

# Financial Controls Policy for MySmallHelp - UK registered charity no. 1123830

Document Owner: The Board of Trustees

Updated to: October 2025

Date of Next Review: Annual on approval of financial statements

## 1. Scope and Purpose

### 1.1 Scope

This policy applies to all financial transactions, assets, liabilities, and personnel (Trustees, staff, and volunteers) involved in the financial management of MySmallHelp charity.

### 1.2 Purpose

The purpose of this policy is to:

1. Ensure that the financial affairs of the charity are managed legally, efficiently, and in accordance with the governing document and regulatory requirements (Charity Commission and HMRC).
2. Establish clear procedures and delegated authorities to safeguard the charity's assets and minimise the risk of fraud, error, and mismanagement.
3. Ensure accurate, timely, and complete financial reporting to the Board of Trustees.

## 2. Roles and Responsibilities

Role	Core Financial Responsibilities
Board of Trustees (6)	Ultimate legal responsibility for the charity's financial health, solvency, and compliance. Approving budgets, annual accounts, and major expenditure over the delegated limits. Setting the reserves policy.
Treasurer (1)	Overseeing the charity's day-to-day financial operations. Maintaining accurate accounting records. Preparing and presenting financial reports to the Board. Acting as a principal bank account signatory.

## 3. Banking Arrangements and Payments

### 3.1 Bank Accounts

All funds must be held in bank accounts in the name of the charity, approved by the Trustees. The Treasurer is responsible for reconciling all bank accounts monthly.

## 3.2 Authorised Signatories

To ensure the principle of "dual control" all significant transactions must be authorised as set out in this policy. The list of authorised signatories shall be approved by the full Board and recorded in the minutes. The current authorised signatories are:

1. The Treasurer
2. Any other Trustee

On-line payments are made by the Treasurer based upon transaction approval from the Trustees.

## 3.3 Expenditure Authority Limits

No expenditure may be committed without prior authorisation, and all payments must be supported by valid documentation (invoice, receipt).

Type of Expenditure	Maximum Limit	Required Authorisation
Minor Operating Costs	Up to £250	Treasurer (or designated Trustee)
Mid-Range Costs	£250 to £3,000	Two authorised signatories
Major Costs / Capital Items	Over £3,000	Full Board of Trustees (Minuted)

# 4. Financial Procedures

## 4.1 Income and Receipts

1. All donations, grants, and other income must be recorded immediately in the accounting system upon receipt.
2. All cash donations must be counted and recorded by two people (where practical) and banked without delay.
3. Only the Treasurer is authorised to agree and set up standing orders or direct debits for incoming funds.

## 4.2 Handling of Cash

The holding of cash is to be minimised. Any petty cash floats must be regularly reconciled, and a maximum float of £50 must not be exceeded.

## 4.3 Credit Cards and Loans

The charity will not hold commercial credit cards. The charity will not take out any loans or overdrafts without the specific, minuted approval of the entire Board of Trustees.

## **5. Record Keeping and Reporting**

### **5.1 Accounting Records**

1. The Treasurer is responsible for ensuring all financial transactions are recorded promptly using the charity's Pandle cloud based accounting system maintained on a cash receipts and payments basis.
2. Records must be retained for at least six years from the end of the financial year to which they relate (HMRC and Charity Commission requirement).

### **5.2 Financial Reporting**

The Treasurer shall present the following to the Board of Trustees at every scheduled meeting (minimum quarterly):

1. Statement of Financial Activities (Income and Expenditure).
2. Balance Sheet (Assets and Liabilities).
3. Comparison of actual project expenditure against the approved budget.
4. Bank reconciliation statements.

### **5.3 Independent Examination / Audit**

The Board of Trustees is responsible for arranging an independent examination or statutory audit of the annual accounts, depending on the charity's size and legal obligations.

## **6. Review and Breach**

### **6.1 Review**

This policy will be formally reviewed by the Board of Trustees annually or following any significant changes in the charity's operations or regulatory environment.

### **6.2 Breach**

Any breach of this policy must be reported immediately to the Chair of the Trustees. Serious breaches, particularly those involving potential fraud or financial loss, must be reported to the Charity Commission.