Brentford Community Boat House

Financial Policy

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Brentford Community Boat House Ltd - A Company Limited by Guarantee.
Registered Address: Lots Ait, 41 High Street, Brentford. TW8 0BB.
Registered in England: 14928763
Charity Commission: 1208854

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Introduction

Brentford Community Boat House ("**BCBH**") acknowledges its responsibility to ensure it complies with robust Internal financial controls in order to:

- Protect the BCBH charity's assets, including money and property
- Make informed decisions about the BCBH charity's financial position
- Meet legal duties as a registered charity and company limited by guarantee.
- Identify and manage financial risks and assets
- Keep good quality accounting records
- Prepare timely and relevant financial information
- Make sure its financial reporting complies with the relevant legal requirements

Applicability, Responsibilities and Delegation of Authority

This policy applies to all trustees, volunteers, employees, contractors, and third party representatives of the BCBH charity.

Its requirements are reflected in other policies and procedures, agreements and contracts, as necessary.

The Board of Trustees has overall responsibility for BCBH's financial management.

The Treasurer oversees day-to-day financial matters, supported by staff/volunteers as needed.

Spending authority is delegated as follows:

- **Up to £250** – individual staff or volunteers with prior approval from a line manager or trustee.
- **£251–£1,000** – requires approval from the Treasurer and one other trustee.
- **Above £1,000** – must be approved by the full Board of Trustees and documented in meeting minutes.

All expenditure must be in line with the charity's objectives, responsibilities and budget.

Separation of Duties

- The charity maintains at least one bank account in its name.

- Payments must be authorised by two unrelated Trustees acting as signatories from the list approved by the board.
- Online banking procedures must include dual authorisation where possible. No one Trustee may both authorise and pay any payment or transfer. For example, an on-line banking payment or credit card transaction.
- Cash handling should be avoided where possible; when necessary, it must follow the petty cash log procedure in Annex 1 and be limited to £100 unless otherwise approved.

Conflict of Interest

- All trustees and staff must declare any potential conflicts of interest immediately without delay. This will be also requested at the start of any meeting of the board of Trustees.
- Individuals with a conflict will not be involved in decisions about financial matters relating to that interest.
- No individual may authorise or make changes to his or her own pay or personnel entitlements or records.
- No individual may make payments or enter into contracts with family members or organisations in which they have an interest, either directly or through a close family member.

Payments to Trustees

Trustees may only be paid for services **outside their trustee duties**, in line with **Section 185 of the Charities Act 2011**. All such payments must be reported in the charity's accounts. Any such arrangement must:

- Be agreed in writing and approved by the board.
- Offer reasonable remuneration.
- Ensure paid trustees remain a minority on the board.
- Not be prohibited by the governing document.

Contracting

A robust contracting process is to be implemented with major contracts openly tendered, subject to board scrutiny and approval, and retendered every 3 to 5 years.
Contracts and other agreements should be recorded in a simple contracts register and each reviewed annually to ensure these continue to meet the charity's needs and offer good value for money.

Budgeting

The Board is to scrutinise and approve an annual budget.

The budget should include prudent income forecasts that have been tested to confirm that there is a reasonable expectation of securing the funding planned for. All work planned or on budget.

Reserves Policy

- BCBH will aim to maintain reserves equivalent to **3–6 months of operating costs**, where possible.
- The purpose of reserves is to:
    - Protect against income shortfalls
    - Meet unexpected costs
- The board will review the reserves position annually.

Financial Reporting

Bank and fund balances will be reviewed **monthly** by the Treasurer and **quarterly** by the board. Reports should use simple clear English that all board members will be able to understand. These reports will state;

- Actuals vs budget
- Cash flow position
- Focus on the key issues and risks, the action being taken to address these and the expected outcome.
- Fund balances (including restricted and unrestricted)

Annual accounts will be prepared in line with Charity Commission guidance and submitted on time.

Financial Records

- All financial records, including receipts, invoices, and bank statements, must be maintained for **at least six years**.
- Financial software or spreadsheets should be used to ensure accurate tracking of income, expenditure, and balances.

Financial Management

Budget holders are to review financial reports, investigate any variances to budget/forecast and unusual or unexpected transactions that cannot be adequately explained and take appropriate action. Any significant issues should be reflected in reports to the Board.

Banking

Bank Accounts.

Bank, savings and any other form of investment are only to be opened with the written approval of the Board.

- The account is to be reconciled at least monthly.
- The bank reconciliation, statement, cashbook, chequebook and any other supporting documentation are cross checked.

Cheques.

The Charity will not hold cheque books or use Cheques for any form of payment.

Income

Regular checks are to be carried out to ensure that records are being accurately maintained and that there are no discrepancies in the accounting records. Specifically, that:

- Records of cash and cheques received agree with bank paying-in slips;
- The paying-in slips equate with the bank statements, both in terms of amount banked and date of credit.
- All transfers or other direct payments into the bank can be identified and verified against paperwork.

Restricted Funds - are to be accounted for separately to ensure these are only used in accordance with donors' restrictions.

Multi-year Funding - is to be accounted for in a way that ensures future year funding is not inadvertently spent in the current accounting year.

Anonymous or suspicious donations - are to be subject to appropriate due diligence to minimize the risk of fraud.

Expenditure

Delegation of Authority

The directors can give some of their responsibilities to a group (committee) made up of at least two directors. Any decision to do this must be written down in the meeting minutes.

When they delegate tasks, the directors can set rules, such as:

- Only that committee is allowed to carry out the delegated tasks.
- The committee can't spend any money unless it fits within a budget already approved by the directors.

The directors can change or cancel any delegation at any time.

The committee must report everything it does back to the directors clearly and without delay.

Approval and Payment.

The Board must approve any projects or spending that:

- Are not part of the charity's stated objectives, ● Are not included in the approved budget, or ● Would cause the budget to be overspent.

All spending must:

- Be properly approved,
- Offer good value for money, and ● Be for suitable items or services.

Delegated spending authority must be given in writing and clearly state the budget limits and categories it covers.

Anyone with spending authority must:

- Check invoices against the original order,
- Make sure the goods or services were received,
- Confirm prices are correct (with any discounts or credit notes applied), ● Exclude VAT if not reclaimable,
- And only then approve the payment.

The Treasurer must review each invoice before payment.
If an invoice hasn't been properly authorised, it will be rejected—and the person who made the purchase will be personally responsible for the cost.

Pay and Remuneration.

- Any plans to hire more staff must be approved by the Board.
- If time sheets are used, they must be filled in correctly and signed by the staff member's manager.
  Each month, a manager must check and sign off the payroll to make sure:
    - All changes are authorised
    - Pay rates are correct
    - No one is paid twice or for unexpected items
- Every few months (at least once every 3 months), the staff list should be randomly compared to the payroll to check for accuracy.

Make sure:

- There is a system to record staff leave, and it is kept up to date
- Sick leave is monitored, and any long or frequent absences are followed up

Keep staff pay records separate from general personnel files for privacy and security.

Payment Procedures.

- Payments systems, such as credit cards and online systems and passwords should be adequately safeguarded.
- Physical items, such as e-banking encryption devices should be kept under lock and key when not in use.
- Passwords should not be written down or shared, and should be changed regularly and if compromised.
- Accounting IT systems should be routinely backed up and back-ups stored off site in case of fire.
- Credit card limits should be kept as low as possible. Specific guidance is contained in the credit card policy, see Annex 2.

Travel Expenses.

Claims should be countersigned by the line manager to confirm that the journey was valid, undertaken and the amounts claimed were reasonable in the circumstances.
Expenses claims are to be checked by the Treasurer to ensure that the expenses policy has been complied with.

Novel and Contentious Expenditure.

This is defined as follows:

- **Novel** - does not meet the letter of our regulations. That is, using a budget for a purpose for which it was not intended. For example, payment of a bonus to an individual, when there is no such provision in the pay policy. Or exceeding permissible limits. For example, payment of subsistence rates or class of hotel accommodation that exceed the limits in the expenses policy.
- **Contentious** - meets the letter of the relevant policy, but where the need for it or the cost involved may be questioned. For example, where subsistence has been approved within agreed limits, but alcohol or other inappropriate expenditure is claimed for.

Payment of any expenditure which may be novel or contentious requires the prior approval of the Board.

Assets

Fixed Assets and Equipment.

Purchases of assets that have a life expectancy of, and will provide benefit for, more than one financial year may be treated as capital items and their value written down over the lifetime of the asset.

In general, the minimum value for an item to be treated as a capital asset is £50.

- A fixed asset register is maintained and reviewed annually.
- Items are allocated inventory codes and marked accordingly.
- Subsequent to the annual review, insurance cover is reviewed to prevent being under or over insured.
- Staff do not remove assets or items of equipment without prior approval.

Other Issues

Fraud/Bribery.

If fraud is suspected it is to be brought to the attention of the Board.

Hospitality.

Employees may be offered hospitality in the form of being taken out to drinks or events, or gifts by suppliers or others. It is essential that this is entirely above board and can be demonstrated to be so.

- Employees and board members may only accept hospitality or gifts, which are worth less than the value of £20.
- Such gifts are to be declared in the Hospitality Book, held by Trustees, unless these are trivial and of value of less than £5.
- The Hospitality book is to be reviewed and signed off by the Chair annually, as part of audit preparation.

Losses.

Any losses are to be investigated. The amount and circumstances of the loss are to be determined and, in particular, whether the loss arose from weaknesses in procedures and/or a failure to apply procedures correctly.
Appropriate action is to be taken to ensure no further losses occur, arising from similar circumstances.

- The value of any item is to be at realisable value.
- Any loss must be approved for write off in line with the delegations from the Board.
- The loss is to be written off on the accounting system and the record of investigation and approval for write-off filed for audit purposes.

Records

- Records are to be retained by Trustees or in a secure central online hub.
- In particular, cashbooks and other prime books of account are retained for 7 years and supporting vouchers for 18 months.
- A secure archive is identified and records kept under lock and key.
- The archive is organised to enable records to be easily identified and retrieved.

Experience and Training.

On appointment, appropriate work references are taken up and qualification certificates checked.

- Staff are competent and properly trained to carry out their duties in relation to finance.
- Staff are made aware of relevant financial policies on appointment and those with financial responsibilities are briefed by the treasurer as part of their induction process.
- Relevant financial policy requirements are included in the Staff Handbook and job descriptions.
- That this and other guidance is readily available to staff and brought to their attention.

IT and Online Security

- Security software, such as anti-virus and firewalls, are to be kept up-to-date, preferably by automatic renewal.
- There are effective controls for authorising and managing access.
- Software updates are installed promptly.
- Passwords are strong, not shared and changed regularly.
- Data is remotely backed-up on a regular basis.
- There are disaster recovery procedures that would restore data quickly and fully enough; these have been tested.
- No sensitive financial information is to be entered into Large Language Model AI systems, such as ChatGPT or Bard.
- Financial information, including back-ups, stored on secure shared drives is accessible only to those who need to have access to it.
- Adequate security procedures are in place for online purchasing.
- Staff and volunteers are aware of what they need to do (and not do) to maintain online security.
- On leaving the organisation, an individual's accounts are to be disabled.

Regulatory Guidance

Charity Commission
Charities, fraud and financial crime
CC: 8 - Internal Financial Controls Compliance toolkit

Useful Links:

[Charity Governance Code: 4 Decisions, Risk, Control]
[Retention of accounting and other records]
[Charity online security measures]
[NCSC: Password Guidance]

Annex 1 Petty Cash Log Procedure

1. Purpose

This procedure ensures that petty cash is handled securely, used appropriately, and recorded accurately, in line with our financial policy and charity best practices.

2. Petty Cash Float

- A petty cash float of **up to £100** will be maintained for small, infrequent purchases.
- The float must be kept in a **secure, locked box or drawer** on the charity's premises.
- The float is managed by the **Petty Cash Custodian** (usually a staff member or designated volunteer), appointed by the Treasurer.

3. Acceptable Use

Petty cash is for **low-value expenses**, such as:

- Small office supplies
- Cleaning materials
- Minor repair items
- Local travel expenses or parking
- Refreshments for meetings or volunteer events

Petty cash must not be used for:

- Salaries or contractor payments

- Large purchases
- Personal loans or advances
- Payments to trustees (without specific board approval)

4. Requesting Petty Cash

- Individuals must **complete a Petty Cash Request Form** before receiving funds. ● The form must include:
  - Name of requester
  - Date
  - Purpose of the expense
  - Amount requested
- The form must be **approved by the Petty Cash Custodian** and, where possible, countersigned by a second authorised person (e.g., Treasurer or senior staff).

5. Receipts and Logging

- A **receipt or invoice** must be submitted **immediately after purchase**.
- All transactions must be recorded in the **Petty Cash Log**, which should include:
  - Date
  - Name
  - Description of Expense
  - Amount
  - Receipt attached Y/N?
  - Balance Remaining

- No reimbursement will be made without valid proof of expenditure.

6. Reconciling and Replenishing the Float

- The **Petty Cash Custodian** must reconcile the float **monthly**, or when replenishment is required.
- Reconciliation includes:
  - Matching the balance of cash on hand to the log total
  - Ensuring all receipts are present and correct
- The Treasurer will approve and process top-ups to restore the float to £100, based on submitted records and reconciliation

7. Review and Oversight

- Petty cash logs and supporting documents will be reviewed **quarterly** by the Treasurer.
- Any discrepancies must be reported to the Board of Trustees.

8. Storage and Security

- The petty cash box must be:
  - Kept in a secure, lockable location
  - Accessible only to the Custodian and one backup keyholder (approved by the Board)

9. Misuse and Fraud

- Any suspected misuse or fraudulent activity must be reported immediately to the Chair of Trustees and will be investigated in line with the charity's safeguarding and disciplinary procedures.

Annex 2: Charity Credit Card Policy

1. Purpose

This policy sets out the rules for the use of any credit or debit cards issued in the name of Brentford Community Boat House (BCBH). It aims to ensure all card use is appropriate, authorised, and transparently recorded, in line with our financial policies and legal responsibilities.

2. Issuance and Authorisation

- Credit or debit cards may only be issued with **Board approval**.
- Cards will be issued **only in the name of a designated staff member or trustee**, and not for general use.
- The **Treasurer** must maintain a record of:
  - Cardholder name
  - Card number (last 4 digits only)
  - Issuing bank

- Monthly credit limit
- Date issued and date returned (if applicable)

3. Approved Use

Credit cards may only be used for **pre-approved, charity-related expenses**, including:

- Online or phone purchases (e.g., event bookings, equipment)
- Travel and accommodation for charity purposes
- Subscriptions or software essential for operations
- Emergency repairs or maintenance

Not allowed under any circumstances:

- Personal use
- Cash withdrawals
- Alcohol or entertainment not related to charity activities
- Donations to other organisations without Board approval

4. Spending Limits

- Monthly spending limits will be set by the Board (e.g., **£500–£1,000** per card).
- **Single transaction limits** may be imposed if deemed necessary.
- All purchases must be within budget and approved in line with the charity's delegation of authority policy.

5. Receipts and Record Keeping

- **Receipts must be retained** for every purchase made using the card.
- The cardholder must complete a **Credit Card Expense Report** monthly, detailing:
  - Date
  - Vendor
  - Amount
  - Purpose
  - Attached receipt
- Reports must be submitted to the Treasurer within **7 days** of the card statement date.

6. Monitoring and Reconciliation

- The **Treasurer** is responsible for reviewing all card statements monthly.

- Any discrepancies or missing receipts will be followed up promptly.
- Credit card use will be reviewed by the Board **quarterly**.

7. Security and Misuse

- Cardholders are responsible for keeping the card **secure and confidential**.
- Lost or stolen cards must be reported to the bank and Treasurer immediately.
- Any misuse, including personal use or exceeding authority, may result in:
    - Disciplinary action
    - Repayment of funds
    - Removal of card privileges
    - Possible legal action

8. Cardholder Termination or Resignation

- Cards must be returned immediately upon ending of employment, volunteer role, or trustee duties.
- Final reconciliation must be completed before the departure is finalised.