



**Turtle Dove Cambridge Community Interest Company**

**Financial Control Policy**

**Reviewed: May 2025**

**Review due: May 2026**

## **Purpose**

This policy defines the financial systems used by Turtle Dove Cambridge (TDC) and how they relate to all areas of the organisation.

This policy is relevant to all TDC employees, Managers and Directors.

## **Ordering supplies and services**

All TDC expenditure must be eligible and recorded according to individual grant regulations, which supersede these guidelines where different (e.g. need for 3 pro-formas above certain amount) and will be provided to relevant staff/Directors.

All staff need to be aware that expenditure is committed when an order is placed on behalf of TDC, not when the payment is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets and delegated powers.

Budget holders can place orders for goods or services within their budget areas, subject only to cash flow restraints. All orders of £1,000 or more must be authorised by the Financial Officer (Managing Director, Kate Nation). Under £1,000 the budget holder may delegate all ordering as appropriate. Budget holders will discuss with the Financial Officer appropriate parameters, plus maximum allowed deviations.

Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedure as above, with the appropriate expenditure amount being the total committed expenditure over the period of the contract, or where the contract is open-ended, over the first 12 months of the contract. Larger contracts should not be entered into without adequate advice from a relevant professional adviser (e.g. accountant).

Orders of £1,000 or more must be placed in writing. Orders under £1,000 but over £100 should be in writing where practical. Suppliers must be requested to produce invoices. If payment is needed on or before delivery or no credit is given, a 'pro-forma' should be provided.

While claims for small items of expenditure may be made via petty cash (see section 4), adequate supporting documentation, preferably receipts must be obtained. Large items requiring cash payment must be checked with the Financial Officer before the arrangement is confirmed.

### **Payment authorisation and Purchase Ledger**

All invoices must be authorised for payment by the Financial Officer, although the actual checking of details may be delegated. The Financial Officer and budget holders are responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, that the services or goods have been received, and following up any problems. The Financial Officer must be informed if there are queries delaying authorisation or if payment is to be withheld for any reason.

A Purchase Ledger is operated by the Financial Officer (Currently via Xero). All incoming invoices are to be passed to the Financial Officer as soon as they arrive who will check and authorise them. Invoices will be recorded on to the Purchase Ledger and authorisation. Once authorised as above, suppliers will be paid within the appropriate timescale. This is generally a maximum of 30 days, unless there are exceptional cash-flow difficulties or specific supplier arrangements. The latter must be communicated by budget holders to the Finance Officer, who will inform them of any difficulties in meeting these.

Refunds of overpayments or cancellations of bookings/orders can be fully delegated to the relevant activity manager or administrator (note that this does not include any 'compensation' or similar payment).

### **Cheque writing and signing/transfers (BACS, CHAPS)**

Signatories will only be drawn from senior staff and Directors, and the Directors must approve any new signatory before the bank is notified. All cheques require two signatories. Cheque signatories should check that the expenditure has been authorised by the appropriate person before signing the cheque.

Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed. The only acceptable exception is that the amount can be blank as long as the cheque is endorsed 'Not more than £ .....'. Receipts for this type of expenditure must be returned immediately.

### **Handling of cash**

Petty cash will be topped up on the 'imprest' system, where the amount spent is reimbursed. It is intended for small items, up to £20. Anything over this should be paid by cheque/transfer where possible. The imprest has a balance limit of £150. The petty cash balance will be reconciled when re-storing the imprest balance, or monthly if this is more frequent.

All cash collected from Finance will be signed for, and receipts will be issued for all cash returned. Specific extra cash floats (for tills at events etc.) should be arranged with the Financial Officer. The person signing for the float is responsible for ensuring cash and receipts are returned as soon as possible after the event etc. No further floats may be issued to that person, or another person in the same department for a similar purpose, unless the previous float has been accounted for.

Mixing money or receipts from different petty cash sources creates large accounting problems. In a real emergency, where another cash float has to be used for something, a clear record must be kept, and brought to Financial Officer's attention.

Any cash income will be banked via Finance, and not used for petty cash expenditure. Such cash will be passed to Finance:

- Weekly for cash received in-house
- Immediately after the end of an out-of-house event

Cash will be kept in locked metal cabinets wherever possible. Appropriate arrangements will be made for till security.

## **5. Salaries, payroll and freelancers**

TDC is required to operate the PAYE system, and make annual returns to HMRC. All people working directly for TDC, whether permanent or temporary, must provide a P45, or sign a P46 or student exemption certificate, or give reasons why they can't. All payments will be made by direct bank transfer.

Freelance staff/consultants will be treated as self-employed, and contracts with such people must clearly indicate this. However, work in other areas of activity must be assumed to be employed by TDC and so subject to PAYE & NIC. Management will obtain clarification of any unclear areas as needed.

The relevant Director must approve payments for additional work over and above standard hours. Clear written authorisation must be given in adequate time for the Financial Officer to process it for the relevant payroll. These claims are financial records, and should be treated in the same way as any other.

Payment will usually be made direct to employees' bank account. The Financial Officer will check the salary payment listings. Salaries will be paid at the end of each month.

Pay scales and new posts/re-structuring are approved by the Directors, and are revised by March for implementation in April. Appointments to existing posts are the responsibility of the Directors for senior positions. Staff loans are not issued.

Management is responsible for (with or without the support of third party accountants):

- Paying each employee in accordance with the approved terms and conditions, and issuing payslips.
- Operating the PAYE system, keeping the required records, issuing P45s and P60s, and communicating with the tax office as appropriate.
- Making the correct deductions for Income Tax, NI, court orders and any other appropriate deduction authorised by staff; ensuring that deductions are paid to the correct body, and necessary returns made.
- Administering the Statutory Sick Pay and Statutory Maternity/Paternity Pay schemes, alongside any additional related benefits provided by TDC.

## **Income**

In case of a service provided, all invoices should be raised on TDC letterhead, or in a format agreed with the Financial Officer (such as a digital invoice), and be drawn up in accordance with TDC's standard invoice requirements.

The Financial Officer will follow outstanding invoice payments up at least monthly.

Information about non-routine and all grant income must be passed to the Financial Officer with the cheque or remittance advice. This will be filed by the Financial Officer for reference, and used to ensure such income is correctly recorded in the accounts and grant conditions etc. noted. Lack of documentation will lead to such items being 'held on suspense'. It is the responsibility of the person gaining the grant to ensure all grant income is claimed as it becomes due or available, and that all appropriate staff and the Financial Officer are aware of relevant grant conditions and exactly how the grant is to be expended.

Post opening (and control of cheques and cash in) will be subject to random management checks.

## **Bank accounts**

TDC's bankers are: Natwest

**Address:** 56 St Andrew's St, Cambridge CB2 3DA

**Contact Number:** 0345 788 8444

All income will be paid into TDC'S account as soon as possible. The make up of each banking will be clearly recorded, for later computer entry.

## **Books of account and records**

Proper accounting records will be kept. The accounts system is based around computer facilities, using XERO but manual/paper records will also be used if appropriate.

At a minimum, the following records will be kept:

- Appropriate control accounts (i.e. bank control, petty cash control).
- Salary control account.
- Monthly trial balances.

Petty cash and bank accounts will be reconciled at least monthly. All income/expenditure information will be recorded within a month.

Purchase Ledger, other cheque/transfer payments and banking sheets will be filed in the appropriate reference order, with any supporting documentation. All petty cash vouchers, cheque stubs etc. will be retained for audit and for statutory purposes thereafter.

All fixed assets costing more than £1000 (or such other level as may from time to time be agreed by the Directors) will be capitalised in the accounts and recorded in a fixed asset

register. This register will record details of date of purchase, supplier, cost, and serial no. Where applicable, description and in due course details of disposal.

### **Budget setting**

Relevant management staff will prepare a budget for each grant TDC applies to, and an organisational budget prepared when several projects are run simultaneously. These should be reviewed at least annually by the Board of Directors.

The Management Team (Board of Directors) will play a lead role in ensuring that budgets are set fairly, efficiently and in time. Approval of the budgets is by recommendation of the Managing Directors and Directors.

The Financial Officer will use the consolidated organisational budget as a base to construct a cash flow forecast for the year, which will be updated quarterly.

### **Financial monitoring and audit**

All budget holders will receive appropriate, regular reports of income and expenditure against budget.

The Management Team will receive:

- Quarterly snapshots of cash in hand, total creditors and total debtors.
- Quarterly reports of income and expenditure versus budget.

Detailed monthly payroll reports will be produced. Detailed cash-flow reports will be produced as appropriate.

TDC's financial year is from 1<sup>st</sup> June to 31<sup>st</sup> May. Annual accounts will be submitted for audit (if relevant), as required under the Companies Act, prepared per any other relevant accounting conventions. Final draft should be ready for and passed by Directors the beginning of December at the latest, with audited accounts signed beginning of January (if relevant).

### **Role of Companies Secretary**

The Board of Directors and Advisors works in close co-operation with, and provides support and advice to, the Financial Officer. Specific responsibilities are to:

- Guide and advise the Managing Director and Financial Officer on the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep staff informed about their financial duties and responsibilities.
- Advise the Directors and Managing Director on the financial implications of TDC's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of TDC meet present and future needs.

- Understand the accounting procedures and key internal controls, so as to be able to assure Directors of TDC's financial integrity.
- Formally present the accounts at the AGM, drawing attention to important points.

### **Role of Management**

The Management team consists of Financial Officer and the Directors. Each has responsibility ensuring compliance with Financial Procedures. They will receive from the Managing Director quarterly management accounts, keeping adequate records to be in control between quarterly reports. The Team will review finances thoroughly at quarterly Director meetings.

### **Role of Directors**

Directors are responsible for:

- Approving the project and annual budgets.
- Approving signatories to the bank accounts.
- Receiving reports from the Managing Director on areas of concern.
- Approving exceptional items of expenditure.
- Monitoring the financial position based on quarterly reports, with advice from the Financial Officer.
- Approving the annual accounts and (if relevant) auditors report and appointment.

### **Role of Financial Officer**

The Financial Officer is the lead person for processing all changes and exceptional items, and will assist the Directors in any financial matter connected with the organisation.

The Financial Officer will ensure that adequate security precautions are taken to safeguard financial and other assets.