



# AMUKA

foundation

## Income / Expenditure Policy

Detailing:

## Control of Financial Records & Accounts

### Definitions

**Board:** The Board is the Board of Trustees of The Amuka Foundation.

**Financial Year:** The charity's financial year is 1 January to 31 December.

**Treasurer:** The Treasurer is the member of the Board who has responsibility for the financial management of the charity and is also an Accountant.

These policies and procedures are constructed in a way which does not require or imply that one role acts as a monitor/validator of the other.

**Authorised Person:** Authorised persons are those persons authorised by the Board of Trustees to approve financial instruments (cheques, purchase orders, invoices, etc) on its behalf.

### 1. Financial Records:

- a. The Amuka Foundation will meet its legal and other statutory obligations, such as those implemented by OSCAR and HMRC by using an Accountant (who is a Trustee of the Charity and the Treasurer) – to complete its quarterly management accounts and annual returns for the charity.
- b. Reports will be submitted to both the UK and Kenyan Board of Trustees on a quarterly basis once approved by the Treasurer.
- c. All financial processes are / will be approved by the Board of Trustees during regular meetings and will be approved during Annual General Meetings.
- d. The charity will always meet the contractual obligations and requirements of all funders
- e. The Treasurer, will ensure that all financial records, supporting documentation and reconciliations are accurately maintained, up to date and easily retrievable for analysis and examination purposes

### 2. Books of Accounts:

- a. The book of accounts will include a cashbook analysis of all transactions appearing both in the petty cash & bank account
- b. A detailed report of monies received for the charity will include where the monies have come from / what fundraising activity and will be checked on a regular basis by a minimum of two Trustees along with the Treasurer
- c. All expenditure items will be approved {prior to release of funds} by both the Board of Trustees and accounting firm by way of a "funding request form" which will be approved by the Board of Trustees
- d. Careful records will be kept of all income and expenditure, using a system and books approved from time to time by the Treasurer.
- e. All payments will be recorded and cross referenced in a file containing supporting information (such as order form/letter, invoice or claims form), approved and initialled by a person authorised to do so.
- f. Transactions will be reconciled against bank statements monthly by the Treasurer
- g. Quarterly management accounts will be prepared by the Treasurer for approval by the Board of Trustees

### 3. Annual Accounts:

- a. Annual accounts will be produced by the Treasurer no later than 3 months following the year end for the Charity and will be audited by a qualified Auditor prior to being submitted to the Board of Trustees at the AGM and will then be submitted to the relevant authorities

### 4. Budgets:

- a. Prior to the commencement of each financial year, a working budget will be produced and submitted to the Board of Trustees in readiness to be approved by the Board of Trustees
- b. The amounts budgeted for the income and expenditure, both within budget categories and overall, of the charity cannot be exceeded, transferred or altered without the authorisation of the Board

### 5. Approved Accountants / Auditors:

- a. The Treasurer is an Accountant and a Trustee of the charity on a voluntary basis. The accounts for submission will be audited by an independent firm of Accountants employed by the charity will be approved annually at the AGM.

### 6. Banking:

- a. name of the Charity – Amuka Foundation. The Charity will only hold one account being a current account
- b. The bank mandate will have a list of Trustee names of which, a minimum of two signatures will be required to release funds from the account
- c. The Charity will require to release monthly bank statements to the Board of Trustees which will then be shared with the Treasurer
- d. The Treasurer will perform monthly bank {and other balance sheet} reconciliations to ensure effective controls and checks are maintained
- e. The Charity confirms that it will not use any other financial organisation other than the Bank of Scotland as its bankers – this will be reviewed and agreed at each AGM
- f. No borrowing will be undertaken by the charity without a decision being taken at a meeting of the Trustee Board.

### 7. Income:

- a. To outline the structure of authorisation for dealing with income, credit-control and cash management.
- b. All monies received will be recorded promptly {on a daily basis} in the cash analysis book.
- c. The above includes all cash receipts; bank transfers and other donations to the Charity
- d. Where payments are made directly into the bank account via the BACS payment system the Treasurer will check for such direct payments each time a bank statement is received, or on-line as circumstances require.
- e. When cheques or cash arrive the Treasurer will ensure that cheques are properly signed and made payable to the charity and will record their arrival in the accounts
- f. Cheques and cash received should be banked the same day where possible but at least once per week. Any cheques or cash not banked immediately must be locked away in the safe overnight or until it is banked. A maximum of £250 cash may be held overnight

## 8. Expenditure:

- a. All payments made via the bank account will be authorised by a minimum of two Trustees (along with approval of the Treasurer) prior to release from the account
- b. Where a cheque or any other form of payment is being made to an authorised person that person may not be a signatory on the cheque or other instruction for payment
- c. All proposed payments will be cross checked against the approved annual budget
- d. The Company Secretary will be responsible for holding access to the on-line Banking system / Charity cheque book which will always be secured under lock and key
- e. Blank cheques will NEVER be signed
- f. No payments will ever be authorised without prior completion of an official expenditure request document which must be approved by a minimum of two Trustees

## 9. Payment Documentation:

- a. Every payment out of the charity's bank account will be evidenced by an original invoice. That original invoice will be approved by a minimum of two Trustees and the Treasurer prior to release – this will be controlled by use of a payment requisition request
- b. No payment should be authorised until the signatory is satisfied, through sight of an order form, invoice, or similar written evidence, of the validity of the payment.
- c. The only exceptions to cheques / payments not being supported by an original invoice are items such as advanced booking fees for a future expense – here, a cheque requisition form will be used and a copy of the cheque / payment transfer authorisation being authorised by the Treasurer.
- d. Petty Cash - All cash must be kept in the Petty Cash boxes provided which should be kept in a secure place. A signed Expenditure Voucher and point-of-sale receipt must support all transactions. All petty cash boxes must be reconciled monthly by the petty cash holder or named responsible person.
- e. Expenses – The Charity will, if asked, reimburse expenditure paid for personally by staff, providing:
  - i. Fares are evidenced by tickets
  - ii. No cheque signatory signs for the payment of expenses to themselves

## 10. Cheque Signatures:

- a. Each cheque will be signed by at least two Trustees
- b. No cheque will be signed by the person to whom it is payable

## 11. Other rules:

- a. The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely cost the Charity of £500 must be authorised and minuted by the Trustees and the Treasurer.
- b. All fundraising and grant applications undertaken on behalf of the Charity will be done in the name of the Charity with the prior approval of the Trustees and sign off from the Treasurer
- c. The Charity will always adhere to good practice in relation to its finance as directed by its Treasurer.