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# Purpose, Scope, and Financial Management Policy

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Policy Area	Purpose,Scope and Financial Management Policy
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**Policy Statement:**

torc.CFRC is committed to ensuring that the organisation's finances are managed to a high standard, and in line with established accounting practices and charity law.

**Scope:**

This policy covers:

- Basic financial management for organisational income and expenditure.
- All employees of torc.CFRC, interns, volunteers, and all members of the Voluntary Board of Directors. This policy should be read in conjunction with the Human Resources Policy, Data Protection Policy, Health, and Safety Policy (particularly around cash and lone working (and other relevant policy documents. Principles: Decision making concerning all financial decisions should be transparent. All funder's monies should be protected and spent in accordance with their wishes.
- Systems should be monitored regularly at multiple levels including by the Board to ensure transparent and secure systems and appropriate financial management.
- Management accounts which highlight any deviation from projected spending will be presented to the Board as per the accounts preparation timetable as defined by the Board.
- The organisation will abide by all relevant Charity law, Company Law, taxation, and accounting standards, and ensure policy and practice reflects changes, where appropriate.
- torc.CFRC will endeavour to spend all monies in accordance with the funders wishes would they be government departments, statutory agencies, corporate bodies, larger or small charitable donators.
- Where possible, on-line, or automated (standing order, direct debit, other EFT) payment methods that avoid paper waste and needless expense will be used. Financial duties should be divided between personnel in the organisation to reduce the risk of fraud or error (this is referred to as the segregation of duties in this document).
- Central to the internal financial control system, segregation of duties and prevention of fraud 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.

### **Responsibilities:**

The Family Resource Centre is responsible for the management and finances of the Centre. The Board delegates this responsibility to the Finance Committee and subsequently ratifies that committee's decision at a full Board meeting. The Manager/Chief Executive Officer (CEO), the assistant Manager/Chief Executive Officer (ACEO) and the Head of Finance (HOF) are responsible for the day-to-day finances of the Family Resource Centre.

### **Funders:**

The main statutory funders to the Family Resource Centre are the **Tusla**. Each application must adhere to the schemes rules as set down by the Voluntary Board of Directors (VBOD) and are subject to audit by the compliance team of torc.CFRC.

### **Fundraising:**

The Family Resource Centre has its own Fundraising Strategy which is supported by all staff and Board members. Fundraising activities are outlined in the Fundraising Strategy and operated to an agreed budget and financial targets. These budgets will not necessarily be part of the annual budget but will be ongoing. Each fundraising/development proposal will be brought to the Manager/CEO for decision before being agreed and spends allowed to take place. The Manager/CEO and the VBOD have ultimate responsibility to ensure that the Fundraising Strategy is within budgetary targets.

### **Day to Day Accounting Records:**

The day-to-day accounts records are maintained on (**Sort my books** accounting software, in the Main Office, Ballyspillane Estate, Killarney, Co. Kerry V93 FD1H. The data is stored (**INSERT LOCATION OF SERVER AND LOCATION OF HARD COPIES HERE**) This data may contain sensitive data under Data Protection and therefore a backup of information may not be transferred outside of the Family Resource Centre's controlled servers without the express permission of management and the Finance Committee.

Each Income and Expenditure will have both a Nominal Ledger Code and a Cost Centre Code within (**INSERT SYSTEM USED HERE**). Reports are produced from this package. Payroll records are maintained in house on (**INSERT SYSTEM USED HERE**). The HOF is responsible for the maintenance of these records and their update, and for liaison with and facilitation of the Centre Statutory Auditor, and other funders. The HOF is responsible for reviewing the accounting records and making them available to Management and Board when required. All documents are retained for a period of seven years unless a funder specifies longer.

### **Financial Reporting:**

The timetable of proposed Management accounts for each year is given to the members of the VBOD in the (SPECIFY TIME HERE) of the year before. Board meetings will be set to facilitate this timetable if possible. Management accounts are produced by the HOF for Senior Management (SM) consisting of the Manager/CEO and Assistant Manager/CEO. They are also available for Senior Management Team meetings and full Staff meetings. When prepared the Manager/CEO presents the agreed accounts to the Finance Committee for discussion before presenting to the VBOD for approval. No member of staff or the board may forward the Management Accounts to anyone outside of the Family Resource Centre Office without the express permission of the HOF and/or Manager/CEO.

Management Accounts produced include the following:

- Income and Expenditure accounts for the Family Resource Centre showing any variances to budget. This income and expenditure will be prepared using the accruals basis i.e., all income and expenditure will be recognised in the period in which the activity occurred. Depreciation of assets will be accounted for.
- A written explanation of all material variances to budget. This includes a line-by-line breakdowns of any cost centre variance report as requested by the SM.
- The Family Resource Centre Balance Sheet, to include notes on aged debtors listing, bad debts provided for, accruals included, and any information requested by the VBOD for completeness of understanding.
- When necessary, cash flows to the end of the year are also prepared. Internal controls and day to day accounting procedures will be reviewed periodically by the HOF, the Statutory Auditor for approval by the VBOD. Alterations to controls and procedures may also be suggested by the HOF for approval by the VBOD. Suggestions for alterations to controls and procedures by the Statutory Auditor must be made to management for their consideration before bringing to the attention of the VBOD. An exception shall be cases of significant mismanagement, fraud etc. The Finance Committee may appoint an internal auditor to check any of the financial controls on behalf of the Board at any time.

**Year End:**

torc.CFRC Financial year end is the 31<sup>st</sup> December each year and externally audited Financial Statements are produced each year in compliance with charity law and stated accounting and auditing principles. The accounts are signed by members of the Board Treasurer and Secretary for the approval at the AGM following the annual external audit procedure below. The Family Resource Centre is committed to following best practise as regards these accounts. Return of annual accounts is made to the Company Registration Office according to the requirements set out in law. The Family Resource Centre will always file a full set of accounts as this is recognised as an important communication channel for members of the public. Return of the statement of activities is made to the Charities Regulatory Authority at the (INSERT DATE HERE) each year as required by Charity Law. The last three years of audited accounts will be available on the Family Resource Centre's website. All tax reports and payments are submitted to the Revenue Commissioners and the Office of the Collector General according to their requirements.

Annual Statutory Audit Procedures:

- The audit will start and finish at dates agreed upon during Q4 of the previous financial year. An Interim audit may be carried out at this stage if thought to be beneficial.
- There will be an initial planning meeting with Auditors and the CEO/ HOF before the commencement of the audit.
- There will be other meetings with external Auditors as required during the process.
- Draft accounts are prepared by the HOF and audited by the Statutory Auditors. The Statutory auditors will bring any errors/queries/proposed adjustments to the HOF/Manager/CEOs attention for their consideration before bringing to the VBOD attention. An exception to this will be suspected gross misconduct, gross incompetence, fraud etc. by the management.
- The external Auditors will present their audit findings and management letter to the VBOD.
- Board Approval of the Audited accounts will occur either by face-to-face meeting, email or teleconference and they will be signed. The deadline should be no longer than 6 months after the year end.
- The Manager/CEO/HOF presents the accounts to the membership of the AGM for their consideration.
- The statutory auditor will present the audit findings to Membership for consideration at the AGM.
- Auditors will be put to tender every three to five years. A successful auditor may reasonably expect to stay in play for at least three years. However gross misconduct, or unreasonable non-compliance with any of the procedures above

may lead to the management recommending termination of the auditor's contract to the members of the company.

**Budgets:**

An annual indicative budget is produced by the Manager/CEO and HOF in consultation with the Management Team and proposed to the Finance Committee for approval prior to the year end of the previous year. The Budget shall be broken down into individual cost centres that reflect the organisational structure and organisational activity. A cost centre manager is assigned to each of these costs centres and accepts responsibility for any over or underspend. Any staff member with responsibility for a budget cost centre (i.e., the cost centre manager) will be given regular income and expenditure reports upon request. Fundraising and development projects will be included in the annual budget plan but also the Head of Development (HOD) will apply to the Finance Committee with his/her proposed project, projected income, and projected expenditure on a case-by-case basis. The first Draft Indicative budget is to be agreed in full by the Finance Committee by the end of Feb or the 1<sup>st</sup> board meeting of any given year whichever arises first. year.

3-to-5-year projections and business plans:

Wherever possible the Management and Finance Committee will prepare three to five-year business plans on a regular basis. These plans will project the next three to five years income and expenditure. They will include details such as the reserve policy for the next three to five years. These three-to-five-year projections are to be revised to actual figures every annually. Financial decisions made by the Board will be made with reference to these plans and the reserves policy contained within.

**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