

Colintraive and Glendaruel Development Trust

Finance Policy and Procedures

Financial Policy

1. The Board of Directors is responsible for:
 - a. Safeguarding the assets of CGDT.
 - b. Stewardship of CGDT's funds and other resources including protection of the restricted funds.
 - c. Ensuring that measures are in place to prevent fraud.
 - d. Taking all reasonable steps to avoid mistakes.
 - e. Keeping financial record in accordance with governing document and relevant legislation (e.g., Charities Acts, Companies Act, UK GDPR updated Jan 2021).
 - f. Ensuring Annual Accounts are prepared by a suitably qualified practitioner and in accordance with statutory requirements and CGDT governing documents.
 - g. Operating an agreed reserves policy.
2. To enable the CGDT Board of Directors to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all Directors, staff and volunteers.
3. A copy of this policy and procedures will be given to all Directors on their election/ appointment to the CGDT Board and to all relevant staff and volunteers.
4. The policy and procedures will be reviewed annually by the Board of Directors and revised as necessary.

Financial Procedures

1. Organisational Information:

- a. Our Financial Year runs from April 1 to March 31.
- b. Name of Bankers: Bank of Scotland, 78 Argyll Street, Dunoon, PA23 7NH
- c. Name of Accountants: Ross & Co, 66 John Street, Dunoon PA23 8BJ

2. Bank Accounts:

- a. All bank accounts must be in the name of the organisation.
- b. No account may ever be opened in the name of an individual or individuals.
- c. New accounts may only be opened by a decision of the CGDT Board of Directors, which must be minuted.

- d. Changes to the bank mandate may only be made by a decision of the CGDT Board of Directors, which must be minuted.
- e. Two people should be involved in counting cash and should sign a paper showing the total amount.
- f. All cheques must be signed by two signatories.
- h. Blank cheques must never be signed.
- i. The signatories are responsible for examining the cheque for accuracy and completeness prior to signing the cheques or authorising an 'Internet Transfer'. The names of those providing authorisation should be recorded.
- j. Internet Banking should be safeguarded through the use of a card reader or two-factor authorisation and be checked by another banking signatory not linked to the transaction.
- k. All payments set up by the Office Manager are to be co-signed by the Treasurer and then authorised by another Director. If a situation arises that a member of staff is unavailable, the process remains the same, but a director fulfills the member of staff's role.
- l. Clause k. above can be abrogated if the CGDT Board of Directors require that specific payments are to be treated confidentially, and where such a decision is minuted. In such cases, the office manager should still keep a confidential record of all such payments for the situation where a formal audit is requested or required.

3. Signatories to the accounts:

- a. Cathleen Russell, Director
- b. Chris Leigh, Director and Treasurer
- c. Amber Llovet, Office Manager

4. Annual Budget

- a. A budget, setting out the CGDT's financial plan for the year, will be prepared so that the Board of directors can approve it before the start of each financial year, or as soon as possible after the start of the financial year. This should also be undertaken where there is any material change in financial circumstances.
- b. The draft budget will be prepared by the following three personnel with input from others as required:
 - i. Cathleen Russell, Chair
 - ii. Chris Leigh, Treasurer
 - iii. Amber Llovet, Office Manager

5. Financial Reports

- a. A financial report will be prepared and circulated to the Finance Committee and thereafter it will be uploaded to Box for the whole Board to access. Reports may be produced more frequently when circumstances dictate this. Where possible, financial reports will so be submitted at monthly intervals to the board.

b. The financial report will consist of:

- I. Income and Expenditure.
- II. Bank reconciliation.
- III. A schedule of money owed by and money owed to CGDT.
- IV. Restricted and general fund reports including actual vs budget.
- V. Reconciliation of funds.
- VI. Updated cashflow forecast.
- VII. The current reserve requirement (including HMRC and pension payments as well as accountancy fees).
- VIII. Narrative to clarify CGDT position.
- IX. The reports will be prepared by the Office Manager (Amber Llovet), aided by the Treasurer (Chris Leigh) and the Chair (Cathleen Russell).

6. Accounting and other financial records

The organisation should maintain a computerised accounting system which records:

- a. Cheques and cash received and banked and direct credit receipts.
- b. Cheque payments, Internet Banking Transfers and other amounts paid from the bank accounts.
- c. Amounts owed by and owed to CGDT including contractual and statutory amounts.
- d. Every transaction will be entered into the appropriate spreadsheet and will include:
 - i. A code matched to the documentation code.
 - ii. The date of the transaction.
 - iii. The name of the person money was received from or paid to and the full amount.
 - iv. A brief description of why the money was received or paid.
 - v. The names of those authoring the payment.
 - vi. An analysis of each amount under its relevant heading, where applicable.
 - vii. An analysis of each amount by fund (general or restricted).
- e. All documents relating to receipts and payments will be filed in the month they are input into the system in transaction/documentation code order.
- f. A regular backup copy will be taken, saved to Box and a copy transferred electronically to the Treasurer, Chris Leigh.
- g. Any errors or discrepancies discovered in the accounting records will be raised, discussed and minuted at the next CGDT board meeting.

7. Authorisation and Payment

- a. The Chair or Treasurer must approve the purchase of any item unless they are the purchaser, in which case another director must approve. Approval is assumed for any item less than £300 that has previously been approved by the board AND is detailed on a project cashflow approved by the board.
- b. As stated in our 'Conflict of Interest' policy, no Director or staff member may authorise payment to themselves, their partners, or relatives. Except where confidentiality is required by the CGDT Board of Directors (see item 2.I. above), each transaction requires to be authorised by 2 of the 3 signatories.
- c. In accordance with the CGDT 'Expenses Policy', expenses older than 3 months will only be paid out in exceptional circumstances, and with minuted approval from the Board of Directors.
- d. For Internet Bank Transfers, and excepting where confidentiality is required by the CGDT Board of Directors (see item 2.I. above), all payments are set up by the Office Manager (Amber Llovet) are to be authorised by the Treasurer (Chris Leigh) or another authorising Director. No director is to authorise payments where they or a business they are connected with are the beneficiary. If the situation arises that a member of staff is unavailable, the process remains the same but a Director fulfils the member of staff's role.
- e. Once payment has been made the invoice (or other receipt) should be marked 'Paid', together with the cheque number (where applicable) and date.
- f. All payments must be entered into the computerised accounting system only after being authorised.

8. Payroll

- a. All employees (including sessional and part-time employees) must complete the relevant PAYE form/s before they receive any payment.
- b. All staff changes and changes to terms and conditions of employment must be authorised and minuted by the Board of Directors.
- c. Payroll and all calculations will be made by the Office Manager (Amber Llovet) or by a competent third-party organisation to which the payroll provision is outsourced.
- d. All pension enrolment and payment processes will be carried out in accordance with, as a minimum, statutory requirements and any amounts accruing to be paid are recorded along with amounts owing by CGDT and in the current reserve's requirement.

9. Insurance

- a. Where appropriate, Insurance policies will be maintained to cover:
 - i. Employers Liability.
 - ii. Public Liability.
 - iii. Risk insurance covering any assets.
 - iv. Director indemnity insurance in accordance with CGDT governing documents.
- b. An inventory of all physical assets of the organisation will be kept and regularly updated. A copy will be kept in Box and accessible to both staff and Directors.

10. Agreement

This Financial Policy, and the Financial Procedures detailed above, were agreed and minuted at a meeting of the CGDT Board of Directors on: 25th April 2023