

## **Financial Management Policy**

### **1. Introduction**

Financial records will be kept so that the GDA LBG can:

- meet its legal, statutory and other obligations, both for existing liabilities and to ensure it has adequate resources to remain a going concern for an agreed period forward;
- enable the Executive Committee to have control of its finances;
- to allow the Executive Committee to talk knowledgably to members regarding the financial position of the GDA;
- meet contractual obligations and the requirements of funding bodies.

### **2. Transparent Accounting**

The GDA LBG will keep proper books of account, which will include an analysis of all the transactions in its bank account(s).

The financial year for the GDA LBG will end on 31 March.

Accounts prepared in compliance with The Companies Law Guernsey (2008) as amended will be drawn up after each financial year within three months of the financial year end, and will be agreed by the Executive Committee and signed by at least 1 Director who is independent of the treasurer, before being presented to the members at the next annual general meeting (AGM).

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

A budget comparing actual income and expenditure with the budget will be presented to the Executive Committee at minimum every three months (or more regularly if requested by the Committee). Such report should contain information including but not limited to:

- Identification of what cash is restricted or unrestricted
- detail surround reserves
- ongoing expenses
- funds received
- funds promised (broken into likelihood of receipt, and when such is expected to be received)
- on-going viability / cash flow analysis covering an 18 month period forward.

At this time it is not the intention of the GDA to undergo a formal audit of its annual accounts. While on-going management accounts will be maintained, the GDA will not produce formal Interim Accounts.

### **3. Banking**

The GDA LBG will maintain bank accounts in Guernsey with high quality financial institutions which have a strong and stable credit rating. Banks will only be selected after careful consideration and approval of at least 2 elected committee members.

All bank accounts will be held in the name of GDA LBG. The following accounts will be maintained: current account, and any other accounts as agreed and approved by the Executive Committee.

The bank mandate (list of people who can sign cheques or authorise any transactions completed via electronic banking systems on behalf of the GDA LBG) will always be approved and minuted by the Executive Committee, as will all changes to it.

The GDA LBG will require the bank to provide statements every month and these will be reconciled every month by the Treasurer, before being reviewed by another elected officer who will sign to evidence review. The GDA LBG will not use any other bank or financial institution or use any form of borrowing / credit facilities or invest speculatively unless authorised, approved and minuted by the Executive Committee.

### **4. Receipts (Income)**

The GDA will ensure (or demonstrate that it has made reasonable endeavours in this regard) that it has received all income to which it is entitled and that such is clearly evidenced.

All monies received will be recorded promptly in the cash analysis spreadsheet and banked without delay. The organisation will maintain files of supporting documentation, i.e. letters from funding bodies, such letter will be maintained in at least electronic form, and maintained in a secure electronic form, which is subject to regular data backups.

The treasurer will maintain records of expected incoming funding and whether such is guaranteed or otherwise. Any such funds will not be utilised without specific approval of the Executive committee.

### **5. Cash Float**

The Social Policy Director will maintain a balance of £650 per month to cover general operating expenses associated with the day to day running of the GDA.

This balance is to cover small day to day operating expenses and any larger expenses i.e. over £500 are subject to requirements as set out elsewhere in this policy, and

expenditure should continue to be evidenced appropriately in order for effective oversight by the Treasurer or other appointed individual.

Such payments can be made via cheque or through electronic banking systems.

The Social Policy Director may sign solely on cheques of up to £150, after which a second signature is required.

## **6. Payments (Expenditure)**

The Treasurer (or nominated Elected Officer or Executive Director) will be responsible for holding the cheque book (unused and partly-used cheque books) which should be kept in a secure location.

Blank cheques will never be signed.

With the exception of expenditure from the cash float, the same person should not be responsible for ordering, processing and checking invoices as well as raising cheque requisitions, signing cheques and payments.

Cheques greater than the value of £500.00 will require the signature of two members of the Executive Committee.

With the exception of expenditure covered under the cash float, signatories to cheques which are greater than £100.00 must be different to those requesting purchase of items.

## **7. Electronic Banking**

The Treasurer will make all electronic banking payments, with exception to those covered under Cash Float.

Items under £500 must be supported by invoice/documentation and authorised by another Elected Officer or the Executive Director.

Items over £500 must be authorised by two signatories other than the Treasurer.

The relevant payee's name will always be inscribed on the cheque before signature and the cheque stub will always be filled in.

No cheques will be signed without appropriate documentation.

Money will only be spent in order to ensure the GDA meets its legal and statutory obligations, to meet conditions and requirements of the funding bodies and in pursuance of the objectives of the constitution.

Overspend on a particular budget heading of more than 10 per cent needs to be approved by two Elected Officers following consultation with the Treasurer if such is available and after close review of the GDA's current accounting records and reported to the next Executive Committee meeting. Should there be any doubt about the GDA's inability to meet such overruns this will immediately be escalated to the full Executive Committee.

## **8. Payment Documentation**

Every payment out of the GDA LBG's bank accounts will be supported by an official invoice (never against a supplier's statement or final demand). That official invoice will be filed and kept for seven years.

The only exceptions to cheques not being supported by an official invoice would be for such items as advanced booking fees for a future course, etc.

Wages and salaries: The Treasurer or other appointed individual as agreed by the Executive Committee will process the GDA LBG's salaries in line with terms set out in the employee's contract.

All staff appointments will be subject to authorisation by the Executive Committee, with the dates and salary levels being minuted. Similarly, all changes in hours and other payments such as overtime, etc. will be authorised by the Executive Committee or an approved subcommittee thereof.

Expenses/Allowances: The GDA LBG will, if deemed appropriate, 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 States Income Tax scales.

The Treasurer will maintain records of all monthly salary payments, income tax, social security and all other staff related expenses.

## **9. Cash Cards**

Cash Point cash cards will not be used and if issued by the bank will be immediately destroyed.

## **10. Confidentiality**

The confidentiality of employees' financial circumstances will be respected at all times.

Committee members, volunteers and employees will at all times act in the best interest of the GDA LBG and if they experience a conflict of interest they will not divulge sensitive information.

## **11. Other Undertakings**

- The GDA LBG does not accept liability for any financial commitment unless properly authorised.

- Any single orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £500.00, must be authorised and minuted by the Executive Committee. (This covers such items as the new service contracts, office equipment purchase and hire.)
- All fundraising and grant applications undertaken on behalf of the GDA LBG will be done in its name with prior approval of the Executive Committee or in urgent situations the approval of the Executive Chair, who will provide full details to the next Executive Committee meeting.
- The Executive Committee will consider the level of reserves that is prudent for the GDA LBG to have at its first meeting after each AGM.
- Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account were the GDA LBG to close.
- The GDA LBG 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.
- These controls will be reviewed on an annual basis by the Executive Committee.

This policy is kept on the organisation’s SharePoint site. This policy will be available on request in accessible formats and on the GDA website.”

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9/11/19			Kerstin Neason
05/08/2024		July 2026	Toni De Kooker