******

**Finance Policy**

The aim of this policy is to give guidance for the correct and legal management of the charity accounts. Wishing Well’s finances should be managed in line with any guidance provided by the Charity Commission and accounts open and available for public scrutiny. As a small charity we also have a duty to maintain any running costs & expenses as low as possible in order to maximise the benefit of all donations given for the people we are working for.

1. Responsibilities
2. Incoming donations and grants
3. Payments, authorisations & expenses
4. Handling of cash
5. Bank account
6. Books, records, monitoring and audit
7. Reserves
8. Assets
9. **Responsibilities**

All Trustees are responsible for overseeing the correct financial administration and management of the charities funds. Trustees should all be aware of any grants, donations and assets owned by the charity and any liabilities. The Treasurer is responsible for taking the lead with the preparation of any financial documents required for reporting matters but this should be done in partnership with all other Trustees.

All Trustees are strongly encouraged to attend training in financial management for small charities, provided by their local CVO. Payment for this training will be provided by Wishing Well.

1. **Incoming donations and grants**

Unless specified, all donations received will be considered “general income” and it will be for the Trustee’s to decide how the money will be used, in line with the charities overall aims and objectives. Donations given for any specific items or expenditure and any grants received for specific purposes should be managed separately with detailed income/outcome highlighted in the charities accounts to evidence how the money has been used. Only with the permission of the donor or grant maker should any money be used for expenses not on the pre-agreed arrangement or the money shall be returned. All income from whatever source should pass through the charities bank account.

1. **Payments, authorisations & expenses**

All payments should be pre-agreed and detailed in the charity Trustee meetings. Withdrawals of money from the charity bank account is restricted to two serving Trustees. Where possible, payments should be made only after receiving a service/goods and receipts and evidence of the expenditure maintained for the charities financial accounts.

The payment of expenses should be kept to a minimum in order to maximise the benefit of any donations for the people we serve. However, it is recognised that the payment of expenses is a necessary cost in some circumstances for the charity to be able to function to its best ability.

All payments and expenses should be pre-agreed at Trustees meetings and highlighted in the minutes. Payments can only be given for actual costs and receipts must be provided. When claiming costs, the aim should be to seek the most reasonable price.

Authorised expenses include;

Travel for Trustees and charity supporters to/from Trustee meetings, currently 40p per mile if travelling by car or a standard train fare.

Basic overnight accommodation if required when attending meetings on charity business, with food/ drinks to a maximum of £20 per person per day.

Standard flights (and transfer costs) to/from charity projects with a reasonable priced airline. It is accepted that not always the cheapest flight ticket results in the most beneficial form of transport with regards to time and effort. However, where possible the cheapest ticket should be sought.

Relevant training and course costs to help develop the Trustee’s and any Professional advisors within their serving role.

Payments and expenses should all be claimed within 3 months of the transaction unless specially authorised in exceptional circumstances and noted within the charity Trustee meeting minutes. All payments should be made via the charity cheques or direct bank transfer, cash payments should be avoided.

Payments to cover overseas project costs should be made directly to overseas partners, who will be responsible for overseeing the management of the costs and maintaining evidence of any expenditure. Overseas partners are required to provide Wishing Well with a receipt for any donation/project costs provided to them and where necessary provide evidence to the Trustees as to how any money has been used.

The payment of “time” or purchase of any good/services from serving Trustees is prohibited.

1. **Handling of cash**

The handling of cash should be avoided wherever possible but at times when this is unavoidable cash transactions and the acceptance of cash donations should be supervised by two people. Cash collected should be maintained in a secure environment until deposited into the charity bank account and the deposit should be made as quickly as practically possible.

1. **Bank account**

The charity currently banks with the Natwest bank. This account is a free of charge account to the charity and helps to keep our running costs to a minimum. At least 2 signatures are required to access cash from the charity account and the account does not facilitate the electronic transfer or withdrawal of funds. Bank statements are issued on a monthly basis and a cheque book is issued for the release of funds.

1. **Books, records, monitoring and audit**

The charity accounts should be kept in-line with the guidelines set out by the Charity Commission. All charity income/outgoing should be moved through the charities Natwest bank account and records of bank statements maintained for external verification.

Copies of receipts and approvals for expenditure maintained within the charity year end accounts.

All payments should be made only for pre-agreed amounts. A finance payment form should be completed and attached to the specified receipt. Payments will also be only made for set amounts and no blank cheques issued.

Finance information including bank statements and full details of income/expenditure and any liabilities should be provided at all Trustee and open supporter meetings. All Trustees are responsible for the on-going monitoring and supervision of the charity accounts. The Chair and Treasurer should prepare the end of year accounts together and invite a suitable experienced external verifier to check through the accounts before they are submitted to the Charity Commission.

Copies of the charity Trustee meetings and the finance records should be uploaded onto the charity web site in order for any supporter or donor to view. Donors and supporters are also welcome to attend Trustee meetings and dates will normally be uploaded onto the charity site 3 months ahead of any meeting.

1. **Reserves**

No more than one year’s operating costs should be maintained in the accounts.

1. **Assets**

A list of all charity assets is to be maintained with the item value and where it is located.

Disposal of any of the charity assets should be agreed at charity Trustee meetings.