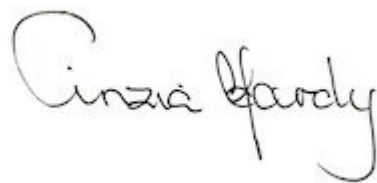


highlights

rural touring scheme

Finance Policy and Procedures

Updated October 2022
Due for Review October 2023



Signed:

Date: October 2022

HIGHLIGHTS’ FINANCE POLICY and PROCEDURES

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1) AIMS

Highlights Productions wishes to ensure that its financial procedures are robust and compliant with its status as a registered company and a registered charity.

2) POLICY STATEMENT

Highlights will employ good administrative practices to ensure it is managing its financial resources effectively and abides by all relevant legislation.

3) ADVICE AND GUIDANCE

- a) The Director/General Manager should contact the Trustees for general advice and guidance and to raise any concerns.
- b) The Trustees should contact the appointed Accountant/Independent Examiner if they have concerns about the financial conduct of the Director or General Manager.

4) PRINCIPLES

a) Role of the Trustees. The Trustees are responsible for:

- i) Approving the budget for the year
- ii) Monitoring the financial position based on quarterly management accounts (presented at 4 Management Committee Meetings per year)
- iii) Receiving reports from the Director or General Manager on areas of concern
- iv) Approving exceptional items of expenditure (over £5,000 and outside of agreed budget)
- v) Approving and reviewing this Finance Policy and procedures
- vi) Approving the annual accounts, Independent Examiners report and appointment of the Independent Examiner.

b) Financial Records

- i) These are kept by the General Manager with oversight by the Director. The primary records are kept online (Using QuickBooks and online banking). Historic records are a combination of electronic and paper files. Full records are maintained and held on file for at least 7 years.
- ii) Highlights uses an accrual accounting system.

c) Budgets

- i) Budgets are prepared by the General Manager and Director.
- ii) These are approved by the full Board.

d) Management Accounts

- i) Are produced and monitored monthly by the General Manager.
- ii) Are presented by the General Manager quarterly to the full board. They show income and expenditure to date and give a forecast to the end of the year and any over or under spend and any proposed changes to agreed budgets.
- iii) In addition, the most recent bank statements will be available at Board meetings.

e) Cash Flow

- i) Is produced and monitored monthly by the General Manager.
- ii) Is presented by the General Manager quarterly to the full board.
- iii) Any concerns are reported immediately to the full board.

f) Financial Year

- i) Highlights financial year is from 1st April to 31st March.

g) End of Year Report and Accounts

- i) Are prepared and independently examined by the appointed Accountant at the year-end (31 March), approved by the board, in accordance with the Charities Act 2011, the Companies Act 2006, and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).
- ii) Fixed assets will be depreciated at 25% per annum, calculated on the reducing balance. Only purchases of equipment valued at over £100 will be classed as fixed assets and added to the fixed assets register.
- iii) The independently examined report and accounts are available for members before the AGM at which point the members vote to accept the report and accounts, which are then signed by the Chair of the Board and another Trustee.

5) PROCEDURES

a) Payments made by Highlights

- i) Pre-agreed or scheduled payments as stated in an approved budget do not need further approval.
- ii) Any payments over £500: Director to approve
- iii) Any payments over £5,000: Board to approve

b) Banking

- i) Highlights has the following bank accounts:
 - (1) Co-op Bank: Current Account
 - (2) Triodos Bank: Investment Account
- ii) Signatories - Two signatures are required for cheques and online banking payments
- iii) In addition, the two staff signatories each have a debit card for work expenses.
- iv) Signatories: currently these are:
 - (1) Director: Kate Lynch
 - (2) General Manager: Kath Wood
 - (3) Trustee: Mary Ingham
- v) Changes to banking arrangements are to be approved by the Board and properly recorded in the relevant Board minutes.
- vi) The Trustee signatory will only be used in the event of incapacity/unavailability of either the Director or General Manager.

c) Debit Card Purchases

- i) Each member of staff must keep receipts for all payments made using the company debit card.
- ii) These must be given to the General Manager for processing in a timely manner.
- iii) The card should not be used for non-Highlights purchases.

d) Cash

- i) Highlights does not keep a petty cash float.

- ii) Any cash received will be banked as soon as practicable.
- e) Cheques**
 - i) Where possible payment by online banking will be encouraged.
 - ii) If cheques are received these will be paid into the bank as soon as practicable
- f) Expenses and reimbursement for expenditure**
 - i) Where possible items should be paid for by invoice or by use of the company debit card.
 - ii) Where this is not possible an expenses claim should be submitted along with the receipt for the expense.
 - iii) Staff will be reimbursed for mileage incurred at 45p per mile or travel by public transport (standard class only).
 - iv) Trustees can claim reasonable travel expenses at 45p per mile or travel by public transport (standard class only).
 - v) Volunteer Promoters can claim reasonable travel expenses at 45p per mile or travel by public transport (standard class only) for travel to promoter events.
 - vi) Claims must be approved by either the General Manager or Director.
- g) Making best use of reserves**
 - i) In order to maximise available interest, free funds in the current account should be moved to the Investment account until needed, based on predicted cash flow analysis. See Reserves policy.
 - ii) As the Investment account is a 90 day notice account, the General Manager to review predicted cash flow on a monthly basis to ensure any movement of funds back in to the current account is actioned in good time.

6) REVIEW DATE

This Finance Policy should be reviewed annually by the Board of Trustees.