



Ascend Adventure Financial Procedures Policy

This policy sets out the key financial procedures to be followed within Ascend Adventure Limited. The procedures have been agreed by the Directors and are designed to ensure the accuracy and completeness of financial records as well as minimise the risk of material error or fraud. Failure to follow them may raise a disciplinary issue.

If, for any reason, the procedures are not followed, the circumstances surrounding this must be reported to the Operations Manager at the earliest opportunity.

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Financial records will be kept so that the Directors can:

- Meet their legal obligations under the Companies Act, and other relevant legislation
- Monitor and plan the finances of the organisation
- Meet the contractual obligations and requirements of funders

The Financial year will end on 31st December each year.

1. General Financial Objectives

- 1.1. A number of basic principles lie at the heart of the financial systems and procedures of Ascend Adventure Limited
- 1.2. Core activities should be financed by income streams that are as secure as possible.
- 1.3. A diversity of income streams is our preferred approach to funding Ascend Adventure business.
- 1.4. New activities must be appropriately financed, before they commence. All applications for project or on-going funding must be approved by the Operations Director, with guidance from the Ascend Adventure Financial Consultant if deemed necessary.
- 1.5. As far as possible, any fees charged should not prevent groups most in need from accessing Ascend Adventure services.
- 1.6. If you are an employee, this policy does not form part of your contract of employment and it can be amended at any time.

2. Pricing, invoicing & debt control

- 2.1. All prices for services must be approved by the Operations Director and the Program Director.
- 2.2. Generally, it is the responsibility of the staff member conducting the work to ensure appropriate records are kept to raise an invoice and, where appropriate, a standing order mandate, is raised.
- 2.3. All Ascend Adventure invoices will be raised in the QuickBooks system.
- 2.4. The Operations Director will check on a quarterly basis (annually for the accounts) that all invoices have been raised.
- 2.5. As payments are received, this shall be entered onto the QuickBooks system at least monthly and prior to reconciliation of accounts.
- 2.6. In the event of non-payment, the Operations Director can issue instructions, at any time, to cease any or all other services till the debt is cleared.
- 2.7. The Operations Director will seek approval from the Finance Consultant for writing off any bad debts.

3. Incoming Resources

- 3.1. All income will be banked (see 3.7)
- 3.2. All customer payments received in the office (ie not online) will be recorded on a sequentially numbered Deposit Sheet within QuickBooks, with relevant documentation stapled to the back.
- 3.3. Income received in the office is either banked by the Administrator or Operations Director by the end of the normal working week. Any cheque over £1,000 must be banked, if possible, on the day it is received.
- 3.4. For invoices, paper copies are not maintained, and the majority of clients pay online.
- 3.5. Any donations or similar income received will be acknowledged in writing with a copy of the letter filed with the banking sheet.
- 3.6. On occasions, income is received in the form of cash this will be paid into the bank on the day it is received if possible, and not later than the end of the working week.
- 3.7. Cash income will be received via the i-Zettle app which is synched with Quickbooks

4. Payments by cash

- 4.1. Wherever possible, payments will be made by cheque, BACs, iZettle or online not cash.
- 4.2. As required, money shall be drawn from the bank by the Operations Director to 'top up' the petty cash float. The amount drawn should normally be £100 and must not exceed £200 in any one week.
- 4.3. The tin will be maintained by the Operations Director, but all staff have access to the tin.
- 4.4. Whenever cash is taken from the tin, either:
Receipts matching the exact amount, attached to a completed petty cash voucher, will be placed in the tin, or;
A note indicating the amount withdrawn, date and name is placed in the tin, to be removed when the change and receipts are put in.

- 4.5. At least monthly, the transactions will be recorded by the designated employee in the QuickBooks system and a cash count taken to verify the balance.
- 4.6. Payments by cash should be within the overall budget. If staff are in any doubt, they should check with the Operations Director beforehand.

5. Payments by cheque

- 5.1 All invoices, once received have the date written on them, and the cheques written by the Operations Director and co-signed according the bank mandate.
- 5.2 The invoice will be marked with the date and cheque number.
- 5.4 The invoice, or relevant paperwork, will be filed in the expenditure file by the Operations Director who will enter all payments as part of the QuickBooks system at least monthly marking the paperwork with “QB” once entered and re-filing in the appropriate section.
- 5.5 Payments must be within the agreed budget.

6. Payments Online, by Direct Debit or standing order

- 6.1 This method of payment is preferred over payment by cheque.
- 6.2 Online payments to suppliers in relation to Ascend Adventure Limited over the value of £200 must be authorised by at least 2 Directors.
- 6.3 Any standing order or direct debit instruction must be authorised in accordance with the general bank mandate.
- 6.4 Copies of all direct debit and standing order instructions will be maintained with the bank mandate file.
- 6.5 Payments on the individual Co-operative Bank Debit Card for Ascend Adventure Limited (Melanie Wheeler) must be authorised by two Directors if over £200
- 6.7 All receipts for debit card and online purchases must be given or sent to the Operations Director, electronically or in paper form, preferably by the end of each working week and definitely by the end of each month.

7. Payments of Salaries and Pension

- 7.1 Monthly salaries will be calculated by the Operations Director, and paid into the employees' bank accounts by the 27th day of each month.
- 7.2 The payments will be made using BACs – using the HMRC Basic PAYE RTI software for calculations and payslip generation.
- 7.3 Employer Pension contributions will be paid monthly, usually by standing order, or by direct debit. Change instructions will be authorised in accordance with the bank mandate, following any change in salaries.
- 7.4 As part of the preparation of annual accounts, the Operations Director should ensure that the correct pension payments have been made.

8. The Bank Mandate

- 8.1 The mandate is determined by the committee and recorded in the minutes.
- 8.2 For payments by cheque:
- 8.3 Signatories will be two unrelated members of the Board of Directors.
- 8.4 All cheques are to be signed by two signatories.
- 8.5 For the online banking system, the Operations Director only has an identifiable key token log in, kept securely in a locked filing cabinet.
- 8.6 The Operations Director is responsible for ensuring that the bank mandate is kept up to date following any change in signatories.

9. Payment of Expenses

- 9.1 Fuel for Ascend Adventure vehicles is paid directly via the Co-operative bank using the relevant Debit Card, receipts should be provided to the Operations Director ideally by the close of each week, definitely by the end of the month.
- 9.2 Other expenses will be reimbursed on production of a valid receipt, subject to authorisation being sought before purchase as laid out in 6.2 and 6.3

10. The Accounting System

- 10.1 All accounting records for Ascend Adventure Limited will be maintained on the QuickBooks system. For the online (cloud) system, the Operations Director is the master administrator, the Finance Consultant has accountant access to the system.
- 10.2 The Operations Director is responsible for input and reconciliation of all accounts, with support from the Finance Consultant.
- 10.3 The Operations Director will reconcile the entries to the bank statements monthly.
- 10.4 Income and Expenditure categories and Projects are agreed by the Directors as part of the budget process.
- 10.5 The Operations Director is responsible for registering for VAT once the threshold is reached and this becomes relevant.

11. The Filing System

- 11.1 All accounts files shall be maintained for 6 years.
- 11.2 The following files are required:
 - Bank Statements in sheet order.
 - Income file with income sheets (with relevant documents attached) filed in date order.
 - Expenditure file with invoices in supplier order and petty cash receipts in an envelope for each month.Where possible backing documents will be filed as attachments rather than printed out.
- 11.3 The Operations Manager will also keep all PAYE files.
- 11.4 The Operations Director will keep files for the bank mandate with standing order or direct debit instructions, pension details, budget details, correspondence with all funders and Director Meeting Minutes.
- 11.5 A fixed asset account will be maintained by the Operations Director in Quickbooks, showing depreciation.

12. The Reporting System

- 12.1 On a quarterly basis, the Operations Director will draw up budget variance reports, and any other reports that may be requested, for the Directors meetings.
- 12.2 The Operations Director will submit all necessary reports to funders, with support from the Program Director and the Business Development Consultant.
- 12.3 Finance & General Purposes Director meetings should be scheduled to fall three weeks after the end of each financial quarter period.

13. The Annual Report and Accounts

- 13.1 Each year the accounts of Ascend Adventure Limited will be subject to an external scrutiny by the Finance Consultant as they are currently exempt from Audit in accordance with relevant legislation.
- 13.3 The Operations Director is responsible for producing the draft Annual Report and Accounts for consideration by the Board of Directors.
- 13.4 The Operations Director is responsible for ensuring that accounts and annual returns are filed as required to Companies House and the HMRC.

14. Salary Review Process

- 14.1 Staff salaries would be reviewed Annually at year end. The recommendations for salaries would be incorporated into the draft budget.

15. The Budget

- 15.1 The following steps form the usual procedure for preparation of Budgets within Ascend Adventure Limited.
- 15.2 In October/November, the Directors will consider the plans for the following year. These should be broadly consistent with any longer term plan already in place. Where the year plan differs significantly from the longer-term plan, this may warrant a revision to the longer-term plan.
- 15.3 The Operations Director will draw up a proposed budget, in consultation with the Program Director for consideration in December.

15.4 The draft budget should include a written explanation of the underlying basis for all figures including any estimates or assumptions. It will also include a proposed scale of charges and pricing structure for all services.

15.5 Once the budget is set, expenditure may be committed as follows:

- If within the budget, expenditure below £100: any member of staff or Director may action
- If within the budget, expenditure over £200 requires approval of two Directors
- if not within the approved budget, expenditure under £500 may be approved by two unrelated Directors.
- If not within the budget and over £500 approval from four Directors is required. This may be by electronic means if time is short.

15.6 The budget is a guide. It is not used to provide absolute limits for specific categories of expenditure; however, any material variance must be reported by the Operations Director who is accountable for such variances.

16. Reserves

16.1 Once a year (at the budget meeting) the Directors will consider the level of reserves that it is prudent for the organisation to hold. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account if the organisation were to close.

The Operations Director, in consultation with the Program Director, will be responsible for taking out appropriate insurance.

These procedures will be reviewed every year.

Policy Review

This policy was last reviewed on: 17th January 2021

Date of next review: 17th January 2022