

Soar Sound Financial Controls Policy

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1 Document Information

Policy: Soar Sound Financial Controls Policy

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Distribution: All individual members and group members' representative of the company.

Implementation Date:

Planned Review Date: 5th March 2025

Author: Dee Degan (Treasurer of Soar Sound)

Soar Sound's Safeguarding Officer:

Policy Validity Statement: Policy users should ensure that they are consulting the currently valid version of the documentation. This document will be reviewed one year from its issue date.

Approval: The policy will remain valid, including during its period of review. However, the policy must be reviewed next year and afterwards at least once in every three-year period.

2 Introduction

This policy sets out how Soar Sound will fulfil its statutory duties and responsibilities effectively, both within its own organisation, and for the affiliated groups and members that help with Soar Sound's not-for-profit vision and public purpose objectives.

2.1 Vision

Soar Sound seeks to provide broadcast radio and other online and legacy media services that are not for private gain, with any surplus or assets used principally for the benefit of the community.

2.2 Objects

The objects of the company are to carry on activities which benefit the community and in particular (without limitation) to carry out radio broadcast and media production services that will benefit communities resident in Leicester and Leicestershire, and in particular, and without limitation, with a focus on public education, wellbeing, mental health, economic development and employment.

Soar Sound supports all services, projects and activities that meet our not-for-profit objectives, as above, through offering publicity in our Soar Sound radio service and other media services.

3 Purpose of the Policy:

Internal financial controls are essential checks and procedures that help the company:

- Meet its legal and other obligations, e.g., Companies Act.
- Enable the Board of Directors to have control of the organisation's finances.
- Enable the organisation to meet contractual obligations and the requirements of funding bodies.

3.1 Banking

Soar Sound bank with the [TBC], where the accounts are held in the names of Soar Sound (current account), Soar Sound (deposit account).

3.2 The Role of the Treasurer

The role of the treasurer of Soar Sound is to:

- Oversee the financial affairs of the organisation and ensure they are legal, constitutional and within accepted accounting practice.
- Ensure proper records are kept and that effective financial procedures are in place.
- Monitor and report on the financial health of the organisation.
- Oversee the production of necessary financial reports/returns, accounts and audits.

3.3 Accounting

The company will keep an updated accounting system, which will include:

- A recording system allowing analysis of all the transactions in the company's bank accounts.
- This will include an online banking system, electronic spreadsheets and paper-based records, where these help.
- If paper documents and receipts are used, then an electronic copy of those 'hard copies' must be taken either by scanning or digital photography and those documents saved in a secure cloud-based data storage facility such as Google Drive.

- Access to the accounts either through online banking or data storage will be managed by the treasurer who will determine the appropriate level of access (viewing only / upload / full control) required by each member or director.
- Each director or member with access to on-line banking and accounting or data recording systems must ensure confidentiality of information and take all precautions to ensure login details passwords, security key and associated information are held securely to prevent unauthorised access.

3.4 Electronic Banking

- Wherever possible, electronic payments, transfers and withdrawals should be carried out using the appointed business on-line banking system.
- Cheques and cash should no longer be used where other electronic methods are available, except where the treasurer agrees that a petty cash system would help a sub-committee 'banking administrator' manage small amounts of money more easily.
- Each signatory and the banking administrator will have a unique login name and password which will be further enhanced by the use of a security key (commonly known as a widget).
- The Treasurer will be able to access the electronic banking system for all Soar Sound online accounts and by liaison with the banking administrators ensure payments that have been authorised by the directors are paid.
- All online banking accounts require two signatures.

3.5 Financial Year and Reporting

- The financial year for Soar Sound will end on [30th June]. Accounts will be drawn up after each financial year and within four months of the end of the financial year accounts will be presented to members at an AGM.
- Before the start of each financial year, the executive committee will set a budgeted income and expenditure account for the following year.
- A report comparing actual income and expenditure with the budget will be presented to the directors at least twice a year.
- A cash flow will be produced if the company is in financial difficulties or reserves are less than three months expenditure.

- An independent examiner will be employed to examine the accounts for presentation at an AGM, filing with the Companies House every year, and when the appropriate threshold is exceeded (currently income exceeding £25,000) a full report of the work of Soar Sound will accompany the figures. When income falls below this threshold a minimum of two directors and the treasurer must examine the accounts to ascertain whether the company's funds are being well managed and present a report to the AGM.

3.6 Bank Mandates

The bank mandate (list of people who can sign cheques on the organisation's behalf or access the on-line bank account) will always be approved and minuted by the Executive Committee, as will all changes to it.

3.7 Reconciliation of Accounts

Soar Sound will require the bank to provide statements, and these will be reconciled with the cash banked and the Treasurer will have access to all on-line banking accounts and will spot check that this reconciliation has been done at least twice a year.

3.8 Receipts (Income)

The aim is to demonstrate that Soar Sound has received all the income to which it is entitled and that it is all reasonably evidenced. All monies received will be recorded promptly in the finance system and banked without delay. The Company will maintain files of documentation to back this up.

3.9 Money Credited Electronically

Only authorised sub-committees can send out invoices to suppliers, such as advertisers, allocating a contiguous invoice number. The company will issue other invoices where required with unique reference numbers to customers for them to use when making electronic payments, to ensure that receipts into the bank account can be traced to the customer easily.

3.10 Debtors

The company will keep a record of aged debtors and contact debtors with polite reminders, which will be repeated every month if there is still no response.

3.11 Director Expenses

Directors must keep a written record or obtain a receipt (where possible) relating to the expenditure incurred. Claims will be limited to reimbursing the actual costs involved. The Board of Directors will review these payments at Directors' meetings and at least when The Company commissioners review the Soar Sound's annual report of activities, income and expenditure (See separate document called Directors' expenditure).

3.12 Members's Projects

Members' projects will need to complete a form requiring them to submit a bid if they require funding for their projects. Only bona fide payments will be made over the internet, e.g. for services received or for membership to external bodies or insurance. Purchases of equipment will usually be agreed and then purchased by the member, who will submit an invoice.

3.13 Internet Purchases

- When purchases are made over the internet the company will ensure that only well known bona fide sites are used for purchasing and that they have appropriate security as illustrated by a lock icon in the web browser's status bar when a payment is being made.
- Such purchases will be properly authorised in a similar way to other purchases.
- Wherever possible the buyer should ensure that they are able to keep their own record of purchases by setting up an account with the online supplier.
- This will enable direct access to records of transactions. Where a billing address can be added to the online transaction this should be: Soar Sound, 10 St. Denys Rd., Evington, LE5 6DT.

3.14 Payments (Expenditure)

- The aim is to ensure that all expenditure on the company's business is properly authorised and that this can be demonstrated.
- Money will only be spent to meet conditions and requirements of the funding bodies, necessary refunds and in pursuance of the objectives of the constitution.
- The latest approved budget provides the bank signatories with authority to spend up to the budgeted expenditure, not beyond it.

- The use of cheques is discouraged but can be used only in circumstances when the payee only has cheques for payment.
- The Treasurer and Secretary will be responsible for holding the chequebooks (unused and partly used chequebooks) which should be kept safely.
- All cheques need two signatories, Treasurer plus one other appointed director. Reimbursement of expenses to the payee will always be done through online banking direct into the payee's account.
- The Chair and/or the Treasurer with (in either case) one other committee member shall not approve expenditure of more than £150.00 nor an overspend on a particular budget heading of more than ten per cent unless this approval should be written down, signed by both people approving it, and reported to the next meeting of the board of directors.

3.15 Payment Documentation

- Every payment out of the Company's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand).
- That original invoice will be retained by the Company and filed.
- The online payment system used by the Cooperative Bank ensures that all details of the payee including name, address, bank account details, and the date payment is made.
- The purpose for the payment should also be recorded.
- The only exceptions to cheques or electronic payments not being supported by an original invoice would be where an individual has paid for items and requires reimbursement.
- Here the invoice/receipt with proof of payment will be required and authorised by the Soar Sound Treasurer or other appointed individuals e.g. Secretary/ Chair.
- To ensure full compliance, any situation where invoices or receipts have been mislaid or are not properly detailed then the company's treasurer **MUST** be made aware of the situation.
- All parties will endeavour to rectify omissions or failings by whatever means are deemed appropriate by the treasurer of the Soar Sound.

- All members requesting reimbursement of expenses must use the claims form for this purpose which is available online using the Soar Sound Google Drive document storage facility. Please note this may change over time. A current version is available in Appendix A.

3.16 Petty Cash

Where necessary a small petty cash 'imprest' system' will be maintained for those items only available through cash payments., the petty cash expenditure should be supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required. No other cash system is to be used.

3.17 Debit Cards

The company does not (and will not) use any credit cards, but may provide debit cards for authorised users. The card holders will need to be aware of all the requirements of this policy and sign a separate form (Appendix B) to ensure compliance with the procedures and policy requirements.

3.18 Travel Expenses

The Company will reimburse expenditure paid for personally by directors and members when in the course of their work travel is necessary and has been approved by at least one member of the executive board providing:

- Fares are evidenced by tickets.
- Other expenditure is evidenced by original receipts.
- Car mileage is based on Leicester City Council scales.
- Requests for reimbursement need to be made in advance of any travel and should be directed in the first instance to the Chair of directors.

4 Other Undertakings

- All fundraising, contract bids and grant applications made on behalf of the organisation will be done in the name of the company with the approval of the directors or in urgent situations the approval of the Chair who will provide full details to the next director's meeting.
- Copies of grant application will be kept and available to directors on request. When bids are made using internet portals electronic or paper copies of the bid will be kept.
- Any funding contracts or grant acceptance documentation exceeding £5,000 will be brought to the director's attention for approval. In urgent situations this may be by e-mail to all directors.
- Soar Sound will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the board of directors.
- The board of directors will consider the level of reserves that is prudent for the Soar Sound to have at its first meeting after the AGM. Consideration will be given to any other significant factors that should be considered were the Soar Sound to cease to function.

5 Asset Inventory

The Soar Sound will adhere to good practice in relation to its finances at all times, e.g. it will maintain an asset inventory stating the date of purchase, cost, serial numbers and current location. This inventory will be kept securely on the Soar Sound 'cloud' (Google Drive) with appropriate levels of access provided to directors.

6 Monitoring and Review

Soar Sound will monitor and evaluate the information that is appropriately collected in relation to the financial duties, and will make periodic reports to the Director Board, making recommendations for improvements and changes to the Soar Sound's activities and communications.

Signed: Dee Degnan

Position: Treasurer

Date: 9th March 2024

Review Date: 5th March 2025

Soar Sound

7 References:

<https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities>