

Financial Policies and Procedures ("Standing Financial Instructions")

1. Authority

The Charity's authority derives from its Constitution and nothing in this document overrides the provisions of that Constitution.

2. Financial year end

The Charity was constituted on 15th February 2018.

The accounting year end for the Charity shall be the 31st December each year.

For the year 2018, accounts will be prepared for the period 15th February 2018 to 31st December 2018. Thereafter, accounts will be prepared for the period 1st January to 31st December.

3. Annual report and Accounts

The Charity will produce an annual report and accounts in the format required by the charity Commission so as to allow it to file a return within the 10 months following the year end. The Annual Report will be formally adopted by the Trustees in a Trustee meeting.

4. Financial reporting to the Trustees

Financial records will be kept to enable each calendar month to be reported to Trustees should any Trustee so request. In any case, quarterly financial reports will be made to Trustees in a formal Trustees meeting. The reporting required will be in a format described by the Trustees but will include as a minimum:

- Income for the period
- Expenditure on Charity activities for the period: payments of over £100 will be individually itemised in the report
- Grants made to applicants for the period (separately identifying any 'pending' payments – ie payments agreed but not yet paid out)
- The bank balance at the period end

5. Net Financial Position

At no time can the liabilities of the Charity exceed its current assets. In particular:

- Pledges from donors may not be recognised as an asset (ie available funding) until the funds have cleared
- The Charity may not borrow from any source (personal, individual or corporate): note that although this is specifically allowed in the Charity's template Constitution, on adoption of these Financial Policies the Trustees have acknowledged this commitment.
- No financial commitments can be made to individual applicants except to the extent that these commitments are covered by cleared funds

6. The Charity's running costs

The first responsibility of the Charity is to meet its running costs in full. Although these are expected to be minimal, these are a first call on available funds. Such expenses could include:

- Trustees' travel expenses
- Fees for professional advice
- Costs related to the Charity's website and social media presence
- Insurances
- Office running costs

The Charity will not employ any individuals and nor will the Charity pay for the time spent by Trustees working on its behalf.

At each meeting the Trustees must consider, from within the funds currently available, the amount which will be retained to meet both known future costs and to provide a level of reserves for unknown future costs. The minimum such reserve for unknown future costs should be no less than £500 at any time, and may be increased by the Trustees at any time.

7. Operation of the Charity's Bank Account

The Charity will have one bank account only. All funds into and out of the Charity will operate through this one bank account.

No payments will be made out of the Charity as cash and no cheques will be written as 'pay cash'.

All cheques, or online transfers, will require two Trustee signatures or approvals (as may be evidenced by emails or other electronic means), and any two Trustees may sign/approve, except for cheques or payments to an individual trustee where two other Trustees must sign/approve. A record shall be kept of all approvals.

In addition to the two required signatures/approvals, where an item of expense is for greater than £500, this will require the prior approval of all Trustees, either in a formal meeting or by email.

Trustees may not pre-sign cheques – cheques may only be signed, or approval for payments made, on production of a completed claim or an approved grant application.

The bank account should be reconciled monthly and confirmation that the reconciliation has been carried out included in the financial report to the Trustees.

8. Use of Debit and Credit cards

The Charity will not have access to either debit or credit cards. No Trustee has the authority to request either a debit or a credit card on behalf of the Charity.

9. Receipt of income

Income may be received from several sources but in any case should be receipted into the cashbook on the day it is received (or as soon as practicably possible thereafter) and any cheques or cash paid into the bank account as soon as possible.

In practice it is anticipated that most income will be received via online banking. At least weekly, income received via transfer should be entered into the cashbook.

All income received, in whatever form, should be acknowledged with a written and numbered receipt. The receipt number should be included in the entry in the cashbook.

All 'paperwork' received with income (such as covering letter or email alert to an online transfer) should be printed (if electronic) and filed with the receipt number and banking date annotated on it.

10. Payments for goods, services and expenses

No payments shall be made for any expense incurred before the 15th February 2018.

No payments shall be made except on production of an invoice or completed and authorised expense form. The only exception shall be where an advance payment is made in anticipation of expenses being incurred (see below).

As per article 5(1) of the Constitution, trustees may claim reasonable expenses, and these should be claimed using the appropriate claim form and receipts retained where possible.

By exception, a payment in advance may be made to a Trustee or an individual acting on the Charity's business to allow that individual to carry out that business – examples would be to cover train fares or hotel accommodation. Receipts for such expenses should be retained and provided with a completed expense claim after the event.

11. Payment of awards to successful applicants

No payments shall be made to individual applicants for financial assistance, except as are determined in the Charity's Application Review Meetings, properly constituted in line with the terms of the "Financial Assistance Policy and Procedure: Eligibility criteria, the Application process and the Decision making process".

In the case of successful applications payments shall only be made where the applicant has satisfied any specific requirements of the Trustees (such as remitting receipts for costs already incurred). Where the Trustees have determined to provide assistance in advance of expenses being incurred, receipts should be requested to follow at a future date. Where Trustees have not specified that there are any further specific requirements prior to making an award, the payments may be made to the applicant without any more information being required.

At the conclusion of each Application Review Meeting, a list should be prepared of successful applicants' names and the amount awarded to each applicant. This list should be signed by any two Trustees present at that meeting.

The awards may be processed in one of two ways: by bank transfer to the bank details provided on the original application form; or by cheque to applicants who have not provided bank details.

In the case of awards processed via bank transfer, a bank transfer listing should be prepared in advance, supported by the application forms received identifying the bank details and that list signed by any one Trustee: this is a paperwork check only – authority for the payment is given by the two Trustees signing the list produced at the end of the Application Review Meeting.

In the case of awards to be made by cheque and post, individual cheques should be written and the original application form annotated with the cheque number. A master list of all cheque payments from the same Application Review Meeting should be prepared, identifying the applicants name and the amount awarded. Cheque payments will require two Trustee signatures in the usual way.

Together, the bank transfer list and the cheque award list will total the Application Review Meeting total list. Neither list can be actioned (ie transfers made or cheques posted) until both lists have been completed and the total of the two lists confirmed as equalling the Application Review Meeting total: this should be evidenced with the signature of any Trustee on the Application Review meeting total sheet and each of the Bank Transfer listing and the Cheque listing.

At this point, payments to applicants who have no further criteria to satisfy can be made. If an applicant has criteria outstanding (eg receipts should be remitted) the payment will remain on hold on the authorised payment list and treated as pending. As payments are made, either by cheque or by transfer, they should be entered into the cash book.

12. Investment of funds

The Charity will not invest funds in any financial instruments other than the designated current account. By exception, should the balance of the Charity's bank account exceed £50,000 at any time, the Trustees should meeting in any extraordinary meeting to consider whether this policy should be reviewed.

13. Gift aid

Mind Body EDS is currently in the process of being registered for Gift Aid & HMRC

14. Scrutiny of Accounting records

In accordance with Charity Commission best practice, the accounting records shall be available at any time for any Trustee to examine. If such a request is made, the records should be made available to the Trustee within 24 (working day) hours. Requests should be made to the officer nominated as the record keeper or the Chair of the Charity.

The year end accounts will be either scrutinised or audited by an external advisor, as indicated by the gross turnover of the charity, to comply with Charity Commission requirements.

15. Review of these financial policies

These policies were reviewed and approved by the Trustees on 3rd May 2018. The policies shall be reviewed annually and are therefore due for review no later than May 2019. At any time, any Trustee may request that these policies are reviewed.

END

Dated April 2018