

Finance Policy

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About TalentEd

TalentEd is a registered charity, committed to delivering services that address the following objectives:

1. The advancement of education; and
2. The relief of those in need by reason of financial hardship or other disadvantage

We do this by supporting high ability students from low income backgrounds to help realise their full academic potential.

1. Policy Statement

Talent-Ed Education Ltd is a registered Charity and Company Limited by Guarantee. As a charity, the Trustees are committed to ensuring it maximises its revenues adopting procedures that divert as much of this revenue to ensuring our beneficiaries receive the maximum impact.

TalentEd has established and maintained financial procedures to comply with the relevant laws and accepted financial standards set out by HMRC (Her Majesties Revenues and Customs) and the Charities Commission.

TalentEd work to meet this commitment by:

1. Identifying and assessing any and all financial risks to which the charity will be exposed and introducing specific measures to reduce these risks
2. Building, adopting and reviewing effective working practices, systems and procedures to manage, monitor, report and analyse financial matters.
3. Providing sufficiently skilled supervision, relevant instructions and appropriate training to all levels in finance and job specific skills
4. Encourage staff to contribute their own ideas for new and improved finance procedures.
5. Establishing monitoring and reporting procedures to ensure that financial standards are being met. Keeping Trustees and employees informed and involved in consultation over any improvements that might be planned.

This statement is supported by accompanying notes, procedures, systems and codes of practices and together form our Finance Policy. These arrangements clarify everyone's specific roles and responsibilities and how we expect work to be organised. We require organisations working for or with us to have in place and to implement suitable and sufficient financial procedures in accordance with the appropriate statutory provisions.

We will collect and analyse financial information. Any financial irregularity will be investigated and the outcome shared and used to prevent reoccurrence and improve practice.

The Finance Policy will be regularly monitored and updated to take account of legislative and/or organisational changes and the Trustees will ensure the annual review of the policy contains proposals for the improved management of finances.

2. Document Purpose

To document the key process and controls over the finances of TalentEd in order to:

- Ensure that the charity follows a consistent approach to managing its financial position

- Enable trustees to understand financial procedures and ensure they are satisfied
- Set out key procedures and controls over income, expenditure and fund balances
- Document the reserves policy for review and approval by trustees

3. Income

Schools pay an agreed price per programme, normally from Pupil Premium.

TalentEd invoices schools in two halves of their total bill. The first half must be paid before sessions begin and the second instalment is due half way through the programme. Bank account details are printed on the invoice to encourage BACS payment. Schools have 30 days to pay invoices.

The book-keeper is responsible for invoicing and chasing and should report regularly to the relevant Director about any which are outstanding.

TalentEd also receives grant funding and should always promote and publicly thank any funders, where appropriate.

Grant income and donations are carefully recorded, along with a note about any restrictions on funding and reporting arrangements.

Investment income is also recorded, and any reporting conditions adhered to.

Companies or individuals may also make donations to TalentEd which should be dealt with in the same way as grant income.

Cheques and cash should be deposited within 7 days.

Any major new grant applications (over £25,000) should be authorised by the Fundraising Trustee or the Chair.

4. Expenditure

Expenditure can be described as 'direct' (central) and 'indirect' (session-related). Central expenditure can later be allocated to direct costs, clear explanations for how this has been calculated are required.

A budget is compiled at the start of the financial year by the Director and Treasurer. The budget should plan to cover costs through the income described above.

The Directors are responsible for checking that all spending stays within agreed budgets. If the Directors believe it is necessary to incur expenditure which is greater than any line in the agreed budget this must be approved by the board (by email if the matter is urgent).

The trustees may amend the budget at a trustee meeting (which resets the Director's authority limit).

No expenditure which personally benefits any member of staff or trustee can be incurred without agreement of at least two other Trustees.

5. Record Keeping

Financial records may be commercially sensitive and will be retained confidentially in a secure way.

Financial records are retained in accordance with the requirements of HMRC (Her Majesties Revenues and Customs).

The book-keeper is responsible for keeping records in a detailed Income and Expenditure sheet. Receipts and invoices must be available for all payments and carefully filed.

A monthly cashflow tracker is discussed at the monthly meeting of the Finance Committee and circulated to trustees by email. Management Accounts are to be presented to quarterly trustee meetings by the Directors. The Book-keeper assists with preparing both of these documents.

6. Bank Account

The Book-keeper is responsible for bank reconciliations. The Directors and Treasurer should check the online bank balance regularly to safeguard against fraud. The Directors should also carry out quarterly spot checks of payments against receipts.

The Directors, Book-keeper, Treasurer and one other Trustee are signatories for the bank account. The first three have debit cards.

7. Authorisation Levels

The Directors are authorised to make payments in line with agreed budgets.

The Book-keeper must seek authorisation from one of the Directors before making any payment of more than £100.

All other staff must have approval from one of the Directors before making any payments and must be reimbursed promptly (within 30 days).

If a Director is entering into a contract which will make the organisation liable for ongoing costs beyond 12 months (such as an office lease) this must be approved by the Treasurer.

8. Capital Investment

The charity treats any single item of equipment or building with a value greater than £5,000 as a capital item and will depreciate its value in accordance with standard HMRC guidance. The purchase of capital items must be approved by the Directors and the Treasurer. Items over £25,000 must be approved by the Trustees.

9. Restricted and Unrestricted Funds

The Charity will track the allocation of funds and grants to ensure that any conditions (Restricted) are observed.

10. Money Laundering

The Charity seeks to comply with the **Money Laundering** Regulations 2017 checking donations and implementing robust financial controls to help protect against abuse. Additional controls are implemented through the application of the charity's Fundraising Policy.

11. Reserves Policy

It is necessary for funds to remain in the charity's bank account (reserves) to deliver sessions, to meet its commitments to beneficiaries, employees and to plan for longer term projects, when these arise.

Trustees will also check that reserves are being maintained at a level consistent with that performance, combined with prudent assumptions about funding going forward, to ensure commitments to the schools can be maintained until the end of the academic year and any longer term planned projects can still be delivered.

Trustees will ensure that, in the event of any major source of income failing, the organisation has enough free cash reserves to continue to operate for 4-6 months while alternative income is sourced.

12. Business Planning and Budgets

The trustees prepare and approve a budget for each financial year based on projected income and expenditure. Financial performance is reviewed quarterly against the budget to ensure funds are being spent, as planned, on the charitable purpose.

Prior to the end of the year, the budget is reset, and the planning process restarts for the next academic and financial year

13. Statutory Accounts

Annual Accounts are produced at the end of the financial year which runs in line with the academic year (1st September to 31st August). The accounts are prepared by the charity and signed off by the Trustees before being submitted in accordance to Companies House and the Charities Commission. A summary of the accounts may be produced in a more public facing form for distribution to relevant stakeholders and display on the charity's web site.