

COWLEY ROAD WORKS (CRW)

FINANCIAL PROCEDURES

including Procurement, Best Value and Purchase Order Policy

This procedure shall be subject to annual review as part of the auditing process.

Planning & Reporting

- The Treasurer and Executive Director shall be responsible for planning the organisation's budgets and cash flow. An annual budget will be agreed by the Board by 31 December each year.
- The development/delivery plan shall be agreed by the Board by 31 December each year.
- Regular financial reports (a minimum of every quarter) will be made to the Board by the Treasurer and Executive Director.
- If the cost of a budget item increases to exceed an extra 10% then the Treasurer must make an exception report to the board.
- Reports on all contracts and commitments to go to the Board quarterly

Decisions

- The Executive Director shall have discretion to purchase items of expenditure which fall within the budgets agreed by the Board, operating within the Procurement, Best Value and Purchase Order policies, set out below. The Executive Director has authority to agree and sign contracts with customers so long as they meet development plan criteria (all contracts to be reported to the board quarterly see above). For items which have a commitment value of £5,000 or more the Executive Director will also obtain prior approval from the Chair or Treasurer (this can be via e-mail)
- The Executive Director has authority to submit and sign funding applications and tender submissions, so long as they meet development plan criteria. NB. All major submissions (i.e. those with a value of more than £5,000 and those which in the opinion of the Executive Director are strategically sensitive) will be reviewed by at least one Trustee
- Chair has authority to make decisions on behalf of the Board in the absence of a board meeting, the decision will be reported to the next available board meeting. NB. For any major decision the Chair will consult other Trustees, via e-mail, to obtain support/objection and will proceed based on majority response.

Accounting Year

The accounting year shall run from October to September.

Accounts

- The annual accounts shall be reviewed by an independent examiner or auditor (as required by Charity and Company regulations) annually. The independent examiner/auditor to be appointed at the Annual General Meeting.
- The terms of the agreement with the independent examiner/ auditor shall stipulate that the audit/review should take place as soon as the accounts have been completed to enable audit lessons learnt to be implemented.
- Funds given for different purposes shall be kept separate in the accounts

Records and Statutory requirements

- Records to be kept for 7 years or as otherwise required by law or funder
- Records shall be set up to meet the statutory and contractual obligations of the organisation and shall be subject to regular review to ensure continued compliance.
- The Executive Director to be responsible for maintaining the statutory records including Minutes, submission of annual report and charity commission requirements.
- The Treasurer, with the Account's Officer's and Executive Director's assistance, will be responsible for maintaining the accounting records, which will be, at a minimum, a detailed record of all expenditure and income.
- The Executive Director will be responsible for arranging the necessary insurance, licences and taxation registration requirements.

Purchase Orders

- Purchase orders are to be issued for all items of expenditure of £250 or more. A Purchase Order may be in the form of a letter on CRW headed paper or an e-mail. Evidence of best value checks shall be included in, or filed with a copy, of the purchase order
- All purchase orders to be approved by the Executive Director. Where the purchase order is initiated by the Executive Director, and it is for an amount of over £500 it will be counter-approved by a Trustee (this can be evidenced via e-mail).
- In the absence of the Executive Director purchase orders will be approved by a Trustee.
- Purchase orders are to be filed with the receipts/invoices.
- Where the purchase order relates to a service in which the time given is not identified (e.g. for legal advice) the order should indicate a maximum sum available and day or other rate quoted.

Procurement

- 2 quotes to be obtained for items of £1,000 or above, in writing (e-mail will suffice). Details of the process shall be recorded on/with the purchase order copy (see previous section) supplied to the Executive Director.
- Exceptions to the need to obtain quotes may apply
 - a) where best value considerations c and d apply (see below) and where there are no other appropriate sources of tenders
 - b) if only one of those invited to submit quotations applies
 - c) in cases of emergency
 - d) where specialist goods services are being sought
 - e) where the Trustee Board decide that it is appropriate to select a specific supplier based upon e.g. prior useage (however, a supplier would not be re-engaged for more than 2 years without going through the '2 quote' process set out above)
- CRW may open accounts e.g. for stationery supplies or regular services. In these cases tendering applies to the first order. CRW will review such suppliers on an annual basis.

Best Value

- CRW's policy takes account of a number of considerations when looking at best value. These are
 - a) cost
 - b) quality
 - c) use, where possible, of local suppliers
 - d) working with other local charitable and volunteer organisations

Payments

- When invoices are received they should be initialled by the person who issued the purchase order to indicate that the goods/services have been satisfactorily supplied and the invoice is correct
- They are then passed to the Executive Director for processing.
- All payments, where possible, to be made by On-line banking. Payments to be entered in to the On-line banking system by the CRW bookkeeper, administrator or the Trustee Accounts Officer; and the payments authorised by 2 of the authorised signatories (see Banking Arrangements section) excluding the Trustee Accounts Officer.
- Where on-line payments or cheques are being made to a signatory, the payment/cheque shall be approved/signed by other signatories
- No blank cheques may be signed.
- No payments/cheques may be approved/signed without evidence of expenditure (i.e. invoices or receipts).
- Invoices and receipts shall be kept on file in the office in date order.

Petty Cash

- Petty cash, if any, shall be kept in the locked filing cabinet at Pegasus Theatre.
- Petty cash vouchers are to be filled in for all items and countersigned by the Executive Director

Expense Claims

- Claims shall be made on the form provided
- All claims shall have supporting receipts and invoices
- The form and receipts to be signed and presented to the Executive Director for checking and countersigning. If the claim is from the Executive Director it will be presented to the Chair or Treasurer for approval
- Travel and other expense levels to be agreed annually by the Board.

Bank Arrangements

- CRW banks with the Co-operative Bank (with On-line banking facility)
- Bank Mandate shall be up to 5 signatories, being 4 Trustees and the Executive Director. On-line payments to be authorised by any 2 signatories, subject to the restrictions identified in the Payments section above. Cheques to be signed: amounts up to £500 by the Executive Director, amounts in excess of £500 by 2 of the Executive Director and the nominated Trustees.
- The chequebook is to be kept in the locked filing cabinet.
- Banking shall be done regularly and without deduction.
- No more than £300 to be held on the premises (including petty cash).
- Bank reconciliations to be performed monthly

Income

- Receipts to be produced for all money received
- Details of each bank deposit to be kept on file in order of date of deposit
- Where additional correspondence or information is received relevant to any income received this should be placed on file with the copy bank deposit slip, per previous point.
- CRW shall seek to maximise income through the placing of income on deposit or in other accounts, provided that the sums are not placed at risk, and in line with Charity Commission investment guidelines.

- Where public collections are made, the money shall be counted by two people at the same time who will both sign the total receipt. Where this is not possible - for example, in the event that a donor provides a cash donation to a single individual who is fundraising for the organisation - full details will be provided in writing by the person collecting the funds.

Assets

- An asset register to include all items valued over £2500
- No asset with a value of over £1000 shall be disposed of without the permission of the Board
- No asset shall be disposed of where it is contrary to the rules of the funder.
- Depreciation of assets shall be set at 50% for computer/electronic equipment, 25% furniture and other items.

Updated and Approved 1 July 2014