



**ELHAP – A SPECIAL NEEDS ADVENTURE PLAYGROUND**  
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## **Financial Management and Controls Policy**

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### **Financial Management and Controls**

#### **1. Introduction**

1.1 Financial records will be kept so that ELHAP can:

- a. Meet its legal and other obligations, e.g., Charities Acts, Inland Revenue, Customs & Excise, Companies Act, Common Law.
- b. Enable the ELHAP Board of Trustees to have control of the organisations 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. A petty cash book recording all cash transactions being made.
- c. Payroll details undertaken by ELHAP.
- d. Inland Revenue PAYE records undertaken by ELHAP.

1.3 The financial year will begin on 1<sup>st</sup> April and will end on 31st March.

1.4 Accounts will be drawn up after each financial year within 9 months of the end of the year and presented to the next Annual General Meeting.

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

1.6. A paper comparing actual income and expenditure with the projected budget will be presented to the ELHAP Board of Trustees on a monthly basis.

1.7. The ELHAP Trustees will be presented with up-to-date bank statements of all ELHAP bank accounts on a monthly basis.

1.8. The AGM will appoint an appropriately qualified auditor to audit the accounts for presentation to the next AGM.

## **2. Bank**

- 2.1 ELHAP will bank with a reputable bank where the accounts will be held in the name of ELHAP (A Special Needs Adventure Playground). The following accounts will be maintained: Current and Reserve, and any other bank accounts as authorised and minuted by the ELHAP Board of Trustees.
- 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 ELHAP Board of Trustees as will all changes to it.
- 2.3 ELHAP will require the bank to provide statements every month and these will be reconciled with the cash book at every month and the Treasurer will spot check that this reconciliation has been done at least twice a year.
- 2.4 ELHAP will not use any other bank or financial Institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the ELHAP Board of Trustees.

## **3. Receipts (income)**

- 3.1 The aim is to demonstrate that ELHAP has received all the income to which it is entitled and that it is all clearly evidenced.
- 3.2 All monies received will be recorded promptly in the cash analysis book and without delay. The organisation will maintain accurate files of documentation relating to all income.
- 3.3 All claims for monies (invoices, remittance advice etc) relating to ELHAP attendance and services will be completed in an honest and accurate manner that directly and unequivocally represents ELHAP usage and services rendered. All claims for monies will have clear and accurate corroborating evidence detailing the exact ELHAP usage.
- 3.4 All claims for monies must be independently verified by either the Administrator or Centre Manager prior to issue. A record of verification will be kept (electronically and manually).

## **4. Payments (expenditure)**

- 4.1 The Centre Manager will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- 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 raising cheque requisitions, signing cheques and payments.
- 4.4 Cheques greater than the value of £200.00 will require the approval of the ELHAP Board of Trustees. The ELHAP Chairperson, with approval from three other ELHAP Trustees, is able to take 'Chair's Action' in order to approve cheques greater than the sum of £200.00, this however will be reported to the next meeting of the ELHAP Board of Trustees. Signatories to cheques which are greater than £200.00 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 Memorandum and Articles of Association.

- 4.8 The Chair and/or the Treasurer with (in either case) one other ELHAP Trustee shall not approve expenditure of more than £200.00 nor an overspend on a particular budget heading of more than 10% unless this approval is approved by the ELHAP Board of Trustees.

## **5. Payment Documentation**

- 5.1 Every payment out of the organisations bank accounts will be supported by an original invoice (never against a suppliers statement or final demand). That original will be filed and kept for seven years.
- 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 appropriate written evidence (i.e. a training confirmation letter) will be used and a photocopy of the cheque kept.

## **6. Wages and Salaries**

- 6.1 Wages and Salaries - There will be a clear trail to show the authority granted by the ELHAP Treasurer and reasons for payment. Every payment will have a pay slip showing who and what it was for, i.e. salary, temporary work, Inland Revenue, etc. All employees will be paid within the PAYE, National Insurance rules. ELHAP's appointed payroll services company (currently Dutchmans Consultants) will process all ELHAP staff salaries.
- 6.2 All new staff appointments will be authorised by the ELHAP Board of Trustees, minuting the dates and salary levels. Similarly, all changes in hours and other payments such as overtime, etc., will be authorised by the ELHAP Board of Trustees.
- 6.3 All sessional staff hours will be recorded on a time sheet, to be completed by the appropriate senior staff member. Each time sheet will be checked and signed off by the Centre Manager.
- 6.4 All sessional staff salaries will have a clear paper trail of each hours worked.

## **7. Staff Expenses**

- 7.1. Expenses – ELHAP will reimburse expenditure paid for personally by staff, providing:

- i) Expenditure has been agreed by either the Centre Manager and/or Administrator.
- ii) Expenditure is evidenced by original receipts.
- iii) Expenditure is no more than £20.00.
- iv) An expenses claim form is completed.

- 7.2 Car expenses – ELHAP will reimburse staff using their personal car for ELHAP business, providing:

- i) Journeys begin and end at the ELHAP premises. Staff will not be reimbursed for journeys that do not start or end at the ELHAP premises.
- ii) Car mileage is calculated at 0.30 pence per mile. This is calculated by rounding up to the nearest mile.
- iii) Car park costs are evidenced by original receipts.
- iv) An expenses claim form is completed.

## **8. Volunteer Expenses**

- 8.1. Expenses/Allowances - ELHAP will, if asked, reimburse expenditure paid for personally by volunteers, providing:

- i) Fares are evidenced by tickets (where possible).

- ii) Other expenditure is evidenced by original receipts.
- iii) Car mileage is calculated at 0.30 pence per mile. This is calculated by rounding up to the nearest mile.
- iv) An expenses claim form is completed.
- v) Volunteers will normally receive no more than £5.00 per day for expenses incurred.

## **9. Petty Cash**

- 9.1 Petty cash will always be maintained by the Administrator who is trusted with a float as agreed by the ELHAP Board of Trustees. When that is more or less expended, a cheque will be drawn for sufficient funds bringing up the float to the agreed sum (currently agreed at a maximum of £300.00).
- 9.2. The general petty cash float will not exceed £300.00. The Centre Manager and Administrator will ensure that the petty cash will not exceed this limit as ELHAP's insurance liability is set at £300.00.
- 9.3. There will be a maximum of two key holders who have access to the main petty cash tin which is stored in a fire safe in the main office that is locked at all times. The Children's Service petty cash will be stored in the downstairs office (the keyholders will be the Children's Service Co-ordinator and the Administrator) and the Adult Service petty cash will be stored in the upstairs office (the keyholders will be the Adult Service Co-ordinator and the Administrator).
- 9.4. All petty cash monies received and paid out are recorded on petty cash vouchers and signed by two staff members (the staff member being issued petty cash and the staff member responsible for that petty cash).
- 9.5 The Children's Service Co-ordinator and Adult Service Co-ordinator will be delegated responsibility to maintain petty cash for their service. The agreed totals for each service and category will be specified in the annual budgets, agreed by the ELHAP Board of Trustees.
- 9.6 All petty cash transactions will be recorded in the petty cash book and a monthly computerised journal formed for processing onto the Sage accounting system.
- 9.7 All petty cash transactions require corroborating evidence for expenditure (i.e. receipts).
- 9.8 Petty cash will be balanced on a weekly basis.
- 9.9 Any staff member involved in petty cash will act in an appropriately professional manner, including acting in a trustworthy, honest and transparent manner.
- 9.10 Any discrepancies, inaccuracies or mistakes regarding any aspect of the petty cash must be reported to the Centre Manager immediately.

## **10. Cheque Signatures, Cash Cards and Credit Cards**

- 10.1 Each cheque will be signed by at least two authorised signatories.
- 10.2 Hole in the wall type cash cards will not be used and if issued by the bank will be immediately cut in half.
- 10.3 All credit card transactions must be processed by either the ELHAP Administrator or the Centre Manager, with prior authorisation from the ELHAP Board of Trustees or by the ELHAP Chairperson through 'Chairs Action'.

10.4 All credit card authorisations must be evidenced by the completion of an ELHAP Credit card authorisation form.

10.5 Each credit card transactions must not exceed £200.

10.6 The ELHAP Board of Trustees will be presented with up-to-date credit card statements each month.

## **11. Grants and Funding**

11.1 All grant applications must be agreed, checked and signed by the Board of Trustees or its designated representative prior to submission.

11.2 All applications for financial assistance and/or purchasing of goods/services/running costs must be evidenced by appropriate written estimates, costings etc. A clear paper trail must be established for any application of financial assistance.

11.3 All monitoring and end of grant reports must be completed in an honest and accurate manner that directly represents ELHAP's usage of that grant/funding. Any spending of grants/funding must have clear and accurate corroborating evidence detailing its exact usage by ELHAP.

11.4 All monitoring and end of grant reports must be agreed, checked and signed by the Board of Trustees or its designated representative prior to submission. A record of verification will be kept (electronically and manually).

11.5 Any meeting relating to grant/funding applications must be agreed and attended by at least one designated member of the ELHAP Board of Trustees.

11.6 Any grant/funding application or monitoring forms relating to user attendance must be completed by a senior staff member, independently verified by the line manager and an ELHAP Trustee. A record of verification will be kept (electronically and manually).

## **12. Other Undertakings**

12.1 ELHAP does not accept liability for any financial commitment unless properly authorised by the ELHAP Board of Trustees. Any orders placed or undertakings given, the financial consequences of which are, prima facia, likely to exceed in total £200.00 must be authorised and minuted by the ELHAP Board of Trustees. (This covers such items as the new service contracts, office equipment purchase and hire).

12.2 All fund raising and grant applications undertaken on behalf of ELHAP will be done in the name of the organisation with prior approval of the ELHAP Board of Trustees or in urgent situations the approval of the ELHAP Chairperson who will provide full details to the next ELHAP Board of Trustees meeting.

## **13. Confidentiality**

13.1 The confidentiality of ELHAP Trustees, volunteers and employees financial details and circumstances will be respected at all times.

13.2 ELHAP Trustees, 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.

**14. Other rules**

- 14.1 The ELHAP Board of Trustees will consider the level of reserves that is prudent for ELHAP to have at the beginning of each financial year. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account were ELHAP to close or become insolvent.
- 14.2 ELHAP's capital items (fixed assets) will be depreciated in ELHAP's financial year end profit and loss statement. Operational Building and contents= 15% reducing per year. Vehicles = 25% reducing per year for 4 years.
- 14.3 ELHAP 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 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.
- 14.4 These controls will be reviewed by the ELHAP Board of Trustees at the beginning of each financial year.
- 14.5 The ELHAP Board of Trustees will seek advice from the ELHAP Auditor regarding any amendment or alteration of the ELHAP Financial Management and Controls policy.