

Version 2.1

Financial Policy

Sutton Coldfield Adventure Unit

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1. Introduction

The purpose of this policy is to put in place processes ensuring that internal financial controls exist to ensure:-

- Unit funds are spent effectively
- Finances and assets are administered in a way that risks are identified and managed.
- That a requisite standard of financial reporting is achieved by adequate accounting records and the preparation of timely and relevant financial information.
- That the Unit complies with Charity law and regulations relating to finance.
- That the Unit's resources are protected in order that it can fulfil its aims/objectives as defined in the constitution.

It is an integral part of both this policy and the ethos running through the Unit as a whole that there is a collective responsibility for the creation and maintaining of policies. Trustees are collectively responsible for establishing, implementing and maintaining the Unit's internal financial controls.

This policy has been drawn up with reference to the Charities Commission document "Internal Financial Controls for Charities – July 2012". As with all SCAU policies, there is an expectation that leaders and Executive Officers will operate within the spirit of the policy - that being that all financial transactions are open, transparent to all and auditable.

2. Treasurer

The role of the Treasurer is integral in ensuring that the Unit complies with this financial policy. The role is a 'support' function and exists to assist in the smooth day to day running of the unit whilst complying fully with charity law and regulations relating to finance. The role needs to be carried out in such a way as to provide Trustees with accurate and up-to-date financial information to enable them to make informed and proper decisions.

With the above in mind, the individual carrying out the role of Treasurer is expected perform the following functions:-

- In consultation with Section Leaders and Trustees, produce an annual budget
- To monitor and report back to Executive Meetings the financial progress of the Unit against the aforementioned budget.
- To report to Trustees (either at meetings or in the interim if deemed necessary) any financial issue that they deem requires urgent attention. (e.g., Irregularities, evidence of possible fraud, etc.)
- To authorise expenditure as dictated by this policy.
- To produce annual accounts as per Charity Law. Accounts will be retained for a minimum of six years

- To arrange for the external scrutiny of the above accounts as recommended by the Charities Commission. This will be via 'independent examination' by an individual with the requisite ability and practical experience to carry out competent examination.
- To ensure that assets are accurately recorded.
- To ensure the adequacy of insurance cover for all assets and that such cover is reviewed regularly¹

3. Bank Accounts

That Sutton Coldfield Adventure Unit (SCAU) has the following bank accounts²:-

3.1. Unit Account

This is an account that is for use in relation to whole Unit financial expenditure. Expenditure pertinent to the whole unit will be paid from this account. Examples of such expenditure shall be training, insurance, and equipment purchases. No thresholds for expenditure exits for this account as any transaction would require either the Treasurer, Chair or secretary as co-signatory on payments which provides appropriate governance.

All routine and regular payments to SCAU will be made into this account.

3.2. International Camp Account

A secondary account will be retained in order to accept receipts and to manage payments in respect of the bi-annual International Camps. The reason being that prior to the final payment being made there could be over £50k in the account which combined with the Unit account if expenditure has been limited could put us over the banking system protection levels. It also makes it easier to maintain a clear cash-flow position for routine reporting to have these funds physically separated.

3.3. Petty Cash

As most purchases are electronic and refunds are made usually within 72 hours. Petty cash has been removed as an option removing any risk of lost funds or missed receipts making year end accounting difficult

3.4. Online Transactions

Online refunds to leaders are routinely processed rather than issuing cheques. For refunds to be approved, a copy of the receipt (scanned image, photograph or electronic receipt) is to be sent to the treasurer and c.c.'d to the senior leader or a second leader for the appropriate section as a way of assuring that the expenditure is authorised. The treasurer will then initiate an electronic payment to the requestor's bank account.

¹ Insurance cover should be routinely reviewed annually and also reviewed after any purchase of equipment.

All payments will be fully documented with paper copies retained and signed. On a regular basis these will be countersigned by either the Chair or the Secretary as a further assurance that the payments are appropriate.

All payments are recorded on the accounting “cash book” spreadsheet that is the source document for production of the Annual Accounts.

4. Online Scout Manager (OSM)

The Charity utilises Online Scout Manager (OSM) to automate payments for subs, camps and other events. There is an annual cost per section per annum. When processing payments on our behalf there is an additional percentage on all deposits to our account. Event/activity and camp costings will incorporate the cost of payments in activity planning where appropriate.

5. Signatories and Thresholds

Each account is to have a minimum three signatories. Each cheque will need to be signed by two of the authorised signatories for the relevant account.

Electronic payments by nature cannot have more than one person processing the transaction, so the assurance process is covered in section 4.

The maximum spend on section accounts is governed by the strict allocation of funds at the start of each term. That coupled with the requirement for dual authorisation of cheques negates the need for a threshold on any single payment from the account.

Due to the significant cash flow in and out of the Unit account, it is considered prudent to put a threshold on the amount that can be paid in one single payment from the account. With that in mind, no single payment in excess of £1000 can be paid from the account without knowledge and agreement of the Executive Committee of the Charity.

6. Best Practice – Management of Income

6.1. Payment to leaders home addresses

It is Unit policy to discourage any payments delivered in person or by post to leader’s home addresses. Where money³ is received, this should be kept secure and paid into the appropriate bank account as soon as practicable and recorded in the accounting records.

6.2. Money raised from fund raising activities

Any cash raised from fund raising events should be handled where possible, by more than one individual (particularly when counted). It should be kept secure, paid into the relevant account as soon as is practicable and recorded in the accounting records.

³ Cash or cheque

7. Personal reimbursement for expenditure

7.1. Personal Expenditure

Reimbursement for personal expenditure towards costs incurred as a consequence of Unit activities will be made to the individual on production of proof of purchase in the form of a receipt as described in section 4. Where this has been mislaid, transactions shown on a bank statement should suffice. Where no proof is available, payment will be made at the discretion of the Treasurer and one other member of the executive committee providing it is also supported by the senior leader for that section.

7.2. Signing Cheques for reimbursement

Where a designated signatory for an account submits a claim for reimbursement, then that individual should not be the approving officer in the email trail. This should be approved by two other authorising individuals.

7.3. Travel Expenditure

Payment for travel expenses will be paid in the following circumstances:-

- Fuel costs for use of personal vehicles for activities /camps may be claimed at the current HM Revenue & Customs amount⁴. It is expected that these costs should be included in the 'costing' of the activities.
- Other travel costs. Any other costs should be payable to the claimant on production of a receipt as per agreed policy as at 6.1
- Unplanned expenses (emergency taxi, etc) should be refunded to the claimant as per aforementioned policy. Where the relevant section account has insufficient funds to pay such a cost, the Unit account will be utilised.

8. Account Balances

- It is deemed as best practice to retain a minimum balance of £1000 in the Unit account as a contingency fund. This coincides with the requirements laid out in the guidance for charities published by the Charities Commission.

9. Camps & Activities

9.1. Section Activities

Section specific activities should be planned to run at a small surplus to ensure resilience against unforeseen contingencies. Any significant surpluses or losses will be reported back to the executive committee as part of the finance reporting agenda.

⁴ <https://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances/travel-mileage-and-fuel-rates-and-allowances>

9.2.Camps/ Joint Activities

Camps and joint section activities should be managed financially through the Unit Account. Payments will be paid directly to that account either via individual payment methods or via the OSM. These should always be planned to run at a small surplus to ensure resilience against unforeseen contingencies.

9.3.International Camps

International camps will be paid for and managed via the secondary account with the endorsement of the Finance Committee.

10. Subscriptions

10.1. Membership Cost

Members will be charged a subscription as agreed annually by the Charity's Executive. Discounts will be available for siblings.

10.2. Accepted Payment Methods

Parents/guardians will be encouraged to pay for subs via the OSM although other forms of payment will be accepted (e.g. standing order. Cash payments however are to be discouraged).

10.2.1. Monthly Payments

Payments will be accepted monthly in the form of BACS transfer or standing order or OSM.

Payments will normally be managed through OSM with parents/guardians setting up direct debit facilities through OSM to allow monthly collection of subscription payments.

10.3. Collection of Subscriptions

Collection of subs will be managed by the secretary and treasurer. Where payments have not been received, this will be communicated to the section leader initially to ascertain if there are likely to be any circumstances that may negatively impact the capacity of parents/guardians to pay. Where this is the case, this will be managed by a subgroup of the executive. Where there are no such circumstances, the secretary will manage the collection of outstanding subs.

11. Financial Support

11.1. Financial Support

Where it is evident that parents/guardians are struggling to pay subs for their children or are unable to afford trips enjoyed by other members of the Charity, consideration by a sub-group of the executive committee will be given to utilising non-committed funds to support the family. Such consideration will be on a case by case basis.

It is expected that this sub-group will ensure that funds are available for hardship cases. It is not anticipated that hardship funds to support children on camps and trips should derive from the total amount charged to paying parents. It is expected that such payments should derive from suitable charitable donations or funding bids where conditions apply.

12. Uniform

12.1. Leadership

It is agreed that uniforms should be purchased for leaders from the Unit Account. Replacement uniforms will be provided when required.

12.2. Uniform Purchases

It is agreed that uniforms should be purchased for:

12.2.1. Young Leaders / URSA

Young Leaders will not be charged for their uniform but will be expected to return it when they leave the role (or purchase it if so desired at a discounted)

12.2.2. Hardship cases

Consideration of partial or full provision of a uniform for a youngster will be made on an individual basis with the decision being made by the finance committee.

13. Gift Aid

Donations under 'Gift Aid' should be treated as if the donor had already deducted basic rate tax from them. It is the responsibility of the Treasurer to claim Gift Aid. Full details of records that must be maintained are set out on the HMRCs website www.hmrc.gov.uk/charities/guidance-notes/chapter3/index.htm

It is the responsibility of the section leaders to ask parents / guardians of new members to complete the Gift Aid form at the time of enrolment as getting forms retrospectively can take many months to achieve.

If a parent / guardian does not wish us to claim GA this decision must be communicated to the treasurer to ensure that the records are appropriately updated so they are not chased towards the end of the financial year to complete a "missing" form.

A FAQ paper on Gift Aid has been produced and is available for leaders to discuss with parents/guardian.