

VERSION 3



FINANCE POLICY

JUNE 2024

SUTTON COLDFIELD ADVENTURE UNIT
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1. INTRODUCTION

Sutton Coldfield Adventure Unit may be referred to as “SCAU”, “the Unit”, “the Charity”, or “the Organisation” within this policy. The Executive Committee is the committee made up of all current Trustees of the Charity and may be referred to as “the Exec” within this policy.

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 laws and regulations relating to finance, and
- That the Unit’s resources are protected in order that it can fulfil its aims and objectives as defined by the constitution.

It is an integral part of both this policy and the ethos running through the Unit 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 financial controls.

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

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 that exists to assist with 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 this in mind, the individual(s) carrying out the role of Treasurer(s) are expected to perform the following functions:

- In consultation with Section Leaders and Trustees, produce regular cashflow forecasts,
- Monitor and report back to Exec meetings the financial progress of the Unit against the cashflow forecast,
- Report to Trustees (either at meetings or in the interim if necessary) any financial issues that they deem requires urgent attention (e.g.: irregularities, evidence of possible fraud, etc...)
- Authorise expenditure as dictated by this policy,
- Produce annual accounts as per Charity law. These accounts will be retained for a minimum of six years,
- Arrange for the external scrutiny of the annual accounts as required by the Charity Commission. This will be via “independent examination” by an individual with the “requisite ability and practical experience to carry out a competent examination”,
- Ensure that assets are accurately recorded, and
- Ensure the adequacy of insurance cover for all assets and that such cover is reviewed regularly. Such reviews should be conducted annually as a minimum, but also after the purchase of significant equipment.

3. BANK ACCOUNTS

The Sutton Coldfield Adventure Unit holds the following bank accounts & payment platform accounts:

3.1 LLOYDS BANK TREASURERS ACCOUNT (PRIMARY SCAU BANK ACCOUNT)

This is the main SCAU bank account that is used for all financial expenditure of the Charity. As such, all routine and regular income and expenditure is made to and from this account. See point 6.3 below regarding use of SCAU debit cards.

3.2 LLOYDS BANK INSTANT ACCESS SAVINGS ACCOUNT

This is the savings account of choice linked to our primary SCAU bank account held with Lloyds Bank. This savings account is instant access, allowing for funds to be transferred into the primary account straight away, if required for use by the Unit. At all times, a minimum of £5k should be retained across the Lloyds Instant Access Account & Treasurers Account; with a

minimum of £1k within the Treasurers Account, thus any deficit from this amount should be released from the savings account.

3.3 GoCARDLESS ACCOUNT

GoCardless is the payment platform utilised as part of the Unit's use of Online Scout Manager (OSM). Any subscriptions, UK-based trips & events (e.g.: Go Karting nights, Christmas Camps, etc...) and deposits for International Trips should be processed via OSM & GoCardless. Amounts received via GoCardless are transferred into Lloyds Treasurer Account automatically on a periodic basis.

3.4 SUMUP ACCOUNTS

SCAU holds two accounts with SumUp; general SCAU account and a Changemakers account. SumUp is used as a card payment terminal during events and trips being ran by SCAU as well as the weekly tuck shop at the Orion section of the Unit. Monies received in the SumUp accounts are transferred into Lloyds Treasurer Account automatically on a periodic basis.

3.5 PETTY CASH

SCAU makes use of petty cash for the Orion tuck-shop & fundraising events. This is kept reconciled at the Treasurer's residence and receipts are kept with the petty cash, which are available for scrutiny at any time.

4. SIGNATORIES AND THRESHOLDS

The Lloyds Bank Treasurer's Account should as a minimum have three current trustee signatories. At the resignation of any signatories as a trustee of SCAU, a change request should be made with Lloyds Bank via Online Banking within 2 weeks of the date of resignation to ensure that no unauthorised access is possible. Signatories should be periodically reviewed to ensure the bank mandate remains up to date and fit for purpose.

Similarly, access to the GoCardless and SumUp accounts should be revoked from departing trustees with access within 2 weeks of the date of resignation as a Trustee of the Charity.

It is recommended that any payments made for the purpose of the Unit are made via Bank Transfer from the primary bank account. In the unlikely event of cheque payments being necessary, each cheque will need to be signed by two of the authorised signatories on the account.

Spending by sections will be reviewed by the Exec to ensure that there is a reasonable link between purchases and the section numbers, but not restricting spend to a specific limit. All spending should be authorised by the relevant section leader or Trustees prior to payments to suppliers or reimbursements being made to Leaders. This is outlined further in section 6 below.

4.1 RESERVES POLICY

It is deemed best practice to retain a minimum balance of £5,000 in the Lloyds Bank Treasurer's Account & Instant Access Savings Account as a contingency for any unforeseen circumstances or expenditure, with £1k in available immediately in the main account instantly. This will allow SCAU to make payments for essential expenditure to ensure the ability of the Organisation to continue its operations in the short term.

5. ONLINE SCOUT MANAGER (OSM)

The Charity utilises OSM to automate payments for subscriptions, camps and other events. There is an annual charge for use of the platform as well as application and merchant fees applied to each payment processed via OSM. This will be reviewed periodically to ensure best value for money is being obtained.

Due to the merchant and application fees applied on the processing of payments via OSM, payments for International Trips should be collected via Standing Order or Bank Transfer directly into the Lloyds Treasurer's Account, with exception of initial deposit amounts.

6. EXPENDITURE APPROVALS

All expenditure should be approved by the relevant section leader or the Exec prior to orders being placed, and payment being made. The following should be followed where expenditure is of significant value:

- Expenditure Under £100: Can be made personally and subsequently approved by section leaders.
- Expenditure Over £100: Prior approval required from section leader, or the Exec and the refund/cancellation policy should be obtained to ensure SCAU funds are protected should we need to cancel an event or trip.
- Expenditure Over £150: Same criteria as expenditure over £100 but two quotes must also be obtained to ensure value for money.

All expenditure and expense reimbursements should be submitted via the purchases Microsoft Form (link [here](#)).

6.1 PERSONAL EXPENDITURE

Reimbursement for personal expenditure towards costs incurred because of SCAU activities will be made to the individual upon receipt of proof of purchase in the form of a receipt uploaded to the purchase form above, pending approval from the relevant section leader or Trustee. 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 Finance Committee providing it is also supported by the senior section leader.

6.2 TRAVEL EXPENDITURE

Payment for travel expenses will be paid in the following circumstances, pending section leader or Trustee approval:

- Fuel costs for use of personal vehicle for activities or camps may be claimed at the current HM Revenue and Customs [amount](#).
- Other travel or parking costs may be payable to the claimant on production of a receipt as per the above policy.

Use of the SCAU van for personal circumstances and the hiring of the van to 3rd Parties is covered separately within the SCAU Van policy.

6.3 USE OF SCAU DEBIT CARD

SCAU debit cards will be issued to authorised signatories, as ratified by the Exec. Where expenditure is being paid using a SCAU debit card, approval must be sought via email from the relevant section leader or Exec member prior to the purchase being made. An approximate spend should be included within the approval email to ensure that the approver has sufficient information to make an informed decision.

Personal mobile payment platforms, including but not limited to Apple Pay & Google Pay, are not permitted to be used for storage of SCAU debit card data. Only the physical SCAU debit cards may be used for any Chip & Pin or Contactless transactions.

7. ACTIVITIES, CAMPS AND EVENTS

7.1 SECTION ACTIVITIES

Section specific activities should be planned to run at a small surplus to ensure resilience against unforeseen contingencies.

7.2 CAMPS & JOINT ACTIVITIES

Attendance of camps and joint section activities should be managed via OSM, with parents making payments via the OSM portal. Such camps and activities should be planned to run at a small surplus to ensure resilience against unforeseen contingencies. A breakdown of all external activities, camps, and events will be individually reported upon within SCAU's monthly management accounts to appropriately report upon any surpluses and deficits being achieved. Larger events such as international trips will be shown on the face of the annual income and expenditure statement of the annual financial statements.

7.3 INTERNATIONAL CAMPS

International camp deposits for children's places should be taken via OSM, with any subsequent payments being made via standing order or bank transfer directly into the Lloyds Bank Treasurer's Account. Similarly, all payments for leader's places should also be made directly to the Lloyds Bank Treasurer's Account.

8. SUBSCRIPTIONS

8.1 MEMBERSHIP COSTS

Members will be charged a subscription as agreed annual by the Exec. This will be reviewed in-line with inflation to ensure that SCAU is able to continue to operate should day to day running costs of the Organisation increase significantly. Parents and guardians will pay subscriptions via OSM monthly.

8.2 COLLECTION OF SUBSCRIPTIONS & AGED DEBTORS

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 or guardians to pay. Where this is the case, this will be managed by the Exec. Where there are no such circumstances, the Exec will manage the collection of outstanding subscriptions. Aging of debtors within OSM will be reported at Exec meeting as part of the Finance Report.

9. FINANCIAL SUPPORT

Where it is evident that parents or guardians are struggling to pay subscription costs for their children or are unable to afford trips enjoyed by other members of SCAU, consideration by the Exec will be given to utilise unrestricted funds to support the family. Such consideration will be given on a case-by-case basis.

It is expected that funds are available for hardship cases. It is expected these funds to be derived from suitable charitable donations or funding bids (where conditions apply) rather than from the total amount charged to paying parents or guardians.

10. UNIFORM

It is agreed that uniform should be purchased as follows:

10.1 LEADERS

Uniform for leaders will be paid for by the Charity and replacement uniform will be provided where required.

10.2 YOUNG LEADERS

Young leaders will not be charged for their uniform but will be expected to return it when they leave the role or can choose to purchase it at a discount if so desired.

10.3 HARDSHIP CASES

Consideration of partial or full provision of uniform for children will be made on a case-by-case basis with the decision being made by the Exec. SCAU will also have pre-loved uniform available for new starters or hardship cases, which can be provided in return for a small donation to the Charity.

11. 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 HMRC's [website](#).

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 Gift Aid, 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.

BEST PRACTICE NOTES

BP1: PAYMENTS TO LEADER'S HOME ADDRESSES

It is SCAU policy to discourage any payments delivered in person or by post to leader's home addresses. Where cash or cheque are received, this should be kept secure and passed to the Treasurer to be paid into the appropriate bank account as soon as practicable and recorded in the accounting records.

BP2: MONEY RAISED FROM FUND RAISING ACTIVITIES

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

BP3: UPDATING OF BANK MANDATES & ACCESS TO PAYMENT PLATFORMS

Any bank accounts open in SCAU's name must have at least 3 trustees listed as approved signatories

In the event of a signatory resigning as a trustee, the process to remove them from the bank mandate should be actioned within 2 weeks of their resignation date. Similarly, their access to GoCardless and SumUp should also be removed in this same timeframe.

BP4: VALUE FOR MONEY STATEMENT

For any expenditure over £100, information regarding the refund or cancellation policy must be obtained and reviewed prior to placing an order with the supplier and payment being made.

In addition, any expenditure over £150 requires the purchaser to obtain a minimum of 2 quotes to ensure that value for money is obtained. Where such expenditure relates to the hiring of goods or services, consideration should be given to the option of purchasing the equipment outright, albeit storage of kit should be factored in as well to these considerations.

All expenditure is to be recorded within the Purchase Form linked above in section 6 and approved by the relevant section leaders or trustees prior to orders being placed. In the case of leaders purchasing goods for their section's activities, these will need approval from their section leader before reimbursement is made.

Where possible, all purchases should be made directly by SCAU rather than being paid for personally. This is both to protect the leadership group from any financial hardship but also to provide better control over the goods and services being purchased for the Charity.

BP5: GIFT AID CLAIMS

Gift Aid claims should be made on a periodic basis, no longer than 1 year apart to allow for timely recovery of amounts reclaimable from HMRC in relation to subscription fees paid by Gift Aid declared parents and guardians.

BP6: INTERNAL CONTROLS REVIEW

A review of internal financial controls should be performed on an annual basis by an appropriately knowledgeable member of the SCAU Executive Board. This review should follow the Charity Commission internal financial controls checklist, but the review is not limited to this document.