



## Policy Statement

### Internal Financial Controls

#### **Risk Management & Annual Reporting**

1. YYY Foundation implements such procedures as are necessary to ensure proper application and management of resources in an efficient and effective control environment.
2. Organisational risk assessments are carried out annually to determine the appropriate level of control in each area.
3. Financial records are kept so that the organisation can meet its regulatory obligations, to enable management to be in financial control of the organisation and to ensure that the organisation is always able to meet its contractual obligations.
4. The organisation (the Treasurer) will keep proper books of accounts, which will include a record of all transactions reflected in the organisation's bank accounts.
5. The financial year ends on 30 September each year. Accounts will be drawn up after each financial year within 3 months of the end of the year, and will be presented to the Board for approval.
6. Where income exceeds £25,000 in a year, the accounts will be subject to check by an Independent Examiner. Responsibility for the preparation of the Annual Report and Accounts is shared between the Chair, the Treasurer and any Independent Examiner.
7. The accounts will include separation of unrestricted and restricted funds and expenditure.
8. The finalised year end accounts will be filed with the Charities Commission by the Treasurer within the reporting deadline.

#### **Budgeting**

The charity does not prepare a budget, as this is deemed unnecessary given the level of activity in the charity and the visibility of activity and funding. No expenditure is entered in to without the requisite funds being in place. The Trustees will keep this under review every year.

#### **Management Accounts**

1. Management Accounts will be prepared by the Treasurer from the bank statements of the charity at least quarterly, and will be presented with comments to the Trustees at Trustee meetings.

#### **Banking**

1. The organisation banks with the CO-Op Bank, but may also with the approval of the Trustees make other necessary banking arrangements.
2. A central record is maintained of all bank accounts together with copies of mandates.

3. The bank mandate and any changes to it requires minuted Trustee approval.

### **Invoices & Bank Reconciliations**

1. All supplier payments in the UK will be made by the Treasurer, in consultation as necessary with other Trustees. The Treasurer will record every payment in the books of account and will retain evidence of transactions and invoices in the charity's records.
2. YYY Foundation will require the bank to provide statements every month. The bank position will be reconciled to every set of management accounts prepared (at least quarterly).
3. The company will not use any other bank or financial institution or use overdraft facilities or loans without the minuted agreement of the Trustees.

### **Income**

1. All grants are paid directly into the organisation's bank account upon receipt and allocated as restricted or unrestricted where appropriate.
2. All earned income is paid directly into the organisation's bank account upon receipt and allocated as unrestricted.

### **Purchasing and Contracts**

1. All payments or contracts will be agreed with the Trustees prior to transaction.
2. Information on contracts, contract value or contracted personnel will be recorded and shared with the trustee team.

### **Expenditure relating to visits to Nepal**

1. Prior to visiting Nepal, Trustees will prepare a budget for their intended trip and charitable activities, and this will be discussed and agreed with the Treasurer.
2. When visiting Nepal, Trustees will endeavour to buy travel, accommodation, food and all other requirements on a best value basis.
3. Where possible, Trustees will endeavour to obtain receipts for larger purchases, which will be provided to the Treasurer.
4. Trustees will, on a best endeavours basis, separate out any expenditure of a personal nature or which does not relate directly or reasonably to the charity's activities. That expenditure will not be reimbursed.
5. Following a trip to Nepal, the relevant Trustees will prepare a schedule of all expenditure reasonably incurred on the charity's business, and will present this to the Treasurer for review. Once reviewed and agreed, the Treasurer will reimburse any such agreed expenditure made by the Trustees.

### **Expenditure on Projects in Nepal**

1. Any proposed expenditure on projects in Nepal will be discussed and agreed by the Trustees prior to any payment.
2. All payments overseas will be made from the charity's bank account by the Treasurer, and records will be kept of all such payments.

3. All overseas payments should be made to bank accounts either of our partners in Nepal or to the overseas accounts of our charity partners. All payments should be made through the normal banking mechanisms.

#### **Reimbursed expenses**

1. The organisation will, on request, reimburse other expenditure paid for personally by Trustees providing expenses are reasonable and have been authorised by the the Chair or the Treasurer. No one may authorise their own expenses – refer also to Expenses Policy.

Last reviewed: June 2024