

FINANCE REGULATIONS



Where applicable, reference to personnel includes both paid employees and volunteers.

INTRODUCTION

The regulations have been drawn up to provide an ongoing basis for controlling the income and expenditure of Anglia Care Trust. The regulations aim to provide:

- The maintenance of good book-keeping/accounting systems with a clear set of operating procedures
- The establishment of good management practices – ensuring that expenditure is controlled by those with delegated responsibility
- The Treasurer, Chair, Trustees and Directors with regular financial reports
- A fully cross referenced audit trail with ongoing checks and balances throughout the financial year
- Protection for personnel and Trustees responsible for receiving income, approving expenditure and maintaining financial records.

Non compliance with these Regulations can lead to Disciplinary proceedings. All members of Anglia Care Trust staff, both paid and voluntary, have a duty to disclose non-compliance with these Regulations to the Director of Business Support or in their absence, the Director of Operations as soon as they become aware of it.

ROLES AND RESPONSIBILITIES

For full details of the Roles and Responsibilities of the Treasurer, the Finance Committee, the Director of Business Support, the Director of Operations and the Business Support Team please see Appendix B

SOURCES OF FUNDING

Anglia Care Trust receives its primary funding from a number of Statutory Bodies, Trusts and Grant-making partners.

BUDGETS

The Treasurer in conjunction with the Director of Business Support and Director of Operations will present an annual budget of estimated income and expenditure for approval by the Board of Directors, prior to the commencement of each financial year. The budgets will be prepared in accordance with Anglia Care Trust's business plan.

Budgets will be prepared using the principle of 'Full Cost Recovery'. This means recovering all costs including direct costs of projects and associated overheads. For further information, please see www.acevo.org.uk

The day-to-day control of approved budgets is vested in the Director of Business Support and Director of Operations who will delegate operational activities to the Operational Managers. They will be nominated as 'cost centre managers' and will have responsibility for allocating income as received, authorising expenditure and seeking to ensure that projects operate within budget and in accordance with these Financial Regulations. Any variances of expenditure that exceed 5% of agreed budget per cost centre must be referred to the Director of Operations or the Director of Business Support.

Monthly analysis of cost centres will be maintained by the Director of Business Support and will form part of the quarterly management accounts to be presented to the Board of Directors.

CHANGES TO BUDGET HEADINGS

If any changes to budget headings are sought by a cost centre manager, for example movement of perceived unspent funds from one budget heading to another budget heading, the Director of Business Support must first be consulted to confirm that the funds to be transferred are actually available (i.e. not pre-committed for some other purpose). Changes will not normally be permitted during the first half of any financial year.

BANKING

All income to be banked in Anglia Care Trust's current account within 5 working days. The Director of Business Support is responsible for arranging transfers of surplus funds not required for immediate use to interest bearing accounts and likewise arranging to draw down funds from such accounts as required to meet expenditure requirements. Cash received from service users at Accommodation Based Service properties is to be brought to Head Office on a weekly basis banked by the Officer using the paying in book supplied. Cash held at such premises should never exceed £100. Cash held at Head Office must never exceed £2,500.

BANK ACCOUNTS

Anglia Care Trust banks with the Royal Bank of Scotland as their current account banker. A deposit account is also held with CCLA and the Cooperative Bank plc. Any change of Banker will be subject to the approval of the Board of Directors.

CHEQUES

Each bank account will have mandated cheque signatories and will require two signatories on every cheque.

The Director of Business Support shall oversee the raising of cheques. Authorities for cheque signatories are as follows;

Value up to £999	Any two signatories
Value in excess of £5,000	Two signatories one of which must be a Board Member

Cheques will only be authorised if accompanied by the relevant cheque request form, invoice, letter or approved document.

Cheques payable to a signatory cannot be signed by the payee.

Cheque books will be held by the Business Support team and stored securely.

ELECTRONIC BANKING PAYMENTS (BACS/CHAPS)

The Director of Business Support has responsibility for ensuring that electronic banking payments are undertaken on a regular basis, in order to meet the obligations to personnel and creditors.

Electronic banking payments will require two approved authorisers to input and then check transactions, consisting of authorised personnel and then will be finally checked and authorised by the Director of Business Support.

EXPENDITURE APPROVAL

The Director of Business Support should only make payments against invoices and documents that have been approved by the provision of Purchase Order Form which has been signed by the relevant cost centre manager, Treasurer or Chair. Expenditure will then be allocated to the relevant cost centre.

Any un-budgeted expenditure will require specific authorization by the Director of Operations or Director of Business Support and be supported by a written case of need by the cost centre manager. Expenditure should not be incurred until such approval has been obtained and funding identified.

PETTY CASH

Expenditure requiring cash must be accompanied by a petty cash request slip and approved by the relevant cost centre manager. A petty cash float of £250 is maintained and administered by the Business Support Team on an impress system. Petty cash slips will be given an annual sequential number. Items purchased from petty cash must not exceed £25 per request.

CASH FOR SERVICE USER EXPENDITURE

Anglia Care Trust receives cash grants for Service Users from grant making bodies. A cash float for these grants of £1,750 is maintained and administered by the Business Support team on an impress system. Cash will be issued upon completion of a Service User Cash Grant Claim Form. Where cash in excess of £100 is required, the form will need authorising by both an Operational Manager and a Director.

INCOME

All income must be banked as soon as reasonably possible; no expenditure from unbanked monies is permitted. All income received will be accounted for on Sage against the cost centre it is provided for and incorporated into the income and expenditure report prepared for that project. Income will be noted as restricted or unrestricted depending on its nature and its VAT status recorded accordingly.

Services, goods and materials supplied will be charged through the issuing of an invoice. Invoice requests will be raised by Operational Managers as soon as an order for a service is received and an amount agreed.

The Director of Business Support has the responsibility for ensuring that all income received, whether cash or cheques is banked at least once a week. In the interest of staff safety two members of staff will undertake the banking if it exceeds £500 cash but this will not be carried out at regular times of the day or week.

SALARY REMUNERATION

Salary increases and annual pay awards will be reviewed by the Human Resources Committee as soon as reasonably practical each financial year and recommendations will then be presented to the Board of Directors for ratification.

Payroll calculation and the production of pay slips is administered externally by a financial services provider as approved by the Finance Committee. The Director of Business Support has the responsibility for ensuring

- That the correct payroll information (including any salary alterations and personnel expenses claims) are provided monthly to the service provider
- That any variances in salaries on prior months are highlighted to and approved by the Director of Business Support, or in the case of variances in the salaries of the Director of Operations or the Director of Business Support, to the Treasurer
- That appropriate deductions are made from employees salaries and that payments to the Inland Revenue are paid on due dates.

Salaries will be paid by BACS transfer to personal bank accounts and will be credited no later than the 25th day of each month, except where this date falls on a bank holiday when payments will be made earlier or when this date falls on a weekend when payment will be made the preceding Friday. This date may be brought forward in December but no earlier than 20th December.

PENSIONS

Anglia Care Trust operates a Pensions Regulator Auto-Enrolment Scheme administered by Smith and Pinching Financial Advisers Ltd. All salaried personnel of Anglia Care Trust are eligible to a contribution of 6% of their salary to be paid into a pension scheme of their choice. Personnel are not as yet required to contribute in order to be eligible for a contribution from ACT. Under the new

legislation, this will change in 2018. In order to prepare for this, employees are actively encouraged to start to make contributions

EXPENSES

Travel

All travel will be paid at a fixed rate per mile (currently 43p up to the first 10,000 miles in any financial year after which the rate drops to 25p for the remainder of that financial year).

Personnel should always ensure they travel responsibly and car share or use public transport where appropriate.

When travelling on official Anglia Care Trust business, the claimable mileage for employees shall be the lesser of:

- the mileage actually travelled on official duties or
- the mileage that would have been incurred in performing those duties if the journey had started and ended at the employee's contracted work base.

The following rules apply:

- If an employee travels from home in the morning direct to a point of call other than his/her base, the mileage claimable for this journey shall be the mileage from the employee's home to the point of call less the mileage they would have done to commute to their office base from home.
- If an employee travels directly to their home from their last point of call when completing official business, the mileage claimable for this journey shall be from this point of call to home less the mileage they would have done to commute from their office base to home.
- For travel outside of the county, expenses will be paid based on the mileage incurred or the equivalent rail fare, whichever is less
- For volunteer personnel the claimable mileage shall be the mileage actually travelled on official duties from their home workbase
- For all journeys, obtaining the best value for Anglia Care Trust, striking a balance between the actual cost of travel and the hidden costs of time, should always be considered. Where travel has been undertaken where it is evident this consideration has not been made, such claims shall be challenged and adjusted accordingly.

Subsistence

Claims for any subsistence will be scrutinized by line management on an individual basis and will be accepted if considered reasonable.

- The correct receipts must accompany all claims
- Subsistence can only be claimed in conjunction with travel when working away from contracted workbase (otherwise they would be subject to tax) – this means on an overnight basis, not on a incidental visit

- When meals or accommodation are provided (i.e. training, conferences), no subsistence allowances are payable.

Completion of Expenses Claims

All expenses must be entered on a claim form to which full supporting documentation must be firmly attached.

All forms should have an original, not digital, signature.

All expenses claims and associated receipts must be authorised in line with authorization levels in Appendix A and passed to the Director of Business Support no later than the 8th working day of the following month.

Claim forms which are incorrectly coded will be rejected and returned to the authorising line manager. It should be noted that this may result in a delay of payment of expenses.

Payment of expenses will be included in the following month's salary payment for employees if the above conditions are adhered to.

Payment of expenses for volunteer personnel will be paid as soon as reasonably practicable after they are submitted. Two payment runs per month will be made to ensure there is not an excessive wait between submission of a claim and receipt of payment.

Payment of claims in excess of two months old cannot be guaranteed.

All rates payable under this policy are subject to review on a bi-annual basis by the Finance Committee and may decrease or increase subject to the outcome of the review.

The Chairman or Treasurer will sign off any claims where total expenses for any individual exceed £500 in any one month.

Expenses will be paid monthly retrospectively, with salaries for paid personnel.

PURCHASING PROCEDURE

All purchasing of products and services is subject to adherence to the Purchasing Procedure (see Appendix A).

CONTRACTS AND SUPPLIER ACCOUNTS

Contracts relating to long term purchase, or annual leasing, fixed term or equipment maintenance are subject to the authorisation limits set down in the Purchasing Procedure.

An "Approved List" of "tried and tested" suppliers who have previously provided good quality services at reasonable cost shall be maintained by the Director of Business Support for use with all supply quotes and service contracts.

All major suppliers of goods and services shall be regularly reviewed by the Director of Business Support to ensure value for money, normally every three years. Examples of major suppliers are Auditors, producers of marketing materials, IT maintenance contractors, stationary suppliers and printers.

The procedure to be followed shall be that an existing major supplier will be invited to re-tender or re-quote for the supply of goods and services in competition with other recognized suppliers. A selection panel shall be convened by the Director of Business Support who will review the tender specifications for each supplier and the basis of tender submissions. The selection panel shall select the firm that, in its view, is the supplier best suited to supply the organization with its goods and/or services, bearing in mind price, value for money and quality of service.

The Director of Operations and the Director of Business Support only have the authority to authorise the establishment of supplier accounts.

ASSET REGISTER

An asset register to include main items of office equipment and furniture will be maintained by the Director of Business Support.

Redundant items will be disposed of through the authority of the Director of Business Support. Personnel will be given the opportunity to 'bid' for items by means of notice, if they are not required they will be sold for the best price or offered to other voluntary sector organizations. This will not apply to computer equipment, which will be disposed of professionally, to ensure that Anglia Care Trust adheres to its Data Protection and Storage Policy.

INSURANCE

The Director of Business Support has the responsibility for reviewing the organisation's insurance requirements annually to ensure that adequate cover is maintained. Insurance must cover Employer and Public Liability, Trustee's Liability, Professional Indemnity, Fidelity Guarantee (Theft by Employee), Buildings, Contents, Equipment and Employment Law. Renewal of insurances will be subject to ratification by the Board of Directors.

ACCOUNTING RECORDS

Income and Expenditure records must be reconciled on a monthly basis against bank statements. This will be carried out by the Business Support Team and supervised by the Director of Business Support.

Approved invoices and payment instructions will be filed in alphabetical order in the appropriate file.

Income received will be recorded against each project.

All income and expenditure will be entered on the Sage accounting system as and when expenditure is incurred, income received, or an invoice raised.

The Director of Business Support will produce monthly income and expenditure reports which identify variations from approved budgets; these will be discussed with cost centre managers.

The Director of Business Support will produce quarterly management accounts to be sent to the Director of Operations, Treasurer and the Board of Directors for consideration at their quarterly meeting.

The Treasurer will undertake random checks of financial records to ensure the accuracy of records.

INTERNAL AUDIT

This function is outsourced. On a bi-monthly basis, the provider is engaged to spend a minimum of 2 hours testing the organisation's financial systems and checking for adherence to the Financial Regulations. A brief report is prepared highlighting any issues and presented to the Director of Business Support for investigation and further action where required, the outcomes of which are presented to the Finance Committee.

EXTERNAL AUDIT

The income and expenditure records maintained by the Director of Business Support, together with bank and special deposit account statements, form the basis for the annual audit of the accounts.

The appointment of Auditors is made at the Annual General Meeting, the Board of Directors have the power to make interim appointments.

APPENDIX A

PURCHASING PROCEDURE 2018/19

1. Prior to making any purchase, a Purchase Order Form must be fully completed by the member of staff requiring the purchase. If the costs/supplier details are not known, full information can be obtained from Business Support.
2. When the Purchase Order form is fully completed it should be authorised by the appropriate person, as per Appendix A Levels of Authority.
3. The form should then be given to Business Support (via their post file at reception).
4. Purchases will be ordered and a confirmation email sent from Business Support to the member of staff who originally requested the purchase.
5. When the invoice is received it will be matched with the Purchase Order Form by Business Support
6. Any invoices which are received which cannot be tied up with a Purchase Order Form will be passed to the Director of Business Support for investigation.
7. All requests for staff training purchases to be countersigned by the Director of Business Support.
8. Stationery – Business Support hold a stock of core stationery items (see ACT Stationery Supply List). Items on this list do not require a purchase order form to use. Any items of stock or stationery required not on this list require a Purchase Order Form and will be costed directly to the project involved.

LEVELS OF AUTHORITY

Position	Financial Purchasing Authority (£)
Co-ordinator	51-100
Manager	101-1,000
Director of Business Support/Director of Operations	1,001-5,000
Board of Directors	5,001+

APPENDIX B

Day-to-Day Financial Roles, Responsibilities and Communication Guidelines

Roles and Responsibilities:

Treasurer

- Oversee the finances of the organisation, with the Director of Business Support
- Ensure the financial control systems are maintained and reviewed if necessary
- Sign documents that require the Treasurer's approval
- Monitor quarterly expenditure levels to ensure they are within budget and bring to the notice of the Director of Business Support any impending cash flow problems
- Attend meetings as required
- Report quarterly to the Board of Directors on the financial position of the organisation and to bring any irregularities to their attention
- Give assistance to the Director of Business Support and the Auditor in the preparation of the annual accounts and to present the annual accounts at the AGM
- Advise the Board on investments
- Undertake random checks of financial records to ensure accuracy

Finance Committee

- Oversee the development, implementation and review of Anglia Care Trust's financial policies
- Ensure that the Finance Regulations help achieve the organisation's aims and objectives and compliance with the Board, auditor's and other regulatory bodies' requirements
- Ensure continuous quality improvement and efficiency
- Promote and monitor sound financial governance
- Review and make recommendations to the Board on finance related issues
- Liaise with the Human Resources Committee with regards to salary related issues

Director of Business Support

- Overall responsibility for ensuring that the day-day financial operation of the organisation is managed
- To agree budgets with the Director of Operations, Operational Managers and Board of Directors
- Ensure that appropriate financial systems operate in compliance with SORPS and relevant legislation
- To ensure that appropriate systems are in place for managing income & expenditure

- To liaise with the Treasurer regarding the financial activities of the organisation
- Manage Business Support to ensure the correct operation of financial systems and process in the organisation
- Ensure all financial data is produced and delivered to agreed timescales
- Develop systems to ensure accessibility of financial data to the stakeholders

Director of Operations

- To agree budgets with the Director of Business Support, Operational Managers and Board of Directors
- Manage the income & expenditure for each project
- Liaise with Director of Business Support to ensure that the correct operation of financial systems and process for each project
- Liaise with the Director of Business Support when preparing bids for new projects/tenders

Business Support Team

- To operate systems for the control of income and expenditure in agreement with the Director of Business Support
- Provide financial Information from Sage as requested by the Director of Business Support to assist in the preparation of management information within agreed time frame work
- Assist in the preparation of financial reports as requested by the Director of Business Support
- Assist the auditors with the provision of information under the guidance of the Director of Business Support

Auditors

- To audit the year-end figures and prepare Accounts ensuring that they are SORPS compliant

Communication Guidelines

The Board of Directors delegate responsibility for the organisation's financial activities to the Director of Business Support and the Business Support Team, therefore it is recommended that communication relating to the financial activities of the organisation, Director of Operations, Treasurer and Auditors should be communicated in the first instance to the Director of Business Support in writing. The Director of Business Support should then inform the Business Support Team of any actions to be undertaken, in writing.

Auditing of Accounts

For purpose of auditing the accounts the Director of Business Support should take the following actions:

- On completion of the year end figures the Director of Business Support should inform the Treasurer and Auditor
- Establish with the Auditor what additional information/documents are required for Auditing purposes, i.e. minutes, contracts etc: this information from the Auditors should come in the form of a check list, a copy of which should be given to the Director of Business Support and Treasurer
- On completion of the collation of the required information/documents the Director of Business Support and the Treasurer should be given a copy of the draft year end figures and a completed check list.
- The Director of Business Support will liaise with the Treasurer to establish when the year end figures should be given to the Auditor for auditing.
- Once the audit process has begun all communication from the Auditor should be made directly to the Director of Business Support, in writing, who will upon receipt decide what action should be taken and who should be informed of any action/s to be taken. A copy of all communication from the Auditor should also be forwarded to the Treasurer.
- On completion of the Audit a copy of the draft accounts should be given to the Director of Business Support and Treasurer for checking. Upon receipt of the draft accounts the Treasurer should arrange to meet with the Director of Business Support to discuss any outstanding issues and agree the draft accounts.
- Once the Auditors have signed off the accounts the Treasurer should call a meeting of the Board of Directors in order to facilitate the ratification of the accounts.

Date of next review – October 2019