
Financial Procedures



August 2022

Introduction

1. Lincolnshire Youth Mission Limited (LYM) is a company, limited by guarantee, and also registered as a charity with the Charity Commission. The Company number is: 5857849. It will trade as "Lincolnshire Youth Mission" or "LYM". (Hereafter called "LYM".) It is also a registered charity with the Charity Commission number 1122905.
2. There is also a bank account in Boston for Roadhog, which will remain live for the time being to receive standing orders still operating. This is with Lloyds TSB Boston (confidential data removed)
3. The registered offices of the company are at :
Shepherd's Cottage,
11 High Street Carlton le Moorland,
Lincoln,
LN5 9HT
4. The key working offices, for correspondence and contact, of LYM are as above.
5. The Company was incorporated on 26th June 2006. Its financial year will run to 31st March annually.
6. The Company will hold board meetings at least twice a year.
7. Any changes to these Financial Regulations must be made at a meeting of the Board, having been previously notified.
8. References to "Directors" within these financial Regulations also include "Members" and "Trustees" of LYM. All references to gender equally apply to both genders.
9. Nothing in these Financial Regulations will be deemed to replace in any way any part of LYM's approved "Memorandum of Association" and/or "Articles of Association". These latter two documents take precedence in all matters.

Appointment, Payment and Termination of staff

1. All new appointments, changes to employment contracts and termination of staff contracts must be approved by the Chairman, or Vice Chair, and reported to the next Board meeting.

2. Details of all payments for staff and volunteers should be reported to the Treasurer so that suitable pay and payments can be promptly arranged.
3. All regular, employed staff will be paid monthly. They are paid on the 14th of each month for the month in question.
4. Regular, employed staff will be paid by a credit into their bank account. Other staff or volunteer payments for pay and expenses will be made by cheque, usually within 14 days of receipt of an authorised pay or expenses claim.

Orders for Goods and Services

1. All orders for goods and services over £50.00 including VAT should be agreed by an authorised director (for Orders), see Appendix 1, before they are placed. Copies of the order or an email/note about the order should be passed to the Treasurer, showing the details of items being purchased and the name of the authorised director giving approval.
2. All orders for goods and services having a value of over £500 (including VAT) must be approved and agreed in advance by two authorised directors. See Appendix 1.
3. By **authorising an order**, the director involved is agreeing:
 - That the goods or services are necessary to LYM for its work;
 - That the cost involved appears reasonable and is included within the agreed budget;
 - That, for large items, there are sufficient funds to cover payment of the invoice when received;
 - That the director involved is satisfied with the quality and type of items being purchased.
4. Any director may refuse to sign an order and refer the matter to the Chair or other *Executive* director for their agreement. The order can also be held over and discussed at the next Board meeting.

Payment of Invoices

1. A list of authorised directors who can sign invoices, for differing values, is shown on Appendix 1.
2. By **signing an invoice**, the director involved is agreeing:
 - That the goods or services received are for use within LYM;

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- That the goods or services have been received in full and are satisfactory;
 - That the cost is the same as shown on the authorised order (or there is a valid reason for any change);
 - That the director involved is satisfied with the quality and quantity of items received by LYM.
3. Invoices received for payment will normally be paid within the credit terms laid down unless they cannot be authorised because of a query. In such cases the creditor will be contacted about this. Where payment terms are not stipulated they will be assumed to be 30 days from receipt of invoice.

Petty Cash

1. Petty Cash advances will be authorised by the Treasurer where necessary only. A sum representing about two months estimated expenditure will normally be advanced.
2. This sum can only be used for small items (up to a maximum value of £50 each inc VAT.) Expenditure above this should be handled by an invoice & cheque or agreed specifically with the Treasurer.
3. All receipts and a summary of expenditure should be maintained by the Petty Cash holder and given to the Treasurer for reimbursement on a regular basis. The summary should show:
 - A list of items purchased with a short description and amount paid
 - A total of this cost above
 - The cash still remaining at this date
 - The total petty cash sum held
4. In addition, expenditure will be reimbursed at the end of each financial year on or after 31st March annually.
5. The petty cash sum will be the responsibility of a named officer and must be kept secure and safe ideally in a locked drawer.

Debtor Invoices

1. Where it is appropriate to raise an invoice against a debtor, the details for this will be passed to the Treasurer for action including complete contact details.
2. Invoices will be raised as soon as possible and payment will be expected within 30 days of the date of the invoice.

3. Outstanding invoices will be pursued regularly and sums outstanding for more than 30 days will be further invoiced as a reminder and then followed up by telephone.
4. No VAT will be charged for any invoice raised.

Receipts and Income

1. All cheques and cash received should be banked promptly into LYM's bank account by any director, employee or recognised person of the company using the details shown above. All details and papers involved for such receipts should then be forwarded promptly to the Treasurer.
2. All receipts and cash received from all sources will normally be paid into the bank gross, without any deductions for expenses etc, unless agreed otherwise by the Treasurer.

Travelling and Other Staff Expenses

1. All expenses will be paid monthly in arrears by cheque as soon as practical after the end of the month involved. All claims must be certified by the supervisor appointed by the Board or, in his/her absence, the chair or vice chair.
2. Public transport fares will be reimbursed at cost. Mileage rates for vehicles will be paid at the approved current Inland Revenue level, 40 pence per mile. Normal home to work travelling is not included. All journeys will be paid based upon the shortest distance involved. All long journeys (over 100 miles including return) must have prior approval from your supervisor. Car parking costs will be repaid at cost subject to the presentation of receipts.
3. Other necessary expenses required should be agreed in advance with your supervisor.
4. Expenses (with suitable receipts attached), and travelling claims, should be submitted on a monthly basis, by the 10th of the following month, to your supervisor for authorisation. Repayments will normally be made by cheque within 14 days after the claim has been received.
5. Any claim for incurred expenditure not submitted within six months and in any event by the end of the financial year on 31st March annually, may be rejected by LYM, if there is not a reasonable explanation for its delay.

Banking Arrangements

1. All new bank accounts, changes to accounts and closure of bank accounts must be authorised by a Board meeting.
2. All financial transactions will be carried out through LYM's current bank account.
3. The cheque book will be held by the Treasurer. Signature arrangements are shown at Appendix 1.
4. All payments, to be made, will already have been checked and signed by a different officer as shown above in "Payment of Invoices". *At least two different directors are required to be involved for all payments between: authorising the order, signing the invoice and finally signing the cheque.*
5. Any direct debit arrangements set up will be approved and signed for by the two directors shown in Appendix 1. The matter will be reported and noted at the next Directors' meeting. All direct debit arrangements in operation will be reviewed annually at the start of each new financial year (1st April) by the Treasurer and agreed with the Chairman.

VAT

1. The Charity is not registered for VAT. This matter will be reviewed as the company develops.

Inventory

1. An Inventory will be maintained of all assets and equipment owned, rented, leased or otherwise used by the company. Any asset bought, or donated, to LYM with a purchase or replacement value in excess of £50 should be included in the Inventory. The Inventory should also include any item deemed appropriate by the board to be included, in addition to the above definition.
2. This Inventory will be the responsibility of an agreed nominated director and it will be presented to the board on an annual basis for confirmation and approval. Write-offs, changes and amendments to the inventory will be made at this annual meeting, or at other meetings of the board by agreement.

3. The Inventory must be held in a suitable form determined by the nominated director subject to the agreement of the board as long as it contains the details set down in this section.
4. Each year a complete check of the Inventory will be made by the nominated director together with a second director prior to the annual report set down below.
5. Additions to the inventory can be made at any time by any officer of LYM through the nominated director.
6. Details contained within the Inventory will include:
 - A text to describe the asset
 - Its location
 - Date of original entry into inventory
 - Name of person entering item
 - Any serial, reference numbers or markings to identify it
 - Its value (purchase price or approximate replacement cost inc VAT)
 - Ownership status (LYM owned, rented, leased, on loan)
 - Its state or condition (for example new, broken, in need of repair etc)
 - Estimated year of manufacture
 - Any other relevant data felt appropriate
7. Suitable arrangements must be made and agreed by the person responsible for each asset with the nominated director to protect, secure and avoid deterioration of all items within the Inventory. The nominated director should also report on this annually.
8. All purchases must be permanently marked "Property of LYM" in a clear, but discrete position.
9. Any damage to property must be reported to the Director responsible for Health and Safety.

Reporting Arrangements to the Board

1. A financial statement will be produced for each regular board meeting. This will show the actual costs and income to date in the financial year. It will also show how actual costs and income compare to the agreed budget.
2. LYM will not approve a deficit revenue budget and also ensure that, as far as possible at any time, forecast expenditure during each financial year will always be equal to or below the forecast income for the year. Further, total assets at any time on LYM's balance sheet will always exceed total liabilities.

3. A suitable revenue reserve will be held to handle any unexpected expenditure or liability that may arise during the operation of LYM.
4. All adverse & favourable variations of 3% above or below budget will be highlighted. The board should determine how these will be handled at each regular meeting.
5. If any financial matter adversely affecting the sound running of LYM is discovered, the Treasurer will notify the Chairman, who will determine if an emergency meeting of the board should be called.

Audit Arrangements

1. The board will appoint auditors for LYM to audit the annual financial statements and also examine the accounts and documents relating to LYM during the year.
2. The appointed auditors will have the right to see and copy any document relating to LYM and speak to any officer and director.

General Data Protection Regulations

1. All personal data held will be managed in line with the requirements of the General Data Protection Regulations
2. All data will be kept secure and for agreed purposes only.
3. A nominated director will act as the Data Protection Officer.

Insurance

1. LYM will consider insurance of any assets that it owns as deemed appropriate by the board. (This may be comprehensive cover, catastrophic cover or self-insurance. Equally, a policy of "risk-reduction" may be operated by setting down instructions for the particular use and security of agreed assets.)
2. Appropriate risk *and statutory required* insurance cover will also be taken out to protect directors, staff and volunteers. This may include: public liability insurance, employer's liability insurance and professional liability insurance.
3. Insurance cover will be reviewed regularly. "Best Value" will be sought from any insurance policies taken out by obtaining two or more quotations, but ensuring that the terms and cover involved are suitable to the needs of LYM.