

Policy document control box	
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Signed by Headteacher	
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Financial Records and Accounts

1. Financial records must be kept so that:
 - The organisation meets its legal and other statutory obligations
 - The trustees have proper financial control of the organisation.
 - The organisation meets the contractual obligations and requirements of funders.
2. The books of accounts must include:
 - A cashbook analysing all the transactions appearing on the bank accounts.
 - A petty cash book if cash payments are being made.
 - HMRC and other payroll records.
3. The financial year end is 31 August each year.
4. Accounts must be drawn up at the end of each financial year within 8 months of the financial year end and presented to the next Annual General Meeting.
5. Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
6. A report comparing actual income and expenditure with the budget, along with a revised forecast annual position, should be presented to the trustees on a termly basis.
7. The AGM will appoint an appropriately qualified external auditor to audit the accounts before presentation to the next AGM.

Banking

1. The Charity will bank with CAF Bank Limited and accounts will be held in the name of Red Balloon of the Air. The following accounts will be maintained:
 - CafCash Account (General banking)
 - CAF Gold Account (Surplus funds)
2. The bank mandate (authorised signatories) will always be approved and minuted by the trustees as will all the changes to it.

The current bank mandate includes the following signatories:

Carrie Herbert	Founder & Trustee
Jenny Raine	Trustee
Leanne Thurston	Financial Controller

3. The CAF bank online users (list of people who can access CAF online banking and authorise electronic payments on the organisations behalf) will always be approved and minuted by the trustees as will all the changes to it.

The current online users are as follows:

Leanne Thurston	Financial Controller (Account Contact)
Christine Tyler	Accounts Assistant

The charity will access online banking to access statements every month and these will be reconciled with the general ledger (Xero) every month.

4. The charity will not use any other bank or financial institution or use overdraft facilities or loans without the agreement of the trustees.

Income

1. All monies received will be recorded promptly in the general ledger (Xero) and banked without delay. The charity will maintain files of documentation to back this up.
2. The charity will keep a record of agreed students fees and ensure these are invoiced in advance of each school term.
3. The charity will keep a record of restricted income in order to ensure these are used in accordance to the donation/grant conditions.
4. The charity will keep a record of aged debtors and contact these debtors on a periodic basis.

Payments (expenditure)

1. All payments/expenditure must adhere to the authorisation limits as set out on 'Delegated Authority and Approval Limits' updated Nov 2020.
2. The authoriser must not be the same as the person who initiated the payment request.
3. Every payment out of the charity's bank accounts will be evidenced by an original invoice or receipt. That original invoice or receipt will be retained by the Charity and either filed electronically in the general ledger (Xero) or in the form of a hard copy. No payment should be authorised until the signatory is satisfied, through sight of an order form, invoice, or similar written evidence, of the validity of the payment.
4. Authorisation of payments/expenditure must be evidenced in writing via email, letter, minutes or through use of the electronic banking system (see below).
5. The charity will not use cheques as a method of payment.
6. Payments by credit card: When the charity issues a credit card to an employee or trustee it will be administered in a similar way to petty cash (see below). The cardholder will be personally responsible for any undocumented expenditure. The cardholder must adhere to Barclaycard security measures.
7. Payments on the internet: When purchases are made over the internet the charity will ensure that only well-known bona fide sites are used for purchasing and that they have appropriate security as illustrated by a lock padlock in the bottom right hand side of the screen when a payment is being made.
8. Wages and Salaries: There will be a clear trail to show the authority and reason for

EVERY such payment. All employees will be paid within the HMRC regulations. All staff appointments and departures will be authorised in accordance with 'Delegated Authority and Approval Limits' updated Nov 2020. Any changes requiring approval by the trustees will be minuted.

9. Petty cash will always be maintained on the imprest system whereby an individual is entrusted with a float as agreed by the trustees.
10. Staff expenses: The charity will, at its discretion, reimburse expenditure paid for personally by staff providing the expenditure was wholly incurred in performing duties for the charity and has been authorised in accordance with the above authorisation limits

Electronic banking

1. Each CAF bank online user will have a unique password which will be made up of lower and upper case letters, numbers and symbols. This must be kept secure and not shared with anyone.

CAF online banking has a mandatory additional security feature whereby a six digit CAF Bank unique code is sent to the user's nominated phone number. Each user will use their mobile phone number for this.

The users are able to access the banking system for the purposes of putting transactions onto the tuc system for authorisation, or to authorise such transactions.

2. Those initiating or authorising payments will check the suppliers' sort code, account number and account name in the system match the supporting documentation (such as purchase invoice).