

Financial Management Policy/Procedure

The C.A.R.I Foundation's (CARI) current Financial Management Policy & Procedure's document.

CARI

Policy for Financial Management and Controls

This document sets out CARI's policies in relation to the following aspects of financial management and control:

1. Expenditure
2. Income
3. Bank Accounts
4. Financial Reporting
5. Asset Management

This policy was updated in January 2022 for approval at the February 2022 Board Meeting.

It will be reviewed on an annual basis.

1. **EXPENDITURE**

Expenditure Approval Limits

Note: All approvals outlined herewith relate to the paying out of monies which are already approved for budget purposes.

The **General Manager** can approve budgeted expenditure up to €5,000. All expenditure over €5,000 needs to be approved by a Board Director.

All expenditure approvals should be documented on a purchase order or communicated by email to Finance & Administration Officer to support a purchase order.

Invoices

Approval

1. Purchase Orders must be raised for all expenditure. Invoices must be matched with purchase orders. The Purchase Order must be attached to the Invoice.
2. All invoices must be coded against appropriate budget heading and formally approved by the General Manager and a Senior Manager.
3. Invoices over €5,000 must be approved by a Board member.
4. At month end, purchase orders should be reviewed and any outstanding invoices recorded and followed up
5. For prepayments e.g. deposits for hotels, a proforma invoice or request for payment must be received and subjected to the same approval procedures as other invoices. At month end, prepayments must be recorded.

Payment

1. Invoices should be approved and paid within 60 days.
2. Payments are made by EFT where possible
3. All banking online transactions should be printed in hard copy and filed with the rest of the documentation.
4. Post each payment run, a report of all transactions that have been made during that session must be cross-checked against the invoices / payments that were DUE to have been made, to ensure correct amount has been paid. This is to be produced by Finance & Administration Officer and signed *off by* the General Manager.
5. Passwords to access internet banking to be held by General Manager, Finance & Administration Officer. Passwords should be changed yearly.
6. Cheque payments to be made only where there is no other payment option
7. Cheques must be signed by two listed signatories
8. Cheque books must be kept in a safe.
9. There should be no pre-signed cheques.

Filing

1. Each invoice is to be referenced with the date of payment and EFT or cheque number and code.
2. Invoices should be filed in transaction number order which cross references the monthly financial spreadsheet.
3. Separate lever arch files to be maintained for all payroll records. Copy pay slips, gross to net listings PAYE/PRSI Returns, Revenue Receipts, EFT reference to be noted on PAYE/PRSI returns and copy pay slip.
4. Files should be retained in the Office until after the annual audit. They may then be archived and must be retained for seven years.
5. Purchase invoices and expense claim forms to be filed in transaction number order in lever arch file. Purchase invoices and expense claim forms which have yet to be paid should be kept on a separate file until paid.

Company Credit Card

The company credit card is held by the Finance & Administration Officer. The company credit card must be used for business purposes only, in conjunction with the employee's job duties. Credit card should not be used for any non-business, non-essential purpose.

Any individual holding a company credit card is responsible for:

- Using the cards only for their intended purpose
- Retaining receipts and providing explanations for all company credit card transactions

Details of the credit card are also held securely [in safe]. The Finance & Administration Officer is authorised to use this information for pre-sanctioned transactions e.g. on-line booking of flights. Normal approval procedures apply.

Standing Orders, Direct debit & Credit Card transactions

1. Approval process is as per Invoices above.
2. The approval forms should be filed with the invoices.

Expenses

1. Expenses should be submitted monthly. Claims not submitted within 3 months will be void.
2. All staff expenses must be approved by respective line manager and the General Manager.
3. The General Manager and National Head of Therapy's expenses should be review and approved by a Board Director.
4. Receipts must be attached to the expense form.

5. Expenses over €500 must be formally approved by the General Manager, or by a Board Member if it is for the General Manager.
6. Payment of expenses should be monthly, (weekly salary)
7. Expenses must be recorded against the correct budget heading, using split codes where necessary.

Petty Cash

1. Petty cash float not to exceed €300.
2. Receipts must be obtained and retained
3. Petty cash should be analysed monthly.
4. All transactions must be recorded, regardless of whether the money has been spent or not.
5. Petty cash must be always locked in the safe.
6. Keys are to be kept only by the Finance & Administration Officer and the Therapy Support Team Leader in Dublin. No other staff member to have access to the safe unless authorised by the General Manager.

2. INCOME

Procedures for incoming cash/cheques by post and credit card payments

1. The post is opened by Finance & Administration Officer or Therapy Support Team Leader. If there is any cash in the post, this must be recorded in the monthly financial spreadsheet (Daily Income).
2. All letters and communication to be date stamped before distribution to respective recipient.
3. Details of payee, and what the payment is for, is to be written on the back of all cheques, as the post is opened CARI procedure is written on a Daily Income Sheet
4. All cash and cheque originals to be filed by Finance & Administration Officer or the General Manager in the safe under lock and key.
5. The Finance & Administration Officer keeps the original accompanying correspondence and files it appropriately.
6. The Finance & Administration Officer enters details of all payments into QuickBooks. Details to be entered are: amount, method of payment, purpose of payment. A receipt is issued.
 - *All Incoming Payments [including online] to be processed by the Finance & Administration Officer a minimum of twice per week.*
7. The Finance & Administration Officer records all income received on the monthly spreadsheet.

8. Lodgments to be made twice a week and documents filed appropriately.

Direct Debits/Standing Orders

1. Documentation must be obtained for direct debits and/or standing orders.
2. All income must be recorded.

Cash Receipts

1. All cash received e.g. at events should be receipted.
2. The cash should be counted by 2 separate people and a confirmation of amount signed *off by both*
3. The cash should be kept safe and returned to the Office as soon as possible - with verification provided by Finance & Administration Officer.
4. Cash receipts must be processed as per the procedures for incoming cash above, on a weekly basis.
5. For events with ticket income, reconcile tickets sold to cash received and always use pre-numbered tickets.

Donor Documentation

1. All documentation must be processed according to the donor's requirements.
2. All donors should receive a receipt, with a copy of receipt kept.
3. All donors should receive a copy of C.A.R.I's annual report.

3 BANK ACCOUNT

Note: CARI Banking is AIB. Signatories and signing rules below are as passed by board resolution.

Signatories

Cheque Signatories – ***Colm O'Brien, Mona O Leary, John Quinn, Monique McEvoy.***

IBB Account Signatories – ***Colm O'Brien , Monique McEvoy***

Bank Account Signing Rules

For on-line payments, wherever a 'signatory' is required, C.A.R.I require two signatures from the above list.

In cases of payment by cheque, one of the signatories must be General Manager, Senior Managers may sign cheques for payments up to €5,000.

Above €5,000 one of the two signatories must be a Board Member.

Cheque signatories should sign the accompanying invoice as evidence that the invoice has been approved by them.

Bank Account Records

A bank account record must be maintained for all accounts. Monthly, the bank account records must be balanced and reconciled with accounting records.

Bank Statements

1. Bank Statements must be obtained monthly.
2. All items must be checked off against the income and expenditure records, and coded.
3. Bank statements should be kept on a separate lever arch file and filed in date/numerical order.
4. Any item on the statement but not on the records e.g. bank charges must be queried if necessary and recorded only when C.A.R.I is satisfied that it is a bone fide income or expenditure.

Bank Reconciliation

The bank account must be reconciled monthly.

Outstanding income and expenditure can be identified by checking each item on the statement against the records. Items which have not come through will be thereby identified.

The General Manager should approve all bank reconciliations.

4 FINANCIAL REPORTING

Monthly Income and Expenditure Account

The Finance & Administration Officer logs all financial transactions in first week of each month for the compilation of financial reports.

A monthly income and expenditure report is prepared and distributed to all Board members.

All miscellaneous expenditure plus significant deviations from budget must be analysed.

A Financial Report must be prepared and provided to the full Board monthly.

The year end (December) income and expenditure account must be prepared on an accrual's basis, to ensure that income and expense items are included in the correct financial year.

Income should be recognised in December when receipt is probable. Expenses should be accrued in December when the transactions and events occur, or goods and services are received prior to the year end and become measurable.

Budgets

1. An annual budget must be prepared for formal approval of the Board.
2. The budget is to be allocated monthly.
3. A variance analysis is to be undertaken monthly.
4. Explanations for variances from budget must be documented and reported to the Board.

Financial Statements

1. Financial statements must be prepared on an annual basis, approved by the Audit & Risk Committee, and signed *off* by the Board.
2. The Financial Statements should be in accordance with SORP. Commencing 2017.
3. The Financial Statements must be audited on an annual basis.
4. The Financial Statements must be lodged with the Companies Office on an annual basis.

5. **ASSET MANAGEMENT**

Fixed Asset Register

- A fixed asset register should be maintained and updated annually
- Assets should be recorded when purchased.

Depreciation policy:

Premises – Freehold – 50 Years

Leasehold - Over period of lease

Computers - 25% p.a.

Furniture - 20% p.a.

- Depreciation should be calculated on an annual basis in the financial statements.

If assets have been fully written *off* and are no longer in use or potentially to be used again in C.A.R.I office, then disposal of assets can be achieved by means of sale, including sale, if approved by the Chairperson to staff or members. Where a sale to staff is approved, this is to be done by means of an auction, or a lottery or first-come-first-served basis.

Lottery or first-come-first served pricing shall be determined by the Business Services Manager the line-manager and approved by the General Manager. Such pricing will reflect market value (including storage/disposal costs) and also seek the best return for C.A.R.I as well as an open and transparent process and may as a result be nominal or even zero. A full record of any such disposals and the reasons for the sale and pricing will be retained.