

FINANCIAL POLICY

1. GENERAL PRINCIPLES

- a. All Management Committee members and staff are required to declare interests which might influence their judgment in financial matters or be perceived to do so in accordance with the Ocean Youth Connexions conflict of interest policy.
- b. All Management Committee members and staff have a responsibility to use Ocean Youth Connexions resources economically and effectively.
- c. All staff have a responsibility to raise with the Manager or Management Committee any concerns they have about the financial administration of Ocean Youth Connexions.
- d. All restricted funds granted to Ocean Youth Connexions will only be used for the specified purposes.
- e. All financial records will be retained for the statutory time periods.
- f. Ocean Youth Connexions will keep its financial records in accordance with the provisions of the Data Protection Act 1998 and any subsequent legislation.
- g. Ocean Youth Connexions will seek to maximise its income from any funds and minimise interest charges.

2. RESPONSIBILITIES

- a. The Management Committee will be ultimately responsible for the financial control of the organisation and for financial reporting to its members and others.
- b. The Treasurer will be responsible for maintaining proper accounting records and producing regular reports for the Management Committee, members and individual funders.
- c. Notwithstanding the above the Management Committee and Treasurer may delegate certain of their functions to Ocean Youth Connexions staff and to outside persons appointed for specific purposes.

3. BUDGETARY CONTROL

- a. The Treasurer in consultation with the Manager and Management Committee will prepare an annual budget of income and expenditure in accordance with relevant legislation and practice.
- b. The Treasurer may also prepare a cashflow forecast giving the projected bank balance at the end of each month.

- c. The budget and cashflow will be submitted to the Management Committee for approval on or before 31st March each year.
- d. The Treasurer and Manager may recommend any changes to the budget or cashflow projection to the Management Committee which may make necessary alterations to the budget at any time.
- e. The Treasurer will monitor income and expenditure but may delegate the monitoring of specific expenditure items to Ocean Youth Connexions staff.
- f. The Treasurer will prepare a quarterly variation report for the Management Committee incorporating the budgeted and actual expenditure against each item and the variance if any with the anticipated budgeted spend against that item in that quarter with explanation of the reasons for any variance.
- g. Quarterly financial reports will be signed by the Chair at each presentation.
- h. The Treasurer will ensure that action is taken to address significant variations against expected performance.

4. MAINTENANCE OF BANK ACCOUNTS

- a. The Treasurer will recommend to the Management Committee that Ocean Youth Connexions will open such bank accounts as the Treasurer considers necessary.
- b. All bank accounts will be reconciled to bank records during the monthly recording of transactions.
- c. The Manager will be responsible for the safe custody of cheques and any passwords associated with bank accounts.
- d. All cheques and cash will be paid into the relevant bank account within a week of receipt.
- e. All cheques and cash will be placed in a safe prior to banking.

5. AUTHORISATION OF FUNDING

- a. Any funding agreement between Ocean Youth Connexions and a funder must be signed by the Chair or vice-Chair.
- b. The terms of any funding agreement must be agreed by at least the Chair and Treasurer.
- c. The Treasurer will be responsible for ensuring that all funding due to Ocean Youth Connexions is paid properly at the times specified in the funding agreement.

6. STAFFING AND SALARIES

- a. The Management Committee will approve the establishment, deletion and salary level of all paid staff posts.
- b. The Manager will establish and delete all volunteer staff posts.
- c. The Management Committee will approve all promotions and salary increases including annual increments.
- d. The Management Committee will approve any cost of living increases which form part of a salary payment.
- e. The Treasurer will ensure that all salaries, wages and other emoluments to all Ocean Youth Connexions staff are paid in accordance with legislative and contractual provision.
- f. Payroll services will be provided either in-house by an external voluntary organisation appointed for this purpose by the Management Committee.
- g. Salaries will be paid in the manner prescribed by the payroll system.
- h. Once every five years the Manager and Treasurer will invite five suitably qualified firms to tender for the right to provide payroll services to Ocean Youth Connexions under the terms of the Ocean Youth Connexions procurement policy and will recommend to the Annual General Meeting that either the firm which presents the best tender in terms of price and quality or Ocean Youth Connexions itself be appointed to provide payroll services to Ocean Youth Connexions.
- i. Loans or advances may be made to Ocean Youth Connexions staff in circumstances where serious loss impinging upon the staff member's ability to perform their duties with Ocean Youth Connexions may otherwise occur.
- j. Any loans or advances to the Manager will be authorised by the Management Committee and loans or advances to other staff will be authorised by the Programme Manager .

7. CHEQUE PROCEDURES

- a. Four cheque signatories will be appointed by the Management Committee who will be the Chair, Treasurer, Secretary and Manager unless otherwise agreed.
- b. All cheques will be signed by two of these four signatories.
- c. Cheques will not be signed by the person to whom they are payable.
- d. Blank cheques will not be signed under any circumstances.
- e. All expenditure will be requested on Ocean Youth Connexions requisition slips bearing the requisition slip and cheque number, payee, amount of cheque,

purpose for which the cheque is requested and the person requesting and signed by an authorised person.

- f. Cheques will not be signed unless accompanied by an invoice and/or requisition slip.
- g. Ocean Youth Connexions staff are authorised to sign requisition slips for expenditure of no more than £100 and all expenditure on postage, utility bills, rent and rates and other exceptions as approved by the Management Committee.
- h. Requisition slips for expenditure of £100 or more with the above exceptions should be signed by a cheque signatory.
- i. Requisition slips will not be signed by the person to whom the resulting cheque would be made payable.
- j. Any instructions to the bank to make payments by direct debit, standing order, BACS or any other automated credit system must be signed in accordance with the above rules governing cheque signatories.
- k. Documents authorising transfers between accounts must be signed by two signatories and reported to the Treasurer who will record them as soon as possible.

8. PETTY CASH

- a. All petty cash expenditures (incomings and outgoings) will be recorded by the Manager in a petty cash book kept in the safe with the cheque and paying in books, invoices and receipts, requisition slips and other financial documents.
- b. The Management Committee will set the optimum level of the petty cash float which will be £250 unless otherwise agreed.
- c. All petty cash payments will be made against invoices signed by the person who incurred the expense or requisitions signed by an authorised person and recorded in a discrete petty cash book.
- d. All monies received for the purposes of adding to petty cash will also be recorded in the petty cash book.
- e. The petty cash book will be kept according to the imprest system¹ recording all outgoings and incomings and the amount remaining in petty cash after each transaction.
- f. Transactions will be recorded on the day they occur as far as is practicable.

¹ *Imprest system*: A system for controlling small cash disbursements by establishing a fund at a fixed amount and periodically reimbursing the fund by the amount necessary to bring the fund back to the fixed amount

- g. All petty cash invoices and receipts will be kept, dated, numbered consecutively and related to the expenditure item to which they refer.
- h. Copies of each of the above invoices and requisitions will be kept in a discrete financial file.
- i. The petty cash book records will be written in black ink.
- j. The petty cash book will be divided into headings which will reflect the agreed annual budget items or more detailed headings as considered appropriate and petty cash expenditure under each heading will be totalled before a new addition to the petty cash float is recorded.
- k. When the petty cash float drops below the level of £50 a new cheque for the difference between the optimum level of the float and the amount remaining will be requested.
- l. A cheque which transfers money to the petty cash float will be treated as one transaction which will subsequently be subdivided into the budget headings in the petty cash book for accounting purposes.
- m. The above manual petty cash system may be supplemented by a computerised system recording the same information in a format agreed by the Management Committee.

9. CASH BOOK

- a. All incomings and outgoings will be recorded in a cash book kept in the safe by the Manager with the cheque and paying in books, invoices and receipts, requisition slips and other financial documents.
- b. All invoices and receipts will be kept, dated, numbered consecutively and related to the expenditure item to which they refer.
- c. Copies of each of the above invoices and requisitions will be kept in a discrete financial file.
- d. The discrete financial file may be supplemented by additional files of copies of invoices and receipts relating to items of expenditure or particular funders provided that copies of all invoices and receipts are placed and remain in the discrete financial file.
- e. The Treasurer will be responsible for recording each incoming or outgoing transaction manually in the cash book each month from invoices and receipts, petty cash receipts and automatic transfers and making monthly bank reconciliations.
- f. The cash book records will be written in black ink.

- g. The cashbook will be divided into headings which will reflect the agreed annual budget items.
- h. A cheque which transfers money to the petty cash float will be treated as one transaction which will subsequently be subdivided into the budget headings in the petty cash book for accounting purposes.
- i. The above manual cash book system may be supplemented by a computerised system recording the same information in a format agreed by the Management Committee.

10. BACKUP SYSTEMS

- a. All manual records and files of financial transactions and accounts will be further photocopied and kept in a discrete file in a separate place from all other financial information.
- b. All electronic records will be stored on retrievable discs which will be kept in the safe with the financial records.
- c. All electronic records will also be copied daily onto backup discs to be used in the event of disc failure and stored in a separate place from the financial records.
- d. If a backup disc is used a new backup disc containing that information will be created.
- e. The Manager will be responsible for arranging the storage of the backup manual files and discs and will keep a record of their whereabouts to be lodged with the Chair, vice-Chair, Treasurer and other persons as agreed.

11. PREPARATION OF ANNUAL ACCOUNTS

- a. The Treasurer will be responsible for preparing or arranging for the preparation of the annual accounts in accordance with relevant legislation and best practice.
- b. Draft annual accounts will be presented to the Management Committee for approval no later than four months after the end of the financial year.
- c. Approved accounts will be presented to the most proximate Annual General Meeting and circulated according to the Memorandum and Articles of Ocean Youth Connexions.
- d. Annual returns will be completed by the Company Secretary and submitted to Companies House and the Charity Commission.

12. AUDIT

- a. Auditors will be appointed by the Management Committee in consultation with providers of financial services to Ocean Youth Connexions.

- b. Auditors will be appointed annually with the presupposition that the incumbent will be reappointed if performance and fees are satisfactory.
- c. Once every five years the Manager and Treasurer will invite five suitably qualified firms to tender for the audit under the terms of the Ocean Youth Connexions procurement policy and will recommend to the Annual General Meeting that the firm which presents the best tender in terms of price and quality be appointed.
- d. The Treasurer will agree the timetable for the year end audit with the auditors and ensure that all the information required is available at the start of the audit.
- e. If the auditors produce a management letter highlighting weaknesses in financial control and accounting systems this will be presented to the Management Committee for acceptance along with a report from the Treasurer on how such weaknesses will be addressed.

13. FIXED ASSETS

- a. The Manager will be responsible for the maintenance of a register of fixed assets in which the details of each Ocean Youth Connexions asset will be recorded.
- b. The Manager will ensure that all equipment is adequately maintained and safeguarded.
- c. The Manager will be responsible for the security of all Ocean Youth Connexions assets.
- d. Ocean Youth Connexions staff will have responsibility for the correct use and maintenance of individual assets and of premises under the Ocean Youth Connexions Health and Safety policy.

14. RISK REGISTER

- a. The Treasurer will maintain a risk register recording the major risks faced by Ocean Youth Connexions, the probability of them occurring, the severity of their impact if they did occur and control measures to be taken in respect of each risk.
- b. The risk register will be reviewed by the Chair every six months and by the Management Committee every year.

15. SECURITY

- a. All financial books and records will be kept in the safe (or Locked Cabinet).
- b. Keys to the safe (or Locked Cabinet) will be held in the locked keybox.
- c. The Management Committee will decide who is given a key to the keybox.
- d. A person without a key may only access the keybox through a keyholder at the discretion of that keyholder.

16. INSURANCES

- a. The Manager will be responsible for maintaining adequate insurance cover for all Ocean Youth Connexions activities which will include employers liability, public liability, office contents and legal expenses insurance and any other insurances as decided by the Management Committee.
- b. The Manager will keep the level and appropriateness of insurance policies under review and will report on these matters to the Management Committee annually and as issues arise.
- c. The Manager will be responsible for keeping a schedule of insurance policies and cover held and update this in the event of any alteration.
- d. Any procedures for ensuring compliance with insurance policies will be formally documented and updated as and when necessary.

17. REVIEW AND ALTERATION

- a. This financial procedure will be reviewed annually by the Management Committee prior to the Annual General Meeting which will receive a report on the outcome of this review and any proposed amendments for decision.
- b. The Manager may make reasonable alterations to this procedure at any time provided these alterations are reported to the Management Committee within one month of their taking place and recorded in the annual review of this procedure.

FUNDRAISING

1. GENERAL PRINCIPLES

- a. Ocean Youth Connexions will raise funds from any legal source including charitable trusts, local and national government, statutory and voluntary agencies and private business in order to provide its services.
- b. Ocean Youth Connexions will set aside dedicated staff time for fundraising purposes.
- c. Ocean Youth Connexions will produce a funding strategy detailing what funds will be obtained for and who should be approached as part of its triennial business plan.
- d. The funding strategy as published in the business plan will be agreed by the Management Committee.
- e. Ocean Youth Connexions will seek to ensure that fundraising will be carried out in advance of needs.

2. APPLICATION PROCEDURES

- a. Funding applications will be made by an appropriate staff member.
- b. The staff member making the application will ensure that other staff and Management Committee members understand the contents and purpose of the application.
- c. The Management Committee will remain ultimately responsible for the application and its contents.
- d. Draft applications will be completed at least ten working days before the application deadline and comments will be sought from the Management Committee.
- e. Any comments will be evaluated and acted upon if desirable.
- f. The final application will contain no material misstatement.
- g. The final application will be signed by the Manager and either the Treasurer or Chair in addition to the external referee unless the application form dictates otherwise.
- h. A different external referee will be sought for each application where practicable.
- i. A member of the application team will act as the contact person for the application.
- j. A copy of each application will be made and kept in a clearly marked and accessible place.
- k. The application will be either posted or hand delivered to the prospective funder and a receipt or acknowledgement will be obtained.

3. FOLLOW UP

- a. Ocean Youth Connexions will find out on which date a decision will be made on the application and ask for information on its progress no later than five working days after this date.
- b. All communications from the prospective funder will be addressed promptly by the contact person.
- c. When a decision is reached on the application feedback will be sought from the funder explaining the reasoning behind the decision whether positive or negative.
- d. The result of any funding application will be made known to members by any means considered appropriate.