

Internal Financial Controls Policy and Procedures for Reuse Littleborough

1. Purpose

The purpose of this policy is to set out the internal financial controls operated by **Reuse Littleborough** to protect the charity's assets, ensure the accuracy of financial records, maintain transparency, and comply with charity law and regulations.

2. Scope

This policy applies to all trustees, employees, and volunteers involved in financial operations and management of Reuse Littleborough.

3. Responsibilities

- **Board of Trustees:** Have overall responsibility for financial governance and approving budgets, financial reports, and key financial policies.
 - **Treasurer:** Leads on financial oversight, presents reports to the board, and ensures policies are implemented.
 - **Staff and Volunteers:** Must comply with these procedures and report any financial irregularities to the Treasurer or Chair of Trustees.
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4. Financial Oversight and Planning

- An **annual budget** will be prepared by the Treasurer in consultation with relevant staff and approved by the Board of Trustees.
 - **Monthly management accounts** will be prepared and presented to the Trustees, showing income and expenditure vs budget.
 - A **reserves policy** will be maintained to ensure financial sustainability.
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5. Bank Accounts and Authorised Signatories

- The charity shall maintain its accounts with a reputable UK bank or building society in the charity's name.
 - All bank mandates will be approved by the Trustees.
 - At least **two unrelated authorised signatories** are required for any payment over £500.
 - Signatories shall include the Treasurer, Chair, and one other Trustee.
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6. Income Controls

- All income (donations, grants, shop sales, fundraising, etc.) must be recorded promptly and accurately.
 - Cash donations and shop takings must be counted by two people and recorded in a cash log.
 - Bank deposits must be made at least weekly. Receipts are to be matched to bank statements.
 - All grant agreements must be stored securely, and restricted funds tracked separately in the accounts.
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7. Expenditure Controls

- Expenditure must be:
 - Within approved budgets or pre-approved by Trustees.
 - Supported by appropriate documentation (invoices, receipts, contracts).
 - Reviewed and approved by two authorised persons for payments over £500.
 - Payments must never be made to individuals without prior documented approval and purpose.
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8. Petty Cash

- A petty cash float (max £100) may be maintained for minor expenses.
 - All petty cash transactions must be recorded in a log and supported by receipts.
 - Petty cash must be reconciled monthly by a person not responsible for making payments.
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9. Procurement and Conflicts of Interest

- At least two quotes must be obtained for purchases over £1,000.
 - Trustees and staff must declare any conflicts of interest in procurement or contracting.
 - No Trustee or staff member may authorise payments to themselves or related parties.
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10. Payroll and Expenses

- Staff salaries will be approved annually by the Board.
- Payroll will be processed by an external payroll provider or a designated Treasurer function, with appropriate checks.
- Trustee and staff expense claims must:

- Be submitted with receipts.
 - Be reviewed and approved by a separate Trustee.
 - Be in line with the charity's **Expenses Policy**.
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11. Financial Reporting and Audit

- Annual accounts will be prepared in accordance with the **Charities SORP** (Statement of Recommended Practice).
 - Accounts will be:
 - Independently examined or audited based on income thresholds.
 - Submitted to the Charity Commission and filed with Companies House (if applicable).
 - An annual financial report will be presented at the Annual General Meeting (AGM).
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12. Record Keeping and Data Protection

- All financial records (invoices, receipts, bank statements) must be retained for at least 6 years.
 - Records must be stored securely (digitally and physically), and access limited to authorised personnel.
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13. Fraud, Theft, and Irregularities

- Any suspected fraud, theft, or misuse of funds must be reported immediately to the Chair of Trustees.
 - The charity will:
 - Investigate all allegations promptly.
 - Inform the Charity Commission and police as required.
 - Take disciplinary and/or legal action where appropriate.
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14. Review of Policy

- This policy will be reviewed annually by the Board of Trustees or following any significant financial change or incident.