



Policy Name	Financial Policy
Version Control	1
Date	6.10.2022

This document is intended to provide guidance and support on the conduct of activities for Inclusive Equality Rights UK. The organisation and its committee members are bound by the same goals and the willingness to conform themselves to any compliance process emanates from UK financial legislation.

## **PURPOSE**

The aim of this document is to provide a clear, simple and concise information on how the finance are managed and the commitment to a good use any allocated funds.

Additionally, it sets out our financial procedure.

Accounting regulations, standards and legal requirements will be complied with the interest of the beneficiaries of Inclusive Equality Rights UK and its partners.

All the management committees and all the members adhere to these internal rules in order to fully comply with the regulations for CICs within the UK. Those internal rules are specific to Inclusive Equality Rights UK and may go beyond what is required by the regulations.

## **RECORD KEEPING**

1) Financial records must be kept so that:

- The organisation meets its legal and other statutory obligations, such as the Companies Act, Her Majesty's Revenue & Customs and common law.
- The directors have proper financial control of the organisation.
- The organisation meets the contractual obligations and requirements of funders.

2) The books of accounts must include:

- A cashbook (an excel spreadsheet) analysing all the transactions appearing on the bank accounts
- A petty cash book if cash payments are being made.
- Inland Revenue deduction cards P11 (if registered for PAYE)

3) Accounts must be drawn up at the end of each financial year within 10 months of the financial year end and presented to the next Annual General Meeting.

4) Prior to the start of each financial year, the management committee will approve a budgeted income and expenditure account for the following year.

5) A report comparing actual income and expenditure with the budget should be presented to the management committee every three months or whenever meetings take place.

6) The AGM will appoint an appropriately qualified auditor/ independent examiner to audit or examine the accounts before presentation to the next AGM.

## **BANKING**

1) The bank mandate (list of people who can sign cheques/transactions on the organisations behalf) will always be approved and minuted by the director as will any changes to it.

2) The organisation will require the bank to provide statements every month and these will be reconciled with the excel spreadsheet at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, signing the excel spreadsheet.

3) The organisation will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the directors.

## **FUNDING**

Inclusive Equality Rights UK is mainly funded by grants, donations, training or selling merchandise relating to its aims and objectives.

All the funding is recorded using an excel spreadsheet, where running totals are kept, this is to clearly illustrate which transaction belongs to which fund(s).

We shall use wire bank transfer to the organisation's bank account with an aim of accountability to present periodic public report on the use of these funds – these will be made available on our website

## **BUDGETING**

The organisation sets a budget. This is led by the founder with the active participation of the other members of the management committee.

The activities will be budgeted annually, approved and executed by the members of the Management Committee.

The treasurer is responsible for monitoring actual income and expenditure in comparison with the budget and for ensuring that appropriate action is taken where actual performance is not as forecast.

## **MONITORING**

As stated, Inclusive Equality Rights UK's mission are to collaboratively develop and implement a long-term anti-racism and inclusion strategy which:

- Identifies and tackles structural barriers and institutional racism;
- Encourages the participation of marginalised ethnic groups;
- Works to ensure equitable representation from marginalised ethnic groups in local governance;
- Ensures equal access for those same groups to health (including mental health) and social services; and
- Ensures that the narratives and visibility of York's history are acknowledged and that citizens from marginalised ethnic groups are promoted and celebrated for what they have to offer

The spends which may arise from the organisation's activities must be agreed in advance by the members of the Committee. All expenses

must be made only in connection with Inclusive Equality Rights UK CIC activities.

Reimbursement are subject to the validation of at least two committee members/directors that are not claiming for monies.

The expenses must be validated and executed at the reasonable, ethical and environmentally friendly. If relating to expenditure over £500.00, three quotes will be ascertained.

Before any withdrawal of funds from the organisation's bank account the claimer must submit expenses form and be signed by at least two members of the management committee.

We will keep **all** copies of invoices and receipts for our record keeping.

The receipts and invoices of expenses must be , sent to the treasurer who will record and keep them for auditing purposes

In a quest for continuous improvement, a simplified expenses form for the validation of expenditure will be put in place to improve the process.

## **INCOME**

1) All monies received will be recorded promptly in the excel spreadsheet and banked without delay (this includes sundry receipts such as payment for telephone calls, photocopying etc.). The organisation will maintain files of documentation to back this up.

## **PAYMENTS (EXPENDITURE)**

2) The aim is to ensure that all expenditure is on the organisation'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.

3) The Director or Treasurer will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key.

4) Blank cheques or transactions will NEVER be signed.

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

6) No cheques or transactions should be signed without original documentation (see below).

- 7) the organisation can make electronic payments'
- 8) All payments require two committee members who have bank authority.
- 9) A claimant will not be able to authorise their own expense(s).

### **Payment documentation**

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

Cheque number/Transaction Number

Date cheque drawn/Date of transaction

Amount

- 2) Expenses / allowances. The organisation, if asked, will reimburse reasonable expenditure paid for personally by committee members, providing they have signed an expenses form.
- 3) Each transaction will be signed by at least two people.
- 4) 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 management committee.
- 5) All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the IERUK with the prior approval of the directors or in urgent situations the approval of the Chairperson who will provide full details to the next trustee's meeting.
- 6) The organisation 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 of assets.