F1 Financial Policy

This policy has been written in line with the Charity Commission Internal Financial Controls for Charities document dated July 2012 (CC8).

The policy states the following:

Internal financial controls are essential checks and procedures that help charity trustees:

- Meet their legal duties to safeguard the charity’s assets.
- Administer the charity’s finances and assets in a way that identifies and manages risks.
- Ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information.

The Board of Trustees (BoT) are responsible for establishing, implementing and monitoring their charity’s internal financial controls. They may decide to delegate the detailed work on this task to one or more trustees or BTOG officers. However, the trustees should make a collective decision on what controls are needed.

This document sets out the management of finances within the British Thoracic Oncology Group Charity (hereinafter known as “BTOG Charity”).

The BoT should review the effectiveness of the charity’s internal financial controls on an annual basis.

A key feature of internal financial controls is to ensure that no single individual has sole responsibility for any single transaction from authorisation to completion and review. However, the Charity Commission recognise that there may be resource constraints in smaller charities and therefore trustees and management must act to compensate for this – this can include trustees reviewing reports of transactions or carrying out checks on internal controls independently of the person who normally undertakes the work.

Currently BTOG Charity has a small staff who carry out the work of BTOG (not directly employed by the Charity) – being the Senior Executive Officer and the Executive Officer. Controls will be put into place to ensure adequate financial control.

The Treasurer will review income and expenditure against the bank account on a quarterly basis (this can be done online via BTOG’s Quickbooks accounting system).

Undue Influence and Donations

The Charity Commission recommends that to guard against undue influence being exercised over the decisions being taken by the BTOG Executive (BTOG Officers, Steering Committee and BoT), or bribery taking place, transparency is important. Please refer to Policy C8 Conflict of Interest and Self-declaration for BTOG Officers.

As per the Charity Commission, BTOG recognises the importance of identifying when the acceptance of donations may not be in the interests of the charity – e.g. where the terms of the donation are unduly restrictive or are intended to exercise undue influence over the BoT or where the acceptance of the donation would be detrimental to the charity’s reputation. Such cases will be identified by the BTOG Senior Executive Officer or other relevant BTOG Officer, reviewed and decided on by the BoT.
Contracts
Any official written contracts or agreements that BTOG Charity enters into with suppliers (e.g. for the annual conference) must be approved subject to the levels included on the F3 Procurement Policy and the approval must be officially recorded (by keeping a record of authorisations received in writing by email). The BoT and BTOG Steering Committee Chair can take the decision to take legal advice on contracts or agreements before authorisation as it sees fit and appropriate.

Event Insurance
Event insurance must be put in place for the annual conference and any other BTOG educational events that the BTOG Steering Committee Chair and BoT deem appropriate. Event insurance covers against cancellation and abandonment including loss of net profit, reduced attendance, property damage at venue and public liability.

Annual Budget
An annual budget for income and expenditure must be prepared and presented by the Senior Executive Officer for approval by the BTOG Steering Committee Chair (SCC) and BoT prior to the start of the financial year to which it relates. Once this has been approved then it is the Senior Executive Officer’s responsibility to ensure that the budget is adhered to. Day to day management of the finances is the responsibility of the Senior Executive Officer.

The following management accounts must be presented to the BoT on a quarterly basis either at BoT meetings or by email:
- A summary of funds held in all bank accounts and
- Report on actual financial performance against the budget for the year including explanation of any variances and
- Detailed projection of income and expenditure including any liability for corporation tax or VAT for the current year to year-end and
- Estimates of future income and expenditure for future periods (where appropriate).

Bank Accounts
All bank accounts will be held in the name of the charity and have minimum of two trustees as names on the bank account. The BoT will provide the bank/s with approved BTOG officer/s who may access the accounts to enable service delivery. This will include approved named debit card holder/s and processing of payments/invoices. The following are authorised to access the bank account for operation and the processing of payments and invoices:
- Senior Executive Officer (authoriser)
- Executive Officer (administrator)
- One or more of the trustees (as named on the bank account)

Charity Debit Cards
The following are authorised holders of BTOG Charity debit cards
- Senior Executive Officer

Any individuals issued with Debit Cards are responsible for any expenditure against their nominated card. The individual must take reasonable measures to ensure security of their named card. Card payments may only be made for agreed expenditure within the annual budget. Receipts and details of expenditure must be filed in the relevant year’s Finance file and recorded on Quickbooks.

Petty Cash
BTOG Charity can hold a maximum petty cash amount of £100 and this can be used for postage stamps and cash taxi fares relating to travel for BTOG meetings. Receipts and details of expenditure must be filed in the relevant Finance file and recorded on Quickbooks. It is not envisaged that any cash will be received however if it is, e.g. for registration fees, then this should be banked at the earliest opportunity. The income receipt must be filed in the relevant Finance file and recorded on Quickbooks.
Reconciliation for Income and Expenditure
A detailed record of all income and expenditure must be kept and made available to the BoT as required on Quickbooks. Bank statements must be reconciled against income and expenditure transactions to ensure assessment of risk for material error and fraud (income, expenditure, procurement, invoicing, banking). All income and expenditure must be matched to the relevant receipt or invoice. The only exceptions to this will be for donations from private donors or non-entailed grants.

Income
BTOG Charity’s income is derived from sponsorship and delegate registration fees relating to educational events (conferences, meetings, study days, courses) and non-entailed grants from industry to support the activities of the charity. Currently, BTOG Charity does not actively seek donations from the general public. Any income must be used in accordance with the Charity aims and objectives.

Sponsorship, delegate registration fees, grants and other income are received by the following methods:
- Cheque
- Bank transfer

Income Controls
BTOG Charity will issue invoices for all income for sponsorship and delegate registration fees including standard 30-day payment terms – these will be filed in the relevant year’s Finance file. Once payments are received from creditors the related invoice will be marked RECEIVED, filed and recorded on Quickbooks. Sponsors/delegates may require a purchase order number (PO) to be included on the invoice issued – BTOG Charity will include the PO number where required to do so. A copy of the PO will be kept with the associated invoice.

An agent may issue invoices and collect income on behalf of BTOG Charity (e.g. for delegate registration fees). BTOG Charity will provide the relevant information necessary for the invoice (company registration, charity registration and VAT registration numbers) and the agent will be required to provide a detailed report to BTOG Charity.

Income Receipts - Online Payments / Bank Transfers
These will appear on the bank statements and will be reconciled and recorded on Quickbooks.

Income Receipts - Cheque payments
Any cheques received will be recorded on the banking record and paid in weekly. A copy of the banking record should be printed and bank deposit receipt attached and this should be filed in the relevant year’s Finance file. The payment will be recorded on Quickbooks.

Expenditure Controls
- All expenditure must be in line with the agreed annual budget and a record must be kept for all types of expenditure to ensure that it is kept within the budget.
- Any additional expenditure to the budget exceeding £500 per month requires approval by the BoT prior to any order being placed.
- If the agreed expenditure budget is not adequate to cover annual expenditure then a revised budget must be submitted to the BoT for approval.
- Use of cheques – all payments will be made by bank transfer or debit card and currently BTOG does not have a chequebook. If the BoT do decide at a future date to have a cheque book then all cheques must be authorised by 2 authorised trustee signatories.
Payments

Invoices – these should be paid within 30 days of receipt of invoice or as per individual invoice payment terms. These will be paid by BACS. If invoices relate to agreed expenditure approved by the BoT in the budget then these can be processed on receipt. The Senior Executive Officer must always ensure that goods have been received or for deposit payments that these are correct and as per agreed and approved deposit schedules prior to making any payments. Checks must be carried out to ensure that duplicate payments are not made for the same invoice/supply by checking the expenditure report before any payment is made.

BACS Payments – the Executive Officer and Senior Executive Officer are authorised to set up payments and transfers on the bank account. It is standard good practice that all payments made by BACS should ideally be set-up by one individual and authorised by another. The bank account does not support this. When payments are set up by the Executive Officer, before logging off the Senior Executive Officer checks through these payments against the appropriate paperwork as a second level of checking.

A detailed record of all expenditure must be kept on Quickbooks and variances reported regularly to the BoT. The Treasurer will review income and expenditure against the bank account on a quarterly basis (this can be done online via BTOG’s Quickbooks accounting system).

If a payment needs to be made to the Senior Executive Officer (e.g. expense claim) then payment can be made the Executive Officer and authorised by one of the BoT. The claimant must never authorise their own claims.

Claiming Expenses

- All claims for expenses must be related to the work of BTOG Charity.
- Claims must be submitted on a BTOG Charity claim form which will include a self-declaration that the claim is accurate and in connection with the business of BTOG Charity. If the claimant’s NHS Trust/Organisation booked travel on their behalf, they must issue an invoice to British Thoracic Oncology Group including full details and receipts.
- Receipts/proof of claim must be attached to all claims. Payments can only be processed if all receipts are submitted.
- Claims must be authorised by someone other than the claimant.
- Claims will be paid by BACS transfer.
- Please refer to F2 Expenses claim form for full guidelines.