

# ANGEL COMMUNITY CANAL BOAT TRUST



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## Financial management and controls policy

### 1. Introduction

1.1 Financial records will be kept so that ACCT can:

- a. Meet its legal and other obligations, e.g., Charities Acts, Inland Revenue, Customs & Excise, Companies Act, Common Law.
- b. Enable the Executive Committee to have control of the organisation's finances.
- c. Enable the organisation to meet contractual obligations and the requirements of funding bodies.

1.2 The organisation will keep proper books of account, which will include:

- a. A cash book analysing all the transactions in the organisation's bank account(s).
- b. Inland Revenue deduction cards P11 or equivalent will be maintained by ACCT.

Note: this information may be held in equivalent format on computer, in which case adequate backups must be held.

1.3 The financial year for ACCT will end on 31 March.

1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next annual general meeting (AGM).

1.5 Before the start of each financial year, the committee will approve a budgeted income and expenditure account for the following year.

1.6 A report comparing actual income and expenditure with the budget will be presented to the committee every three months and a cash report on a monthly basis, both by the Treasurer.

1.7 The AGM will appoint an appropriately qualified examiner to audit the accounts for presentation to the next AGM.

### 2. Bank

2.1 ACCT will bank with the Cooperative Bank at its City of London branch where the accounts will be held in the name of ACCT. The following accounts will be maintained: current, skippers, and any other project accounts as agreed and approved by the ACCT committee.

2.2 The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the executive committee as will all changes to it.

2.3 ACCT will require the bank to provide statements every month and these will be reconciled with the cash book every month by the Treasurer.

2.4 ACCT will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the committee.

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Registered in England and Wales: Company Registration No. 5088108

Registered Charity No. 1103542

Registered office: 9 Gough Square London EC4A 3DG



### 3. Receipts (income)

The aim is to demonstrate that ACCT has received all the income to which it is entitled and that it is all reasonably evidenced.

- 3.1 All monies received will be recorded promptly in the cash receipts book and banked without delay (note this includes sundry receipts such as payments for telephone calls, photocopying, etc.) The organisation will maintain files of documentation eg letters from funding bodies to back this up.

### 4. Payments (expenditure)

- 4.1 The Treasurer will be responsible for holding the cheque books (unused and partly used cheque books) which should be kept securely.
- 4.2 Blank cheques will **never** be signed.
- 4.3 Whenever possible, the same person should not be responsible for ordering, processing and checking invoices as well as signing cheques and payments.
- 4.4 Cheques greater than the value of £1,000.00 will require the approval of the general committee. The chairman of the general committee is able to take action in order to approve cheques greater than the sum of £1,000.00; this however will be reported to the next meeting of the general committee. Signatories to cheques which are greater than £1,000.00 must be different to those requesting purchase of items.
- 4.5 The relevant payee's name will always be inscribed on the cheque before signature, the cheque stub will always be filled in.
- 4.6 No cheques will be signed without original documentation.
- 4.7 Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives of the constitution.
- 4.8 The Chairman and/or the Treasurer with (in either case) one other committee member shall not approve expenditure of more than £1,000.00 nor an overspend on a particular budget heading of more than 10 per cent unless this approval is written down, signed by both people approving it, and reported to and minuted at the next general committee meeting.

### 5 Payment documentation

- 5.1 Every payment out of the organisations bank amounts will be supported by an original invoice (never against a supplier's statement or final demand). That original will be filed and kept for seven years. The person who signs the cheque should ensure that the invoice is authorised for payment, preferably by someone other than the cheque signatory(ies). The invoice should show the following:
  - Cheque number
  - Date cheque drawn

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- 5.2 The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees for a future course, VAT, etc. Here a cheque requisition form, or equivalent, will be used and a photocopy of the cheque kept.
- 5.3 Wages and salaries: Every payment will be made in accordance with the instructions of the general committee of ACCT. All employees will be paid within the PAYE, National Insurance rules. ACCT will process its own salaries.
- 5.4 All staff appointments will be authorised by the general committee, minuting the dates and salary level. Similarly, all changes in hours and other payments such as overtime. etc., will be, authorised by the same committee.
- 5.5 Petty cash will always be maintained on the imprest system whereby authorised individuals are trusted with a float as agreed by the general committee. When that is more or less expended, a cheque will be drawn for sufficient bringing up the float to the agreed sum (normally agreed at £100.00), the cheque being supported by a complete set of expenditure vouchers, and when possible receipts, with a summary totalling the amount spent. The expenditure will be analysed in the petty cash book (or equivalent computer-held record).
- 5.6. Expenses/Allowances: ACCT will, if asked, reimburse expenditure paid for personally by staff, providing:
- Fares are evidenced by tickets (where possible).
  - Other expenditure is evidenced by original receipts.
  - Car mileage is based on local authority scales (or other scale agreed by the general committee).

## **6. Cheque signatures and cash cards**

- 6.1 Each cheque of £1,000 and above will be signed by at least two people, below this level one signature will suffice.
- 6.2 ATM type cash cards will not be used and if issued by the bank will be immediately cut in half.

## **7. Other undertakings**

- 7.1 ACCT does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, *prima facie*, likely to exceed in total £1,000.00 must be authorised and minuted by the general committee. (This covers such items as new service contracts, office equipment purchase and hire).
- 7.2 All fundraising and grant applications undertaken on behalf of ACCT will be done in the name of the organisation with prior approval of the general committee or in urgent situations the approval of the Chairman, who will provide full details to the next general committee.

## **8. Confidentiality**

- 8.1 The confidentiality of employees' financial circumstances will be respected at all times.
- 8.2 Committee members, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information.



## 9. Other rules

- 9.1 The general committee will consider the level of reserves that is prudent for ACCT to have at its first meeting after the AGM. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account were ACCT to close.
- 9.2. ACCT will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of the asset(s). If it holds stocks of goods e.g. books etc, of significant value, it will maintain proper records.
- 9.3. These controls will be reviewed at the first general committee meeting after the AGM.