





Statement of intent

This financial controls document is designed to provide guidance in the standard financial procedures performed by Aiming Higher. It provides basic details of its financial procedures; and is not designed to outline the procedures in detail.

The financial controls document is to be updated whenever a change has occurred. This document is to be reviewed annually and adjusted where necessary.

Aiming Higher will maintain its financial records in order that it can:

- meet its legal and other statutory obligations including but not limited to, The Charity Act 2011, Her Majesty's Revenue and Customs legislation and Common Law,
- enable the trustees to apply good governance and be in proper financial control of the Charity,
- enable Aiming Higher to meet the contractual obligations and requirements of its funders.

Aiming Higher will keep proper books of accounts, which will include:

- a cashbook or software analysing all the transactions in Aiming Higher's bank account(s),
- a petty cash book or software record, if cash payments are to be made,
- relevant HMRC taxation records in accordance with current legislation and reporting requirements,
- the financial year will end on the 31 March each year,
- accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting,
- Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year,
- a report comparing actual income and expenditure with the budget will be presented to the trustees every three months,
- the AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM.
- The trustees will review and agree changes. Changes will be tracked.

Purpose



The accounts of Aiming Higher are the responsibility of the Board who take financial decisions on an informed basis. They are responsible for ensuring that proper financial procedures exist and are implemented. The Board comply with the Charity Commission Pension Rules for Charities guidance and the regulations of:

- the Charity Commission,
- Funders,
- Inland Revenue,
- Pensions Regulator.

Policy Statement

In order to comply with the Charity Commission's Statement of Recommended Practice (SORP) Aiming Higher is required to produce accounts for each annual accounting period which:

- show a fair view of the financial transactions of the Charity during the financial year and of the amount and disposition at the end of the Charity year of the assets and liabilities.
- contain information specified in the Charity Accounting Rules that includes a statement confirming that the accounts have been prepared in accordance with the Statement of Recommended Practice (SORP).

On behalf of the Trustees, the Treasurer directs the preparation of the accounts by the Independent Examiner working to agreed suitable accounting policies that are applied consistently making judgements on a reasonable and prudent basis.

Trustees are responsible for approving organisational budgets in advance of their implementation and delegating the implementations of the plan to the staff who then work within the authority limits.

Trustees exercise control by monitoring performance against budgets. They receive regular financial overview updates with comparisons against budget, with explanations of significant variances and recommendations for action.

The Trustees are also responsible for making available each year, commonly in the form of a Trustees' Annual Report, information about the funds as prescribed by the SORP, which is consistent with the professionally audited accounts it accompanies.

The Trustees are advised by the Treasurer who has a financial responsibility for ensuring that adequate accounting rules are kept and for taking such steps as are reasonably open to him or her to safeguard the assets and to prevent and detect fraud and other irregularities.



The accounts are independently examined or audited by a professional Independent Examiner in accordance with Charity Commission Accounting Regulations.

Accounting Software

Aiming Higher maintains its accounting records using Quickbooks and 12pay accounting software. Data backups are carried out daily.

The accounting program is password protected, with user access only granted to authorised personnel:

- The Chair of the Board of Trustees
- The Treasurer

This system is to be reviewed annually to determine if it meets the needs of FW accounting requirements.

Management Accounts

The basis of the management accounts is to be reviewed on a regular basis to determine if it meets the needs of Aiming Higher.

Bank and Deposit Accounts

Aiming Higher has a current account and savings account with Lloyds Bank. The Board have the authority to open alternate deposit accounts provided the Treasurer recommends such deposits and it is agreed by the majority of the Board.

The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and recorded in meeting minutes by the Trustees.

Aiming Higher will require the bank to provide statements every month and these will be reconciled with the cash book no less frequently than every three months. The Treasurer will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly

The charity will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the trustees.

Payment Authorisation

Our charity has a comprehensive process in place for authorising payments to ensure transparency and accountability in financial transactions. Our process and procedures are as follows:



- We have a list of authorised staff members who are allowed to make payments. This list is updated and reviewed regularly.
- Each staff member is assigned a payment limit based on their role and level of responsibility. For example, a junior staff member might have a limit of £50, while a senior manager might have a limit of £2,000.
- Any payment that exceeds an individual's limit must be approved by a higher level of authority. For example, payments over £2,000 require approval from a charity manager.
- Payments up to £5,000 must be approved by the Chair and Treasure.
- Payments over £5,000 must be approved by the rest of the board
- We require a minimum of two unrelated people to authorise all payments. This means that the person requesting the payment cannot be one of the people authorising it. For example, if a staff member is requesting a payment, they cannot be one of the two people authorising that payment.
- The authorising staff members must sign off on all payments to verify that they have reviewed and approved them.
- We have a system in place to track all financial decisions and payments, which includes maintaining a record of the date, amount, recipient, and reason for each payment.
- Financial transactions and payments are reviewed by our Treasurer on a regular basis to ensure that they comply with our policies and procedures.
- We limit access to payment-related information, such as account numbers, to authorised staff members only.

By following these processes and procedures, we ensure that all financial transactions and payments are properly reviewed and approved, reducing the risk of fraud or misuse of funds.

Receipts (income)

All monies received will be recorded promptly and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc). Aiming Higher will maintain files documentation to back this up:

- Upon receipt of funds, a banking deposit slip is created detailing the amount received, and whom the funds were received from.
- Ideally receipts should be banked daily, because of the nature and size of Aiming Higher activities banking daily may not be realistic.



- All amounts received should be banked intact. Payment of expenses should not be made from funds received.
- When banking is not performed daily, any cheques and cash on hand should be stored in the safe.
- Any remittance advices or other documents accompanying the receipt should be retained and filed in the sales invoice file.
- Amounts received should be posted into the accounting software weekly.
- When amounts are received for the payment of invoices, the office copy of the invoice should be annotated to indicate that it has been paid.

Bank Reconciliation

A bank reconciliation must be prepared for the bank account at the end of each month. Copies of the bank reconciliation should be printed and reviewed, on a monthly basis, by the Treasurer.

Any differences between the nominal ledger and the bank balance are not to be written off, without careful investigation and explanation of the difference to the Treasurer.

Financial Procedures

- Standing Financial Procedures. Internal controls ensure that accounting records are complete and accurate and that the assets of the organisation are properly looked after. Aiming Higher has agreed standing financial Instructions.
- The Accounting Records show the financial position of the Charity at each month end are never more than a month in arrears, and an independent auditor examines them annually. The Treasurer and Trustees use the accounts internally.
- Interim Management Accounts with reports are prepared in order for the Trustees to monitor progress and take financial decisions. The accounts show actual against budgets and future projections.

Published year-end accounts showing the financial position of the whole Charity are produced for approval by the Trustees and include a report by the Independent Examiner. The annual accounts together with the annual report are a public document and are circulated as appropriate.

All accounting records, including supporting documents are retained for a period of six years.

Online Banking



A Dual Authorisation system is in use with Aiming Higher's online banking. This means that 2 people will complete third-party payments electronically with one person to create a payment request (the Originator) and the other to authorise the payment (the Authoriser).

While cheque payments are being phased out, there may be occasions where this form of payment has to be used. Any cheques require two signatures.

Blank cheques will NEVER be signed.

The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. Supporting documentation will always be presented to the signatory when a request is made to approve a cheque or online transaction.

No cheques should be signed, or online transaction approved without original documentation (see below).

Income

All income is banked intact (cash receipts should not be retained for cash purchases).

A receipt is issued for all income other than that from major funders (including grants, bursaries, reimbursements etc).

All income is banked as soon as is practical and always by the end of the calendar month in which it is received. Income is held in a locked filing cabinet or safe until it is banked.

Wages, Salaries and Payroll

The payroll is run by Aiming Higher.

All staffing matters must be authorised by the Board, both in relation to the hiring of new staff, changes of terms and conditions and salary amendments.

There will be a clear trail to show the authority and reason for EVERY such payment, e.g., a payment requisition asking for payment to an employee, the Inland Revenue, etc. All employees will be paid within the PAYE National Insurance regulations.

All staff appointments/departures will be authorised by the Board, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the Board.

Staff salaries are paid monthly in twelve equal payments. Staff are paid on the 28th day of each month or on the last working day before the 28th, if the 28th falls on a weekend.

All staff are paid directly into the Bank or Building Society account of their choice via BACS.



Expenses and Subsistence

Everyone is required to claim expenses regularly and not allow a large indebtedness to accumulate.

To ensure they are not out of pocket, volunteers' travel expenses can be paid by BACS transfer on request.

Aiming Higher will, on receipt of Expenses Claim Forms, reimburse:

- fares when evidenced by tickets
- other authorised expenditure when evidenced by original receipts,
- car mileage based on local authority scales and incurred whilst on Aiming Higher business,
- no signatory signs for the payment of expenses to themselves.

Two signatures are required for each purchase made on behalf of Aiming Higher provided the expenditure is from a previously approved budget or approved by the Chair of the Board of Trustees. This authority does not cover any lease or recurring annual agreement. These are referred to the Board.

All requests for payment must be made in advance on the attached slip, to ensure time for signatures to be collected.

The Board approves all items of £500 and over and all expenditure from an unapproved budget or where the budget for the year is fully spent.

Fixed Assets

Trustees are required to safeguard the assets of the Charity and ensure that they are used for the charity's objectives. Aiming Higher will maintain a fixed asset register:

- Any item of equipment costing in excess of £2,000 is capitalised in the accounts and included on the fixed assets register, it is subsequently depreciated in accordance with Aiming Higher's depreciation policy as stated in our audited accounts.
- An up-to-date inventory is maintained which shows all major items of equipment costing in excess of £2,000. The inventory shows when the item was purchased, the cost of the item and its location and condition. The serial numbers of equipment (if applicable) are also listed and/or other appropriate details for insurance purposes in case of the Aiming Higher.
- Periodic physical checks of equipment are made.

Debtors and Invoices



Aiming Higher does not sell services or goods. This section will be reviewed if this changes.

Inventory

Aiming Higher does not own any items, which could be considered as inventory. This section will be reviewed if the need arises.

Accruals

The organisation has minimal accrued expenditure other than its normal creditors. Accruals will be calculated as part of the month end process.

Management Accounts

Management accounts and accompanying commentary are to be prepared by the Treasurer the end of the second week of each month.

Management accounts are to be presented at all Board meetings and the management accounts pack will consist of:

- Profit and Loss,
- Balance Sheet,
- Comparison of Budget versus Actual,

Document Retention

All financial documents will be retained in secure storage for at least 7 years.

Value Added Tax (VAT)

Aiming Higher is exempt from VAT but should review its VAT situation annually.

Bank Mandates

Bank Mandates should be retained for all bank accounts. The bank mandates should show:

- Cheque Signatories for each account
- Financial limits for each cheque signatories
- Authorised officers for transferring funds between accounts/forms of investments and financial limits.
- Authorisation levels should be reviewed annually.

Incoming Post



All items of post will be date stamped.

All post will be opened by the Charity Manager only.

All payees to Aiming Higher should be requested to make payments by electronic transfer, not cash. Cheques will be accepted.

Insurance

Aiming Higher is to have adequate insurance coverage over all of its assets.

Aiming Higher is to have adequate insurance coverage for public liability.

Aiming Higher is to have adequate insurance coverage employee, director and volunteer indemnity.

Aiming Higher is to have adequate insurance coverage for Business interruption.

Insurance coverage is to be reviewed regularly to ensure that they have adequate coverage and obtaining value for money.