
Financial Controls of Payments Policy

Policy Area	Financial Controls of Payments Policy
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Bank Accounts:

Torc.CFRC maintains the accounts at AIB Main Street ,Killarney Co Kerry

Torc.CFRC will abide by good practise and where possible maintain the minimum number of current accounts necessary. If a funder requires a separate bank account to be opened, then this must be approved by the Finance Committee. The procedure to open a new account must be approved in the first instance by the Manager/CEO and this decision is put to the Finance Committee for consideration and if deemed appropriate approved.

Security for cheque receipts and payments:

Blank cheque books will be stored in a locked safe or locked draw (from which the key is removed) within the account's office. The accounts office will be locked outside of normal business hours. Keys to the safe will be held by the Administrator Petty Cash boxes are held by named individuals and are kept locked within draws and in locked offices. The named individual is responsible for the cash in the Petty Cash box and must minimise the need for cash whenever possible. Health and Safety Protocols and a risk assessment must be carried out when transporting large sums of cash off the premises for lodgement purposes. The banking online file is kept secure in Admin office. Where possible, the torc.CFRC will reduce the use of cheques in favour of electronic transfers for both its receipts and payments. This policy is to reduce the risk of fraud, theft and to otherwise improve its financial controls. All debtors will be requested to make payments to the torc.CFRC by electronic means.

Cheque Signatories and Electronic Transfer Approval:

The Trustees of the torc.CFRC has agreed that the signatories of the torc.CFRC shall be
Manager
Financial Admin
Company Secretary
Company Treasurer
Company Chairperson

All cheques will require the physical signature of the Head of Finance (HOF) and one of the below:

- Manager/ CEO or his/her deputy on their behalf.
- Any of the Directors on the Finance Committee

All Electronic Transfers carried out via Banking online shall be authorised online by the HOF and one of the below:

- CEO or his/her deputy on their behalf.

- Any of the Directors on the Finance Committee.

Under normal circumstances, and subject to the authorisation limits, EFT's will be approved for payment online by the HOF and one of the remaining signatories. None of the approved signatories has the authority to authorise a payment through Banking online to him/herself or where a conflict of interest may arise with the exceptions of:

- Payroll payments.
- Appropriately authorised reimbursement expenses occurring in the normal course of work.

Authorisation limits: All cheques/EFTs mentioned above are subject to the following authorisation limits. If a payment exceeds the limit, it requires the written authorisation of a member of the Finance Committee (an email authorisation will be adequate for this purposes).

It is recognised that the HOF acts as the bank account signatory on most of the torc.CFRC payments and therefore may not under the principal of the segregation of duties set up new bank payment beneficiaries on Banking online.

When setting up new payees or amending bank account details the anti-fraud policy must be adhered to.

Financial Controls:

The two key financial controls over appropriate spending in the organisation are contained within the cost centre management system and the purchase order system.

Cost Centre Manager System:

Central to the internal financial control system is the cost centre manager system. Each cost centre/budget line has an assigned manager who is responsible for its budget preparation, budget adherence and authorisation all spend. The torc.CFRC recognises the underlying principles and benefits of the cost centre manager system to be:

- It allows for a segregation of duties over spending, in that no one member of staff will ever have full control over all spends of the organisation.
- It reduces error and fraud risks in that, the cost centre manager will be most familiar with expected spends from his/her budget line.
- The cost centre manager is normally the person most familiar with the work and costs involved. This in turn leads to better budgeting, planning, and forecasting for future years.
- The cost centre manager can delegate responsibility for part/or all his/her budget to another member of staff but will retain the overall responsibility for spends on his/her budget.

- The cost centre manager system is unrelated to the line management system. However, if a member of staff or the board believe the system is being abused then they may refer the issue to the cost centre managers line manager using the standard HR procedure.

Purchase Order System:

Underlying principle: This system ensures that nothing substantial is purchased without the senior Management team being aware and works as a second control over the cost manager system. It also allows the Finance team to control the cash flow of the organisation in that all spends are communicated before they happen.

All purchases of goods and services over €300 must be sanctioned by the Manager. Manager discretion applies to amounts up to €3000. Board approval required for purchases over €3000

Direct Debits and Standing Orders:

Direct Debits and Standing Orders are automatically deducted from the AIB Current Account mandate must be signed by the company signatories to allow for payment by this method. A copy of this mandate will be kept on file. It is the responsibility of the HOF to monitor the direct debits and standing orders to ensure value for money and that no error has occurred on the part of the creditor or the bank. This will normally be done as part of the preparation of the management accounts.

Transfers between the Family Resource Centre bank accounts:

Occasionally payments are made between the Family Resource Centre bank accounts (including Credit cards) for cash management purposes. These payments are made under the instructions of the HOF and require the same two bank account signatories as a normal EFT payment. For these transfers the HOF will act as the cost centre manager.

Recording of payments:

All payments (including cheque, direct debit, EFT, and cash) were possible are recorded through sort my books This records the bank account, date, the cheque number (or

payee name if an EFT payment), the name of the supplier account, the amount, and the allocation against the correct invoice.

Credit Card payments:

The torc.CFRC currently holds 2 credit card. issued in the name Manager and Early years Manager. These credit cards are subject to credit limits. The HOF controls the credit limits which will be kept minimal. Payments by credit card are treated the same as payments by EFT or cheque. They are subject to the cost centre management system and purchase order system and must be duly authorised (as above). Breach of the authorisation system by a member of staff may result in the HOF reducing the credit limit of a card or cancelling it. If the HOF breaches this system, the Finance Administrator may report him/her directly to the Manager/CEO and/or a member of the Finance Committee. Under no circumstance can the Credit Card be used for personal use by any Officer of the company. All receipts associated with credit card expenditure are retained and furnished immediately to the Finance Administrator for association with the monthly statement upon receipt. Together with all authorisations for payment, purchase order forms etc. that may be required. As a lot of the spending on these cards relate to Travel and Subsistence these receipts may be examined on the travel and subsistence procedures outline below. Anybody failing to provide the required receipts will have their credit card cancelled and disciplinary measures may be pursued under the HR policy. Any deviation from the above procedure should be reported by the HOF immediately or if it is the HO the Finance Committee). Credit card balances are cleared Monthly by direct debit.

Tax Clearance Certificates and Tax Clearance Numbers (TCAN): Sophie Public Pre and tax clearance

Where the cumulative payments made to a supplier will be greater than (INSERT AMOUNT HERE) in the preceding 12-month period, or where a payment of a proposed order will be greater than (INSERT AMOUNT HERE) the FA must request a copy of a current tax clearance certificate (or the TCAN) in respect of the supplier before paying the supplier. If a purchase order for a supplier exceeds than (INSERT AMOUNT HERE) the person making the order must inform the Supplier that a Tax Clearance certificate is required before making the order. When recruiting consultants and self-employed individuals it is recommended practice that you make them aware of the requirement for the Tax Clearance Certificate as part of the recruitment process.

Review

- This policy will be reviewed in three years or sooner if circumstances change.

Signed: _____ (Chairperson) Date: _____

Signed: _____ (FRC Manager/CEO) Date: _____

Revision History

Revision No.	Approval Date	Document Reference and Changes Made	Name