchemy's functions, with no personal use. Where doubt exists as to whether or not an item of expenditure is related to the functions of Alchemy, prior authorisation will be obtained from the treasurer.

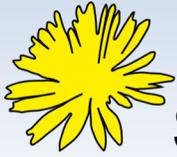
7.5 The cardholder's responsibilities are:

- In all cases obtain and retain sufficient supporting documentation to validate the spend. Should this be impossible, the cardholder will sign a declaration in lieu.
- Verify that the goods and services were received, and submit the supporting documentation to the treasurer.
- Notify the bank and the treasurer immediately if the card is lost or stolen, or any unauthorised transaction is detected or suspected
- Take adequate measures to ensure the security of the card
- Return the card if the cardholder resigns, if the card is cancelled, or if the directors determine that the card should be returned.
- Be personally liable for any unauthorised transaction unless the card is lost, stolen or subject to fraud on the some part of a third party.

7.6 The cardholder shall not:

- Exceed any maximum limits set for the card
- Obtain cash advances through the card
- Use the card for any proscribed purchases
- Claim double allowances (ie request reimbursement for an expense already paid by the card).

7.5 In the event of a breach of this policy the Alchemy chair much assess the nature of the breach and, if significant, report the breach to the police for criminal investigation or, if a lesser nature, institute an appropriate disciplinary procedure. The card is to be withdrawn immediately if a breach is discovered.



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8. Other undertakings

8.1 Alchemy does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £5,000, must be authorised and minuted by the directors. In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the directors. (This covers such items as the new service contracts, office equipment, purchase and hire).

8.2 All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of Alchemy with the prior approval of the directors or in urgent situations the approval of the Chairperson who will provide full details to the next director's meeting.

9. Other rules

9.1 Alchemy will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location. Additionally Alchemy will maintain a property record of items of significant value, with an appropriate record of their use.

Signed:

Position: Director

Date of last review: Jan 2016

Next due for review: Jan 2017