

The page features a decorative design with several overlapping blue circles of varying sizes and shades, and thin blue lines that intersect to form a triangular shape in the upper left and a larger shape in the lower right. A large, faint circular logo is centered in the background, containing a stylized tree and the letters 'C' and 'S'.

FINANCIAL PROCEDURES Policy

**Reviewed and Adopted
October 2017**



The manager is responsible for the proper administration of the financial procedures of Al-Hasaniya. She is required to observe the following procedures and to be accountable for them to the Treasurer and the management committee as follows:

1. Budget and Monitoring

- 1.1 To ensure a yearly income and expenditure budget is drawn up and agreed with the Treasurer
- 1.2 To agree with the Treasurer where other staff members are to carry responsibility for budgets and any other financial matters
- 1.3 To ensure all items of expenditure are monitored and kept within budget or within specifically agreed approvals
- 1.4 To monitor cash flow to ensure that expenditure does not exceed available cash.
- 1.5 To ensure that the management committee does not consider a new policy or a development or variation of an existing policy or of timescale for implementing an existing policy unless they have before them a full financial implications of any such variations
- 1.6 To submit quarterly accounts and the cash flow to the management committee for approval

2. Recording

- 2.1 To ensure the cash book, invoice book, receipts and petty cash vouchers are maintained and up to date
- 2.2 To ensure that the Petty Cash Tin is in locked in the safe at all times when not being used.
- 2.3 To ensure that the following are retained for six years:
 - Cheque stubs
 - All invoices for which payment has been made
 - PAYE deduction sheets
 - No document of any kind shall be destroyed before the end of the time period stated by the independent examiner
- 2.4 At the end of each month to ensure that the expenditure of Petty Cash is updated on the Cash Book, and the float is topped up.
- 2.5 TO carry out bank reconciliation at the end of every month when the bank statement is received.
- 2.6 At the end of the financial year to ensure the books are drawn up for independent examination in consultation with the Treasurer.
- 2.7 All accounting records shall be retained in safe custody for a period of six years.



3. Authorisation of expenditure and payments

- 3.1 Orders may be placed and purchases made by the centre manager within the £500 maximum budget agreed by the Management committee.
- 3.2 Where proposed expenditure is outside the agreed budget this must be agreed with the Management Committee and/or Treasurer.
- 3.3 Each invoice/order must be kept with payment details to clarify payments made.
- 3.4 All cheques to be drawn up and presented for signature by two of the authorised signatories from the currently approved list of signatories. Staff/management committee should not sign cheques payable to themselves.
- 3.5 The manager must ensure the use of petty cash is solely for small items where a cheque is not feasible.
- 3.6 A receipt must be obtained for each transaction unless it can be justified otherwise, in which case a signed record must be made confirming the transaction.
- 3.7 The manager must make sure all salaries and wages are paid out only after the completion of documentation as required by the Inland Revenue.
- 3.8 Calculation and forward payment of PAYE and National Insurance must be undertaken as required by the Inland Revenue.
- 3.9 Claims for SSP and SMP must be made on behalf of Al-Hasaniya when appropriate.
- 3.10 All invoices must be paid by the due date.

4. Reporting

- 4.1 All instances of financial irregularity, loss or uncontrolled expenditure must be reported immediately to the Treasurer and Management Committee.
- 4.2 Income and expenditure must be reported on regularly to the Management Committee
- 4.3 Reports must be made on the outcome of all fundraising to the Management Committee
- 4.4 Funders must be provided with the information required under conditions of Service Level Agreements.

5. Fundraising

- 5.1 The Manager should identify fundraising opportunities for the development of the centre. The Management Committee should be regularly informed of all fundraising applications made.
- 5.2 The Charity's policy is to achieve and then maintain a balance of 'free reserves' at a level that would equate to 13 weeks total



Expenditure. 'Free reserves' is the balance in the Unrestricted Funds available for general purpose.

- 5.3 Appropriate contact should be maintained with funders, e.g. provision of annual reports, invitations to events and letters of thanks.

6. Investment Accounts

- 6.1 Cash in hand at the bank should be transferred to an account attracting maximum interest, but not to the detriment of Al-Hasaniya's cash flow needs.

7. Audit

- 7.1 An independent examination by auditors appointed at the Annual General Meeting and the Management Committee shall be arranged at the end of every financial year and within the deadline stipulated by Companies House and the Charity Commission.
- 7.2 The Auditor will review, appraise and report to the Management Committee upon the financial soundness of the Al-Hasaniya.
- 7.3 The Auditor will review the financial systems in place and report back to the Management Committee.

8. Insurance

- 8.1 The Manager shall effect all insurance cover and negotiate all claims

9. Inventories

- 9.1 The Manager shall be responsible for maintaining an inventory recording all items of furniture, fittings and equipment for the organisation.



**Date of Management Committee Meeting when policy was reviewed:
October 2017**

**Name of Management Committee Member:
Fatima Mourad**