

Internal Financial Controls – Leicestershire Fieldworkers

1) Financial Control – Providing and Reviewing

At the first committee meeting after the AGM each member of the Trustees must be issued with the Internal Financial Controls document. The document may be issued prior to the meeting, by email or by post to ensure that Trustees are given time to consider any amendments that are needed and time to be informed about any proposed amendments by the current or acting Treasurer. Any amendments required to the document must be agreed and recorded in the minutes, the appropriate amendments will then be made to the document for presentation and agreement at the next committee meeting. Otherwise the minutes will record that the Financial Controls have been read and accepted by the Trustees.

The Trustees must decide whether the Financial Controls are relevant and appropriate to enable comprehensive financial management of the Fieldworkers.

2) Segregation of duties

All cheques must be made out with their value, name of payee and date prior to signature by at least two approved signatories (see below). Under no circumstances are blank cheques to be signed.

There will be three approved signatories for cheques:

- a) Chairperson, to comply with duty of oversight of accounts, scrutiny of payee and value
- b) Treasurer, to prepare accounts, pay in cheques and other monies
- c) Committee Member, signatory, - scrutiny of payee and value
- d) Committee Member, signatory – scrutiny of payee and value

Note: any member of the Trustees or any ordinary member can pay money into the account, by using the account number and bank code number, however where possible the paying-in book should be used as this provides a consecutive number for each in-coming payment.

The Trustees at the first committee meeting after the AGM will decide who will be signatories of cheques for the coming year. If a change is made this will be recorded in the minutes in accordance with the wording required by the bank (and set out on the change of signatories mandate form) see below for form of words. A NatWest Bank C&S Mandate Form will be filled in by the Treasurer for the new signatory to present to the bank along with a copy of the minutes, required identification and an Additional Party Form, copies of which are to be retained by the Treasurer. The Mandate Form can also record the removal of a leaving signatory. The information required for the mandate form is given below.

NATWEST MANDATE: The purpose of this mandate is for you to tell us who is authorised to give us any instructions relating to the operation of your account.

*This mandate should **only** be used for **unincorporated community organisations and unincorporated charities**. If your organisation is registered at Companies House or is governed by a Trust Deed then please speak to a member of staff who will provide the correct mandate to complete. Corrections to the form **must be signed** by **all** the authorised signatories who have signed the declaration in section 8.*

Wording required in the minutes for Nat West Bank mandate

*(Removal) It was resolved that: the **authorised signatories (names of signatories here)** in the current NatWest Bank mandate, for the accounts detailed in section 2 Application to Accounts, be changed in accordance with Section 5 - Removing an Authorised Signatory, and Section 6 - Authorised signatories for the Account, and the current mandate will continue as amended.*

*(Additional) It was resolved that: the **authorised signatories (names of signatories here)** in the current NatWest Bank mandate, for the accounts detailed in section 2 Application to Accounts, be changed in accordance with Section 6 - Authorised signatories for the Account, and the current mandate will continue as amended.*

3) Signing of Cheques

Cheques to the value of £500 or under can be signed by two signatories.

Cheques to the value of £501 and above must be signed by three signatories.

The cheque book must be kept in a secure place when not in use, not readily accessible to anyone other than the approved keeper.

a) Cheques signed at events/meetings other than committee meetings.

It is usually not possible for cheques to be made out in advance for speakers at monthly meetings, sometimes to venue hosts or to re-enactors (as examples). Speakers are often unable to quote a precise figure as they are unable to evaluate their expenses until after the event or meeting has taken place.

Cheques at events/meetings can be written and signed at the event if two signatories are present. If two signatories are not available then the details of the person or organisation to whom the cheque is to be sent, along with its value, will be needed. The cheque will be posted when an additional signature has been obtained.

4) Cash Payments

Cash payments to speakers or other payees are to be avoided. Whenever possible payments must go through the cheque account and must always go through the account when above £20 unless otherwise permitted by the Trustees.

a) Petty cash payments up to £20 may be made (see also Petty Cash section 13) below). In all cases, where possible, a signed receipt must be provided by the payee. Currently £35 is held in petty cash (2018).

b) Alternatively a purchase may be made with money provided from the personal purse of a committee member or committee member's nominee. It will then be repaid on receipt of an expenses claim with attached receipts at the next meeting of the committee. Although efforts to obtain a receipt should be made, small amounts under £5 may be reimbursed at the discretion of the Trustees in cases where difficulties are experienced in obtaining a receipt e.g. on archaeological sites or similar locations.

5) Regular review of accounts

The Treasurer will receive a monthly statement from the NatWest Bank (usually produced on or around the 5th of the month and posted 2nd class to arrive c 8th of the month). This must accord with the known income and expenditure of the Fieldworkers and be reported to the committee at each meeting. The last received statement should be made available at each meeting for review by the Chairman and other trustees.

The Treasurer will receive a monthly update of income paid into the account by the membership secretary, by anyone having made book sales, by the Archaeology Festival Sub-committee when in operation and by anyone receiving money for the Fieldworkers from any other source. It is possible for any member of the Trustees to pay income into the account (following an event or a trip for example) but details of any such payment must be provided to the Treasurer to be recorded in the accounts and a form is available for this purpose.

The Trustees are responsible for the work and job description of the Treasurer and for compliance with the Financial Controls. Trustees may ask to see the bank statement and accounts at any time.

Trustees must ensure that:

- The Treasurer keeps sufficient accounting records for the needs of the organisation
- The Treasurer prepares end of year accounts, a budget, and an annual report.
- Must ensure they are alert to any issues of bribery, fraud, financial abuse and other irregularities.
- Keep themselves aware of these Financial Control requirements.
- Maintain their own compliance with these controls.

6) End of Year Accounts/Annual Report

The Treasurer will prepare a set of Income and Expenditure accounts and a bank reconciliation.

Currently the financial year of the organisation runs from 1st April until 31st March each year. This allows time for preparation and auditing of the accounts prior to an AGM each year but does not correspond to the membership subscription year. However, new

members who join the Fieldworkers after 1st January are given membership for the following full year as an enhancement/inducement to membership. They are not counted in the yearly claim for gift aid until the first full year after the AGM.

The accounts should be audited prior to the AGM by a suitable member of the organisation who is not on the committee, or another suitable person, with an understanding and experience of accounts. A volunteer for this role will be approached by the Chairman and/or the Treasurer, the appointment to be agreed by the committee.

6.2) Income

The Treasurer will account for monies received or paid under a number of nominal headings. Currently these are:

- Membership monies received by Cheque and in cash, (to include donations)
- Second-hand book Sales
- New Book Sales
- Festival Income
- Expenses related to membership and general running of the organisation
- Other large expenses not falling under a main heading

New Nominal headings can be added at the discretion of the Treasurer to account for income and expenditure.

These headings will be used to report income on the Annual Income and Expenditure sheet of the accounts.

Income in the form of cheques and cash must be banked promptly and regularly, cheques and cash received, not immediately banked, must be kept in a secure place.

Records of cash and cheques received must be made in a 'day book' and must agree with counterfoils provided by the bank after the paying-in transaction, such records and counterfoils to be kept for future reference by the auditor.

6.3) Invoicing

Organisations purchasing goods (ie books) and services (ie a lecture, consultancy) from the organisation will be invoiced by the Treasurer. Income will be reconciled against these invoices which will be numbered and dated accordingly. Debts arising from non-payment of invoices will be pursued by the Treasurer. Debts to write off must be sanctioned by the trustees.

7) Budgeting

The accounts of the organisation are not complex and a simple budget for known expenditure, including expected inflation, set against expected income should be prepared each year for review at the first meeting after the end of the organisation's financial year.

Membership subscriptions should be subject to annual review to ensure that they cover the normal budgeted operating costs of the organisation. Subscription rates can be adjusted appropriately by vote of the committee for this purpose.

The Trustees will discuss and agree or alter the Budget at the first committee meeting after the AGM. Expenditure likely to be incurred during the year will be recorded in the minutes.

The budget will include Public Liability Insurance cost for active members – currently 50% of membership (as advised by our insurers) and Employers Liability (members under supervision by another member).

8) Disclosure of Accounts

Accounts will be made available to any member who asks for a copy but they will not be available in full form on the Fieldworkers web site. Any financial information to be made available on the website must first be agreed by the Trustees. A copy of the accounts will be available at the AGM of the Fieldworkers and copies of the accounts will be distributed by email and post to all members of the organisation prior to the AGM, along with Nomination papers for committee members.

9) New Leicestershire Fieldworkers Trustees

Any new Trustees will be given a copy of the accounts at the first committee meeting after the AGM.

All Trustees must read the Charity Commission document CC3 The Essential Trustee and the Treasurer must read and be familiar with CC15b Charity Reporting and Accounting: The Essentials, and, CC8 Internal Financial Controls for Charities. Both documents are reviewed and updated annually can be downloaded from the Charity Commission website.

10) Archaeology Festival

The Archaeology Festival is funded by Leicestershire Fieldworkers and other organisational or personal donations each year. The money which is held in the Leicestershire Fieldworkers account under a nominal heading, is for the purpose of the Festival alone and is not to be used for any other purpose. The Fieldworkers can make money available to ensure the Festival is not overspent but will urge the Festival Committee to make up any shortfall by appeals to existing organisational or individual contributors or to grant-providing bodies.

11) Charitable Donations and Gift Aid reclamation from HMRC

Members can sign their membership form to declare whether or not they are taxpayers, this information to be kept on the membership database. The information enables the Fieldworkers to reclaim tax paid as a charity from HMRC. The Treasurer will claim this income and must be familiar with the relevant information on the HMRC website. It is not possible for the donor and the organisation to both claim back tax paid unless the donor

pays higher rate tax.

12) Direct Debit/Standing Order/BACs payments

The Fieldworkers currently have none of the above in operation on the bank account. Should any be required then it will require the authorisation of the committee to establish this.

Members may pay their subscriptions by Standing Order or by Bank Transfer/Internet Banking which is to be encouraged to minimise the handling of cash. A copy of the bank statement is to be provided each month by the Treasurer to the Membership Secretary to enable up-to-date membership records to be kept.

Other organisations provided with invoices, eg new book sales, usually pay by BACS, this information being given on the invoice. Bertrams books, Gardners books, Leicester University and other bookshops are the main users of this facility.

13) Petty Cash

Petty cash of £35 will be kept to provide cash in small amounts for small and immediate purchases and as a float for the bookstall. The value in hand may be increased with the approval of the Trustees. No other cash float is currently in operation. A list of the coin/notes that make up the £35 is maintained in a cash tin. A receipt book is kept in the cash tin and can be used to obtain receipts from third parties where they are unable to provide one. The balance should be maintained at the agreed amount by the treasurer. The petty cash float will be included in the annual audit by an independent person.

14) Expenses

Expenses should whenever possible be claimed by Trustees at the next committee meeting after they are incurred, expenses should be claimed within 3 months of being incurred. An expense claim form must be filled in and accompanied by a receipt for each item where possible. Reimbursement will be made by cheque and not in cash unless the value is below £5. If no receipt is provided then reimbursement will be at the discretion of the treasurer up to a value of £20.

The Fieldworkers do not normally pay expenses for travel by car to Trustees but may agree to do so in particular circumstances where travel is excessive or above the regular duties of the Trustee, currently this is at the Local Government rate of 0.45p per mile. Travel expenses are paid to visiting lecturers and professionals engaged by the Fieldworkers in the furtherance of the aims of the Group.

Issue 6.1: 5th August 2018 After comments from Maynard Davison and John Lacey and prior to the AGM. Addition of mandate text to help the Secretary.