



## **National Long Term Survivors Group**

### **Financial Management Policy**

**Issue:** Draft 4      **Date:** 22/11/2010

#### **A: Purpose of the Policy**

1. To define how NLTSG manages its financial affairs

#### **B: Principles**

1. The Board of Trustees of NLTSG recognises the need to manage its finances in a way which is transparent, defensible and ensures the financial well-being of the charity.
2. NLTSG will work in such a way that its expenditure is dedicated primarily to its charitable aims and any additional costs are kept to an absolute minimum.

#### **C: Definitions**

#### **D: The role of the Board of Trustees**

1. The Board of Trustees is responsible for ensuring that charity funds are used to further the objectives of the charity.
2. The Board of Trustees will ensure that all appropriate policies and procedures are in place so that the charity's finances are managed correctly and in line with Charity Commission guidance.
3. The members of the Board of Trustees are collectively responsible, and ultimately liable, for the financial decisions of the charity. This applies to all trustees, elected or co-opted, and it is therefore essential that all Board members take part in the financial decision-making process.
4. The Board of Trustees will set the financial direction and priorities of the charity. The Board may task individuals or groups to take financial projects forward but should remember that it retains overall control and responsibility.
5. Members of the Board will receive regular updates of the accounts, any projects linked to finances and may request to see copies of bank statements as well as any other documentation. This is so that they can satisfy themselves that the charity finances are being managed appropriately and the Board is not exposing itself to unnecessary financial risk.

#### **E: The Role of the Treasurer**

1. The Treasurer is an appointed officer of the charity and is chosen by the Board of Trustees from within the Board of Trustees.



2. The Treasurer, with the agreement of the Board, may delegate any of the tasks involved with the financial management of the Charity. The Treasurer will be responsible for managing any such additional helpers.
3. The Treasurer is responsible for managing the charity accounts, ensuring that reports are prepared in good time, the accounts are inspected each year and that the Board is kept informed of any financial matters which affect the long-term viability of the charity.
4. The Treasurer will provide the Board with an up-to-date summary of the accounts at each Board Meeting. This should reflect income and expenditure for each weekend, and should also provide a summary of the overall state of the accounts. This summary should include both restricted and unrestricted funds.

## **F. The Accounts**

1. Details of the charity's bank accounts will be held by the treasurer, the person who manages the financial records on a day-to-day basis and the Chair of the charity. This information will include, but is not limited to, the name of the bank(s) where the accounts are held, the names of the accounts, the sort codes and account numbers. This information will also include how to access the accounts. The information relating to how to access the accounts should be kept securely as this is likely to include passwords and other identifiers.
2. The accounts should accurately reflect all income and expenditure. It should be clear from the accounts the type of income which is being received (week-end fees, donations, fundraising, interest and so on) and what money is being spent on (accommodation, postage, facilitators and so on).
3. The accounts should be inspected each year in line with Charity Commission guidelines, and the accounts should be prepared and submitted to the Independent Examiner as soon after the end of the financial year as possible. This will ensure that the accounts are ready for the Annual Report and the Annual General Meeting.

## **G. Income and Expenditure**

1. Any income received should be banked as soon as possible and should always be paid into the current account. Money can then be transferred between accounts as required. Similarly, all payments should be made promptly and should also be paid from the current account.
2. All payments should be authorised by two trustees. Similarly, all cheques should be signed by two trustees and those signing the cheques should not normally be the payee. However, in exceptional circumstances it may be necessary for the payee to sign a cheque and this should be recorded in the next Board Meeting minutes.
3. Trustees must never sign a blank cheque. The payee and payment amount must be filled in before signing the cheque.



4. The person responsible for keeping the accounts should ensure that funds are always available so that all payments will be honoured and the charity does not become overdrawn, thus avoiding bank charges.

## **H. Financial Agreements and Arrangements**

1. NLTSG may enter into financial agreements with external organisations, individuals and suppliers with the objective of furthering its charitable aims.
2. Individual trustees may wish to explore possible agreements, the delivery of goods and services, or other arrangements which could lead to a financial commitment from NLTSG. However, any decision to proceed must be agreed by the Board of Trustees.
3. Before entering into any agreement, the Board of Trustees should be fully aware of the financial cost, what will be delivered, the timescale for delivery and if there is likely to be any variation in cost. The Board must be absolutely certain that it can meet the costs and that funds are fully available to meet any new financial commitments. If there is any doubt, or up-to-date information on the state of the charity accounts is not available, the Board should postpone any decision until accurate information is available and all doubts have been answered.
4. The agreement or arrangements should also specify who from the trustees is taking the lead for monitoring progress, ensuring goods or services are delivered as expected, and dealing with any problems as they arise. The Board should receive regular updates on progress as well as a clear description of what money has been spent, how much is left to pay and if there have been changes or amendments to the original agreement.
5. The Board should regularly review the agreements into which it has entered to ensure that it continues to receive value for money, and that all money being spent continues to further the aims of the charity.

## **I: Financial Irregularities**

1. If concerns are raised relating to any form of financial irregularity this should be investigated immediately.
2. In the first instance any perceived irregularity should be brought to the attention of the Treasurer or Chair. Unless the Treasurer or Chair can immediately explain the perceived irregularity, the matter must be brought to the Board as soon as possible.
3. Immediate action may include, but is not limited to, asking for bank accounts to be frozen, taking control of the charity chequebook and paying-in book, and requesting the return of all financial paperwork. However, the Board should also bear in mind that any action needs to be proportionate to the nature of the concern.



4. The Board will also need to consider whether the irregularity should be reported to the Charity Commission, the Police and any other financial organisation.
5. The subsequent investigation should establish the nature of the irregularity, the impact on the finances of the charity and the effect on the reputation of the charity. The investigation should also identify any new measures which need to be in place to ensure that the irregularity is not repeated. The Board should also seek to reassure its funders, supporters, members and others that everything is being done to address the issues.