

Coodal – Internal Charity Financial Controls Policy & Procedures

Approved by Trustees: [Insert Date]

Next Review Date: [Insert Date, typically annually]

1. Purpose of this Policy

Coodal is committed to safeguarding its assets, ensuring accountability, and protecting the charity's reputation. This Internal Financial Controls Policy sets out the systems and procedures in place to ensure that:

- Funds are properly accounted for and used only for charitable purposes.
 - Financial decisions are transparent, authorised, and documented.
 - The charity complies with all UK legal and regulatory requirements, including the Charity Commission and HMRC rules.
 - Fraud, misuse of funds, and conflicts of interest are prevented and detected.
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2. Roles and Responsibilities

- **Trustees:** Have overall responsibility for financial management and ensuring robust controls are in place.
 - **Treasurer:** Oversees day-to-day financial operations, reporting, and compliance with this policy.
 - **Staff/Volunteers (if any):** Must follow procedures for handling cash, expenses, and reporting.
 - **Independent Examiner/Auditor:** Provides annual scrutiny of financial records.
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3. Banking and Cash Handling

- All bank accounts must be held in the charity's name.
 - At least **two trustees** must be authorised signatories.
 - All payments (cheques, bank transfers) over **£500** require **dual authorisation**.
 - Bank statements must be reconciled monthly by the Treasurer and reviewed by another trustee.
 - Cash received must be:
 - Counted by **two individuals** where possible.
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- Recorded immediately on a receipt form or income log.
 - Banked within **5 working days**.
 - Petty cash (if used) must be limited to a set float (e.g. £100), with receipts kept for all transactions.
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4. Income Procedures

- All donations must be recorded promptly and issued with a receipt where appropriate.
 - Gift Aid claims must be properly documented and filed.
 - Fundraising income must be counted and recorded by two unrelated individuals.
 - Restricted funds (donations for specific purposes) must be tracked separately.
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5. Expenditure Procedures

- Expenditure must only be for activities aligned with Coodal's charitable purposes.
 - All invoices and expenses must be authorised before payment.
 - Expenses incurred by trustees or volunteers must be:
 - Pre-approved where possible.
 - Claimed using an official expense form with receipts.
 - Paid by bank transfer, not cash.
 - No individual trustee, staff, or volunteer may approve or authorise payments to themselves.
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6. Financial Records and Reporting

- Accurate records of all financial transactions must be maintained using [specify accounting system/spreadsheet].
 - The Treasurer will prepare quarterly management accounts for trustee review.
 - Annual accounts will be prepared in line with Charity SORP (FRS 102) and submitted to the Charity Commission and HMRC as required.
 - All records must be retained for at least **six years**.
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7. Assets and Investments

- A register of all assets (e.g., equipment, property) must be maintained.
 - Assets may only be disposed of with trustee approval and a record kept.
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- If Coodal holds investments, an investment policy must be followed, ensuring compliance with ethical and legal standards.
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8. Fraud, Theft, and Irregularities

- Any suspicion of fraud, theft, or financial misconduct must be reported immediately to the Chair of Trustees.
 - Trustees will investigate and, where necessary, report to the Charity Commission, insurers, and the police.
 - Whistleblowing procedures will protect anyone raising genuine concerns.
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9. Conflicts of Interest

- Trustees and staff must declare all potential conflicts of interest.
 - No one may be involved in approving a payment or financial decision where they have a personal interest.
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10. Review and Monitoring

- This policy will be reviewed annually by the trustees.
 - Internal spot checks of financial processes will be conducted periodically.
 - Trustees will ensure that all staff and volunteers handling money are trained in and understand these procedures.
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Adoption Statement:

This Internal Charity Financial Controls Policy was approved by the Trustees of Coodal on [insert date].

Signed: _____ (Chair of Trustees)

Date: _____

Template 1:

Income Log / Cash & Donations Record

Coodal – Income Log

Date	Source of Income	Description (e.g. event, donor name if consented)	Payment Method (Cash/Bank/Card)	Amount (£)	Counted by (Name & Signature)	Verified by (Name & Signature)	Banked Date	Notes
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Notes:

- At least **two people** should count cash together.
- Always bank within 5 working days.

Template 2:

Expense Claim Form

Coodal – Expense Claim Form

Claimant Name: _____

Role (Trustee/Volunteer/Staff): _____

Address (for payment reference): _____

Date	Item/Description	Purpose (linked to charity activity)	Amount (£)	Receipt Attached (Y/N)
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Total Amount Claimed: £ _____

☐ I confirm that the above expenses were wholly, exclusively, and necessarily incurred on behalf of Coodal.

Signed (Claimant): _____ Date: _____

Approved by (Trustee/Treasurer): _____ Date: _____

Payment Method: ☐ Bank Transfer ☐ Cheque

Template 3:

Bank Reconciliation Sheet

Coodal – Monthly Bank Reconciliation

Month: _____ Account: _____

Step 1: Bank Statement Balance

Balance per bank statement (date:) = £ _____

Step 2: Add Deposits Not Yet Credited

- List deposits not yet shown on bank statement:
£ _____ + £ _____ = £ _____

Step 3: Deduct Payments Not Yet Cleared

- List outstanding cheques/payments:
£ _____ + £ _____ = £ _____

Step 4: Adjusted Bank Balance

£ _____

Step 5: Compare with Charity Records (Cashbook/Accounts)

Balance per records = £ _____

✓ If balances match → Reconciliation complete.

✗ If not, investigate differences and record explanation.

Prepared by: _____ Date: _____

Reviewed by (Trustee): _____ Date: _____

Template 4:

Gift Aid Declaration (for donors)

Coodal – Gift Aid Declaration Form

I want to Gift Aid my donation of £_____ and any donations I make in the future or have made in the past 4 years to **Coodal**.

- I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year, it is my responsibility to pay the difference.
- Please notify Coodal if you:
 - want to cancel this declaration,
 - change your name or home address, or
 - no longer pay sufficient tax on your income and/or capital gains.

Donor Name: _____

Address: _____

Postcode: _____

Signature: _____

Date: _____
