



Financial procedures

1 Financial Management

1.1 The Purpose

- The Board of Directors will be able to ensure and demonstrate to funders, stakeholders and beneficiaries that the assets of our CIC are safely controlled and managed.
- Directors will not be put in a position where funds can be misused.
- Financial decisions will be implemented following satisfactory procedures.
- Accounting regulations, standards and legal requirements will be complied with.
- The business will secure value for money for all expenditure.

1.2 Responsibilities

The Board of Directors:

- can spend up to £50 in pursuit of their responsibilities for this organisation without prior approval of others nor alternative quotations being obtained, provided these expenditure are within approved budget and receipts are obtained.
- can purchase up to £500 provided prior approval is given by two Board members and the Treasurer advised to ensure funds are available. Alternative quotations will normally be obtained and reviews of others obtained to ensure optimum sources of supply.
- will discuss any purchase above £500 at a Board meeting before any commitment to purchase is made.
- will declare any interest they have in a potential supplier
- holds the assets of CIC on trust for the beneficiaries of the social enterprise and manages them on behalf of funders, ensuring that they are used to achieve the objects for which CIC is established
- approves all company bank accounts and ensures two signatories are required on any cheque.
- approves the bank signatories annually by resolution at the first Board meeting following the Annual General Meeting and at other times as necessary.
- approves all financial management and control policies and procedures including the Terms of Reference for the Treasurer and Reserves Policy
- approves an annual budget for the organisation
- monitors financial outcomes
- determines policies for any loans, investments and for borrowing money
- approves investment decisions
- approves any borrowing
- reviews and updates the organisation's risk assessment
- approves the annual audited accounts for presentation to the Annual General Meeting

The Treasurer of the Board:

- ensures that the financial policies and procedures approved by the Board of Trustees are implemented. In particular, responsible for:
 - o Prompt payment of purchases approved by the Board
 - o Income collection
 - o Record keeping of all financial transactions



- o Preparation of financial statements
- o Ensures that all statutory financial returns are completed and filed by due dates
- o Budget preparation
- o Disposal of surplus assets
- o Insurance
- o Output reporting and measurement
- o Purchasing
- o Risk assessment
- reviews the financial implications of all strategic plans before submission to the Board
- reviews the annual budget in conjunction with the annual work plan before submission to the Board
- monitors the financial performance of CIC against annual budgets by reviewing quarterly financial reports before submission to the Board and recommends corrective action where appropriate
- monitors cash flow and implementation of the Reserves Policy
- considers the appointment of the external auditor, the audit fee and makes recommendations to the Board
- reviews the annual audited financial statements before submission to the Board focusing particularly on:
 - o changes in accounting policies
 - o compliance with legal requirements and financial reporting standards
 - o presentation of the accounts from a non-financial perspective
- discusses with the auditors matters arising from the audit
- presents the financial statement at the Annual General Meeting