
Financial Policy & Procedures Policy

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Our Commitment

The purpose of this Policy is to provide key information as to how the Ballyspillane Family Resource Centre torc.CFRC carries out the financial management of the Centre through using best practice and transparency in accountability procedures.

This includes maintaining and completing books of accounts and records of all financial operations and will retain all supporting documentation and / or electronic data for six years after a particular accounting year end.

In maintaining a robust financial management system, the VBOD will ensure that:

- Regular reports are provided to VBOD, funding partners and all other need to know parties.
- Funds are accounted for by documenting proof of receipts and payments.
- Funding is being spent for the purpose it was intended.
- The Centre does not take on financial obligations it cannot meet.
- All necessary precautions are taken to prevent inappropriate use of funds and ensure that there are good controls that safeguard the VBOD and torc.CFRC plans.

The Voluntary Board of Directors has overall responsibility for the financial management of the Centre and is accountable to:

- Funding Partners.
- Members of the Limited Company and the local community.
- The Companies Registration Office (CRO).
- The Revenue Commissioners (for registered Charities).

The following documents provide additional detail in relation to our financial procedures.

- Terms of reference for the Finance Sub-group.
- Cash Handling Policy
- Apportionment Policy.

2. REMIT & ROLE OF ALL STAKEHOLDERS IN MANAGING THE FINANCES

2.1 The role of the Voluntary Board of Directors (VBOD) in relation to finances:

Role of the VBOD in relation to financial decision making is to:

- Supervise and manage the finances of TORC.CFRC on behalf of the members and the community.
- Ensuring that proper books of account are kept, and appropriate reporting procedures are followed.
- Development and maintenance of financial policies and procedures.
- Regularly evaluating the effectiveness of the financial policies and procedures.
- Ensuring that the Centre is fully compliant with all the financial requirements of Companies Office, Revenue Commissioners and funders including audited accounts and financial returns.
- Approve budgets and plan.
- Appoint the members of the Finance Sub-group.
- Delegate financial responsibilities to the Finance Sub-group as deemed appropriate by the VBOD.
- Maintaining confidentiality of financial issues.
- Discussing and making decisions, based on recommendations from the Finance Sub-group.

2.2 The Role of the Finance Sub-Committee:

The role of the Finance Sub-Committee is to:

- Make recommendations to the VBOD for discussion and approval on financial matters.
- Monitor the recording of data within the torc.CFRC
- Approving payments on behalf of the torc.CFRC.
- Remain informed of relevant developments in the financial requirements and procedures relating to all funding awarded to the torc.CFRC
- Ensuring that torc.CFRC is fully compliant with all the financial requirements of Companies Office, Revenue Commissioners and funders e.g. audited accounts and financial returns.
- Ensuring that torc.CFRC operates based on good financial practice.
- To be informed of and oversee the administration of all the funding of torc.CFRC
- To be aware of and have an overview of the financial status of the Centre on a regular basis.
- To explore options with the Manager of accessing additional funding through grants and other programmes.
- To source relevant training for individual members of the Sub-group to ensure all members are supported to undertake their role on the Sub-group.
- To review / prepare budgets on behalf of the VBOD and plan for future expenditure.

- Make financial recommendations to the VBOD.
- Liaise with the Staffing Sub-group and be aware of employment matters that have a financial implication.
- Ensure that appropriate reconciliations are in place and a clear segregation of duties operates within the Centre.
- The Finance Sub-Committee review and analyse all spending against agreed budgets on a regular basis.

2.3 The Role of the Treasurer

Oversee preparation of budgets, accounts, and financial statements

Present regular financial reports to the board in an understandable way

Make sure the annual accounts are audited and presented to the AGM.

Liaise with the auditor in relation to the preparation of annual accounts.

Liaise with any staff/volunteers about financial matters.

Give an overview of the organisation's financial resources to advise the board on financial implications of proposals, cash flow problems, etc.

Ensure that appropriate accounting procedures and controls are in place.

Be a joint cheque signatory on behalf of the board.

Advise on the financial implications of any new projects.

2.4 The role of the Manager:

The role of the Manager will be to:

- Make decisions on expenditure up to €5,000.
- Take responsibility for and have an overview of the overall day-to-day financial management of the Centre.
- Make applications for grants where appropriate and in consultation with the Finance Sub-Committee.
- Review the records prior to submission to the Finance Sub-Committee.
- Bring and/or report the following to the Finance Sub-Committee:
- Draft budgets for approval.
- Any employment negotiations that have financial implications, such as pay increases etc.
- The employment of any new staff has financial implications.
- Concerns on potential financial deficits.

2.5 The role of the Accounts Manager.

The role of the Accounts Manager will be to:

- Maintain proper books of account including, but not limited to the preparation of cheques journals, cash receipts, petty cash book, bank lodgments.
- Financial Reports.
- Bank Reconciliations, if appropriate.
- Ensure that the Manager, Finance Sub-group and VBOD have access to up-to-date financial reports and projections including, but not limited to:
 - Income and expenditure statements
 - Cashflow statements
 - Budget projections
- Look after and manage the CAPA's Expenditure Policy
- Put in place or implement good financial accountability policies and procedures.
- Take responsibility for managing the day-to-day finances including data entry and the filing of appropriate supporting documentation (invoices, receipts, reconciliations etc.)
- Ensure all reports, including quarterly and annual financial reports, are forwarded to the appropriate funders on time.
- Manage the payment of wages and all related work including, but not limited to:
 - Record of hours worked v hours paid.
 - Reconcile wage slips with wages paid.
- Manage a wages control account (gross wages – PAYE/PRSI deductions etc = Actual sum paid to employee)
- Manage a PAYE/PRSI control account (ER PRSI + employee PAYE/PRSI deductions = Actual sum paid or due to Revenue).
- Liaise with the accountant and auditor and forward all appropriate data and files on time.
- Bring any concerns about potential financial deficits or concerns regarding appropriation of funds to the attention of the Manager and/or the Finance Sub-group.
- Reconcile data entry records with payments records i.e. bank reconciliations.
- Reconcile goods received with invoices.
- Prepare budgets and Cashflow Statements for the consideration of the Manager and/or the Finance Sub-group.
- Adhere to Policy for Bank Lodgements

AUTHORISATION PROCESS / APPROVAL OF EXPENDITURE

Expense authorization and approval is the ultimate responsibility of the Board of Directors of the Family Resource Centre. However, in the interest of streamlining the operation, the Board may delegate responsibility to the Finance Sub-group, the Manager and / or the Accounts Manager to order goods or services up to the following maximum limits:

Expenditure up to a maximum of €500:	Accounts Manager
Expenditure up to a maximum of €5,000:	Manager
Expenditure up to a maximum of €10,000 :	Finance sub-committee
Expenditure more than €10,000:	Board of Directors

The Board of Directors will seek three quotes for purchases relating to Public Procurement of more than €5,000.

The Board of Directors ensures that:

- All payments (cheques, standing orders, direct debits, and other financial instruments) must be authorised / approved by at least two designated signatories from the Finance Sub-group.
- The following are the current authorised signatories and members of the Finance Sub-Committee:
- Invoices are paid out only after ensuring that the goods and services have been received and are in good order.
- When making payments by cheque, the relevant bank account number and the cheque number are recorded on the top right-hand corner of the invoice / expense claim form / payment requisition form.
- Payments by credit card are pre-approved by Centre Manager or Accounts Manager. The Finance Sub-Committee will monitor the monthly statements of the Centre's credit card. There is a limit of expenditure in place of €3,000 monthly. This monthly limit is expenditure will be reviewed at least annually.
- Members of the Centre will not sign a cheque for themselves.
- Cheques are not made payable to cash (except in the case of petty cash).
- The pre-signing of blank cheques is prohibited.
- Cancelled cheques should be entered as zero and the cheque should be kept as evidence of cancellation.
- Any other expenditure items in the bank statement e.g. standing orders, direct debits and electronic fund transfers must be written into the expenditure accounting system each month.
- The expenditure system should be totalled and reconciled to the bank statement monthly.

4. ACCOUNTING FOR INCOME & HANDLING CASH

Funds received are generally lodged directly to our bank account via electronic fund transfer.

The following is an overview of our treatment of income and cash transactions:

- Incoming cheques, fees, cash donations etc. are counted by two people and recorded through an Accounts Excel Sheet. Receipts are provided on receipt of all payments.
- torc.CFRC management ensures that cash kept on the premises is in a secured safe.
- The records of funds received are reconciled with the lodgments monthly and subsequently match the lodgements with the bank statement each month.
- The Voluntary Board of Directors, through the Finance Sub-Committee annually reviews internal controls to ensure that the internal controls are working efficiently and effectively.
- Where possible torc.CFRC avoids dealing in cash

6. MANAGING BANK ACCOUNTS

The Family Resource Centre operates several bank accounts Bank accounts are in the name of the Company.

- torc.CFRC Current Account is used for all small income streams and funding sources that are a combination of unrestricted and restricted funds.
- The opening and closing of accounts are recorded and authorized by the Voluntary Board of Directors.
- Each bank account is reconciled monthly irrespective of the number of transactions, if any.
- Bank reconciliations are verified and signed by the treasurer or Centre Manager other than the Accounts Manager
- Bank accounts and statements are regularly inspected by the Finance sub-Committee and Voluntary Board of Directors.
- Bank procedures are available to all relevant staff and the Finance Sub-Committee
- Passwords and code controls are kept secure by the Accounts Manager.

7. MANAGING WAGE PAYMENTS & TAX RECONCILIATIONS

torc.CFRC operates a dedicated payroll package to manage wages and tax calculations.

The agreement of wage calculations, the payment of wages and the deduction and payment of taxes are calculated through payroll.

torc.CFRC holds a Certificate of Tax Credits and Standard Rate Cut-off Point relating to PAYE for all employees, which details:

- Tax credit per week/fortnight/month.
- Standard rate cut off.
- USC cut-off point
- Where an employee commences work during the year, a P45 is sought from their previous employer, if applicable.

- All employees maintain a time sheet.
- The timesheet is used as the basis for the payment of wages.
- Each employee receives a payslip with their wage / salary payment.
- Payslips are reconciled / cross referenced with the actual payment made.
- Regular checks / reconciliations are made on all salary and PAYE/PRSI records to ensure there are no discrepancies through the operation of a Wages Control Account, a PAYE/PRSI Control Account and a Pensions Control Account, where applicable. The reconciliation is usually to distinguish the following:
 - Wages Control Account (Gross wages + ER PRSI = Net wages to employee + tax paid to All reconciliations are reviewed independently of the person operating the payroll system, by the Centre Manager
- All revenue payments are made monthly in line with revenue regulations.

A P35 return is sent to the Inspector of Taxes by the 14th of February of the following year.

If an employee leaves the Centre, a P45 form is issued which gives a summary of taxes, PRSI and salary paid up to the date of leaving. Part 1 of this form is sent to the Tax Office by torc.CFRC and parts 2, 3 and 4 given to the employee.

8. CLAIMING EXPENSES

Staff and volunteers of the torc.CFRC are recompensed for out-of-pocket expenses including off-site meetings/trainings and subsistence expenses.

A dedicated form is used for claiming expenses i.e. mileage, subsistence, meals etc.

Expense claim forms are completed and authorised by the Finance Sub-Group / Centre Manager before any payments are made.

Travel expenses are paid at the rate of cents cent per mile. Where possible public transport should be used.

Travel expenses are not paid to staff for travel to and from the normal place of work / service.

Expenses cannot be paid until claim forms and receipts are furnished to the Centre.

All expense claims must be approved by the Manager and Accounts Manager before any payment can be made.

9. RESPONSIBILITIES IN SENDING AUDITED ACCOUNTS TO THE COMPANIES REGISTRATION OFFICE

All the activities of torc.CFRC are included in the annual financial statements and audits. The annual financial statements are formally reviewed and approved by the Voluntary Board of Directors before the annual audit.

As a Company Limited by Guarantee torc.CFRC is required by law to have books of accounts kept in a continuous and consistent manner and audited annually. The Board has appointed an external auditor for the independent annual audit of accounts. The aim of the audit is for the auditor to provide an opinion that the financial statements of the company provide a true and fair view and have been properly prepared under the Companies Acts 1963 – 2012. In doing this the auditor will be stating that:

They have received all the information and explanations necessary for the proposals of the audit.

Proper books of accounts have been kept by the company.

The financial statements agree with the books of account.

The information provided in the directors' report is consistent with the financial statements.

In carrying out the audit, the auditor will examine and test several documents/areas, and these will generally include:

- Books of accounts.
- Correspondence and contractual obligations of grant offers.
- Bank statements.
- Bank reconciliations.
- Financial controls and procedures.
- Asset register.

Possible financial liabilities.

An audit report must be signed by two Directors and submitted to the Companies Registration Office (CRO) each year with a B1 form on or within 28 days of the Company's Annual Return Date (ARD).

10. FIXED ASSETS

All assets of the Family Resource Centre purchased from funds provided by funders are maintained in good order, repair, and condition.

No assets of the Centre purchased from Funders shall be hired out, pledged, mortgaged, or charged for financial gain without prior approval from the funder.

An overall fixed asset register is kept and updated regularly. The register contains the following information:

Date of Purchase

Serial number / code of the asset

Original cost

Funder(s)

Useful lifespan

Disposal / transfer date (if applicable)

Disposal / transfer value – funds recovered (if applicable)

Prior to disposal or transfer of any fixed asset, approval will be sought from the original funder of the asset.

Where the Centre ceases to operate, it shall agree with the funders about the disposal of the assets to ensure that they remain for community use. Where such agreement cannot be reached, the assets in question shall revert to the relevant funder.

Review

This policy will be reviewed every three years or sooner if required.

Revision No.	Approval Date	Document Reference and Changes Made	Name