

GGCA Financial Procedures Policy

1. Background

Gilfach Goch Community Association (GGCA) have financial procedures in place that are in line with our legal obligations. Our internal controls are important as they enable essential checks and procedures to help us:

- protect the GGCA's assets, including its money and property
- make informed decisions about our charity's financial position
- meet our legal duties, for example to manage our charity's resources responsibly

Fraud and financial mismanagement can happen at any charity. By using suitable internal financial controls we can:

- identify and manage risks with its finances and assets
- keep good quality accounting records
- prepare timely and relevant financial information
- make sure its financial reporting complies with the relevant legal requirements

Mismanagement can damage:

- the GGCA's financial viability, with consequences for how we deliver our services
- negatively affect our staff and volunteers' morale
- negatively impact the GGCA's excellent reputation
- cause a demise in the trust and confidence that the community has in the GGCA (and charities in general).

2. Who is responsible for the GGCA's internal financial controls

The Board of Trustees are ultimately responsible for the financial controls at the GGCA and for implementing and monitoring the internal financial controls. The Board delegate the detailed work on financial controls to the Finance Manager and this work is overseen by the Community Association Manager.

3. Understanding the type of controls appropriate for the GGCA

The GGCA financial controls cover:

- all aspects of how the GGCA handles its resources and assets, including its money
- how the GGCA store personal data in line with the UK General Data Protection Regulation (GDPR)

The types and levels of financial controls at the GGCA are based on:

- The size and structure of the GGCA
- Where we operate
- The type of work we carry out

4. Understanding the GGCA's financial information

All trustees are presented with clear, accurate and up-to-date financial information, for example:

- the latest management accounts reporting performance against budget and may include estimates for future periods
- the reasons for any differences between your financial forecasts and the charity's current financial position
- details of cash flow and closing bank balances

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The GGCA's financial position and performance is:

- a standing agenda item at monthly trustee meetings
- sent to each trustee before the meeting

Regularly reviewing the GGCA's financial position help our trustees check that the GGCA is operating as a 'going concern' and is not facing insolvency. The earlier we identify any financial difficulties, the quicker we can act to protect our beneficiaries. Further information is available from the Chairty Commission [Managing a charity's finances: planning, managing difficulties and insolvency](#).

The Board of Trustees ask questions and are confident in highlighting any concerns they may have. They recognise the whole Board of Trustees are ultimately responsible for the GGCA finances. One Board member also holds the role of treasurer and is responsible for looking after the GGCA's money and discussing the financial report at Board meetings along with the Finance Manager. The treasurer gives more consideration to the financial issues, including internal financial controls, even though all trustees understand and take seriously the GGCA's financial position and performance, making significant decisions as a full trustee body.

The GGCA has:

- a record of the decisions made at the Board of Trustee meetings (minutes of the meeting)
- clear and agreed terms of reference
- clear and robust reporting procedures
- lines of accountability

5. Preparing accounts and reports

The GGCA has a legal duty to keep accounting records for the organisation and we prepare annual accounts and produce a trustees' annual report in line with our legal obligations. The content of the report and the format of the accounts may sometimes vary depending on the funds drawn down and the layout of the accounting software package. The report is externally audited before it is presented, explained, discussed, agreed and signed off by the Board of Trustees in the presence of our appointed external auditors.

6. New Trustees

When new trustees are appointed, the Finance Manager ensures during induction training that they are given copies of:

- the latest accounts
- the latest management accounts if these are prepared
- a copy of the GGCA constitution (governing document)
- the Chairty Commission's guidance on [public benefit](#) and [the essential trustee: what you need to know, what you need to do \(CC3\)](#)

Further information can be sourced from the Charity Commission [Charity reporting and accounting: the essentials](#). This explains the accounting and reporting duties of trustees and what each type of charity is required to do.

7. Embedding internal financial controls

The Finance Manager ensures all staff and Board Members follow the GGCA Financial Procedures Policy, with the Board of Trustees and senior management staff, leading by example to help embed the procedures and develop a culture of financial responsibility within the GGCA.

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The Finance Manager ensures all trustees, staff and volunteers receive training on the financial procedures during their induction at the GGCA. This includes training on:

- procedures to identify and report known or suspected financial crime or abuse
- how to raise concerns about the conduct of trustees, senior managers or other staff

8. Monitoring financial performance

The Finance Manager monitors the GGCA's financial performance on a regular basis. This work includes:

- comparing performance against financial procedures, for example checking income reserve levels
- monitoring your charity's financial performance against a budget
- Preparing an annual budget of projected income and expenditure using realistic estimates for each area of the GGCA activities as well as for the financial year as a whole.
- Setting an overall budget, which is presented to the Community Association Manager and Board of Trustees for approval.
- Provide the Community Association Manager and Board of Trustees with monthly update reports using the actuals rather than projected figures, detailing any significant underperformance of income and expenditure.
- Provide a monthly update report to staff holding budgets so they can better manage the budgets throughout the financial year.

9. Reviewing and monitoring your internal financial controls

The Finance Manager supported by the Community Association Manager reviews the GGCA's financial procedures policy on an annual basis to ensure its suitability and take into account any changes either internally or externally i.e. new regulations. In addition to the annual review, reviews would also be carried out:

- after a significant financial loss or narrowly avoided significant financial issue
- before or after a significant change in how your charity operates, for example, a new structure or increased funding

The Finance Manager monitors all of the GGCA's financial matters to make sure:

- all controls including the basic ones such as bank and other reconciliations are carried out
- everyone involved (staff and trustees) are aware of and are following the GGCA's financial procedures policy and the processes to follow if for example, they suspect there is a problem
- to ensure the GGCA complies with its authorisation and approval procedures
- an accurate record of reviews and responses to any issues is kept in line with our Data Retention Policy
- early identification of any misuse of the GGCA's funds or mismanagement of finances is detected and immediately reported to the Community Association Manager and the Board of Trustees
- to identify any new risks, for example because of changes to financial software, how the GGCA operates, or new threats such as new types of potential fraud.

10. Splitting financial duties between people

Although the Finance Manager is responsible for the day to day financial management, the GGCA has procedures in place so that more than one person is involved in all financial transactions. These procedures include:

- A part time finance officer in post to support the Finance manager with all aspects of the GGCA's finance and assets including its social enterprise arm, Red Valley Enterprises CIC
- Preparing accurate monthly reports for the Community Association Manager and Board of Trustees
- Preparing accurate monthly budget reports for all staff holding budgets for their projects/activities

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- Ensuring all payments including online transactions have two authorised signatures so that all payments processed by the Finance Manager have to be second signed and authorised by either the Community Association Manager and/or Treasurer
- Providing accurate financial information as required and in advance so there is adequate time for the Community Association Manager and/or the Board of Trustees to make informed decisions
- Checking internal controls are followed, making transaction reports readily available
- Operating an open and transparent financial reporting system

11. Recording and reporting incidents

The Finance Manager and/or the Community Association Manager must record and inform the Board of Trustees immediately of any incidents of financial crime, abuse or breakdown of the GGCA's financial controls. Depending on the type and level of the incident, other bodies may need to be informed. Other bodies include:

- all types of fraud to [Action Fraud](#)
- tax fraud to [HMRC](#)
- any incident involving financial services, such as investments, insurance or pensions, to the [Financial Conduct Authority](#)
- data breaches to the [Information Commissioner's Office \(ICO\)](#)
- any serious incidents to the [Charity Commission](#). For example, a significant or potential loss to GGCA's money or assets. Failure to report a serious incident to the Charity Commission may result in regulatory action.
- external auditors and independent examiners must report any matters of material significance to the Charity Commission.

12. Operational risks

a) Risks of fraud and cybercrime

Fraud poses a serious risk to the GGCA's assets, including its data, which is often stored online and as hard copies. This can include card and personal details of the Board of Trustees, Staff, Sessional Workers, Volunteers, Community Members, Project participants, funders, donors, financial supporters, partner organisations and suppliers.

The loss of personal or financial data could expose the GGCA (and others) to the risk of theft, fraud and loss. To help reduce this risk, The GGCA has suitable policies and procedures in place to ensure:

- compliance with the UK General Data Protection Regulations (2018) (GDPR) and any other relevant data protection laws
- access, use, storage and processing of electronic data is safely maintained
- the use of computers and data storage, such as cloud storage and memory cards
- handling breach detection, investigation and reporting procedures
- ensuring suitable software to protect against computer viruses and hacking

b) Risks of corruption and bribery

The GGCA operate in an open and transparent manner and have procedures in place to protect against bribery and corruption. This includes but is not limited to, maintaining a register of interests for trustees and staff on our senior management team to identify any [conflict of interest](#). Further information is available from the Charity Commission [Bribery and corruption in charities](#).

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13. Internal financial controls for banking

a) Bank and building society accounts

The GGCA holds a business account with Barclays Bank, which helps to protect the organisations money and enables the GGCA to operate in a secure way. The account is in the name of Gilfach Goch Community Association Limited. This matches the name on our governing document.

The opening or closing of accounts is authorised by the whole Board of Trustees, with the Finance Manager responsible for:

- keeping a list of all GGCA (and RVE) bank and/or building society accounts
- closing accounts which are no longer used
- regularly reviewing the costs and benefits of the GGCA's bank/building society accounts, checking that any charges and interest rates are competitive
- ensuring Barclays Bank (and any other bank accounts) is regulated by the Prudential Regulation Authority. Check using the [Financial Services Register](#) on the Financial Conduct Authority's website
- ensuring duties are split to prevent any single person from being able to control charity funds exclusively
- approval and second authorisation is sought for all bank transfers and payments
- accounting records and bank statements are compared each month to make sure they reconcile
- the finance officer reviews reconciliations to double check or to identify any discrepancies
- ensuring the bank account is not used for any other purpose i.e. for individuals, private use or third parties
- A bank mandate is completed setting out who in the GGCA is authorised to manage the charity's bank accounts.
- keeping a clear record of who is named on the GGCA bank mandate
- regularly review whether the bank mandate remains appropriate for the GGCA
- informing the bank of trustee changes
- ensuring dual authorisation to set up to change any bank mandate. The second person authorising any changes to the bank mandate should be a trustee or the Community Association Manager who is also the Company Secretary
- ensuring the bank or building society obtains authorisation from one or more named people at the GGCA for any request to change the GGCA's bank account details, making sure neither of the two are responsible for reconciling bank statements or collecting income

Further information on managing money is available from the Charity Commission [Charities: holding, moving and receiving funds safely](#).

b) Online banking

The GGCA has a dual-authorisation system for our online banking, provided by Barclays Bank. This allows either the Finance Manager or Finance Officer to create a payment request and the Community Association Manager or Treasurer to authorise it. None of the authorised persons share their bank details with each other. The Finance Manager is responsible for ensuring that the GGCA:

- keeps details of all online banking transactions
- keeps statements as part of the accounting records
- checks that the recipient is known and trustworthy
- keeps all devices with access to online banking facilities secure
- keeps all devices up to date with anti-virus, spyware and security system software
- keeps all passwords and PINs secure
- changes passwords periodically and following changes in authorised staff and trustees
- provides training in online security to the finance officer who may use the finance computer systems

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The Finance Manager must take appropriate care, such as not responding to emails or telephone calls asking for personal security details. Keeping up to date with advice from the GGCA's bank about using online banking safely. The Finance Manager must communicate this message to all staff and Board of Trustees, highlighting any changes/incidents.

For further information, use guidance from the [National Cyber Security Centre](#) for advice on keeping your charity protected online. [UK Finance](#) also has useful guidance on online payments.

c) Cash held in your charity's bank or building society

Money held in the GGCA's bank or building society accounts is sometimes called cash 'held on deposit'.

The Finance Manager is responsible for:

- ensuring monthly reconciliations for all accounts and ensuring the reconciliation is checked by a second person to identify any discrepancies i.e. Finance Manager completes reconciliation with Finance Officer double checking or vice-versa.
- Carries out monthly checks to ensure direct debits, standing orders and other transfers are correct
- follows any requirements from the bank or building society
- carry out regular checks that income in the bank account does not exceed 85k on a long term basis i.e. reserves or monies ringfenced for operating costs in line with the Charity Commission are held in a separate account. This is because the Prudential Regulation Authority's [Financial Services Compensation Scheme](#) may only be protected by up to £85,000 per account.

d) Banking cash and cheques

The Finance Manager is responsible for:

- recording and banking cash and cheques promptly
- storing cash and cheques that have not yet been banked in a safe or locked cash box, in a locked office
- does not deduct any costs or expenses from funds waiting to be banked
- consider insurance cover for cash your charity may hold
- keeping an audit trail for each transaction. This should include, payment vouchers, post transaction documentation, details of the intermediary's name and address, the amount and date of payment, the name of the person making the payment, the fee charged and the recipient/payee
- ensuring policies and procedures agreed by the trustees, on when your charity may or will use alternative banking methods.

Further information is available from the Charity Commission [holding, moving and receiving funds safely](#).

14. Internal financial controls for income

a) Income from donations

The Finance manager is responsible for ensuring a system is in place for donations received by the GGCA which includes:

- when and how checks are carried out on donations received
- how the financial records of donations are kept in line with GDPR
- how to report and handle suspicions about donations
- checks for any potential money laundering

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Further information is available from the Institute of Fundraising [Acceptance, refusal and return: A practical guide to dealing with donations](#) and via the Charity Commission [Due diligence, monitoring and verifying the end use of charitable funds](#).

b) Tainted charity donations

The Finance Manager is responsible for checking a donation is not made by a donor who appears to donate to get a financial benefit from the charity. The GGCA may have to pay an income tax charge if they know the purpose of the donation was for the donor to receive a personal financial benefit.

Further information is available from HMRC's guidance on [tainted charity donations](#).

c) Donations from public collections and fundraising events

The Finance Manager is responsible for ensuring the GGCA complies with the law which covers public collections and fundraising events. The rules are set out in the Charity Commissions guidance [Charities and fundraising \(CC20\)](#). Encourage others to report any fraudulent fundraising activity.

In future and if possible, the GGCA could consider asking for donations via card payments instead of cash. Card payments can be more secure. Holding large sums of cash can leave the GGCA vulnerable to theft or fraud.

If the GGCA is collecting cash donations, the Finance Manager should make sure:

- collection boxes are individually numbered
- a record is kept of who is given the numbered collection box and when it was handed out and back in
- collection boxes are sealed before use
- all collection boxes are opened regularly and the contents counted
- count public collections in front of the collectors and give them a numbered receipt
- at least two people handle and record the cash
- it is banked as soon as possible without deducting expenses
- keep records for each fundraising event
- identify how much has been collected and the costs incurred for the collection to ensure it is financially viable

If the GGCA sell tickets for an event, the Finance Manager should make sure that:

- tickets are numbered
- a record is kept of who has which ticket number
- a record of sold tickets is kept
- all money from sold tickets is collected and any unsold tickets returned
- receipts against tickets sold are reconciled

d) Income and donations received online and by card readers

There are a range of card readers and ways of receiving money online. If in the future the GGCA was to receive donations online or via a card reader the Finance Manager must make sure:

- card readers are kept secure and they are maintained by authorised individuals
- bank account details are correct
- passwords are kept secure
- an understanding of when to expect payments so they can easily identify if there is an issue
- regular reconciliations are carried out and that they match the transaction history with the income in the GGCA's bank account

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If the GGCA was to start collecting donations using card readers, the Finance Manager would need to ensure the GGCA was compliant with the [Payment Card Industry Security Standards](#).

e) Income and donations received by post

The Finance Manager is responsible for ensuring income received in the post is:

- held securely
- opened promptly
- accurately recorded
- whenever possible, open post in the presence of a second person or rotate post-opening responsibilities between staff.

f) Claiming Gift Aid on donations

Charities can claim Gift Aid on many donations from individuals. Further information about Gift Aid is available from [HMRC's guidance](#), which sets out the rules that the GGCA must follow and the steps that must be taken to claim the Gift Aid. Checks must also be made to ensure we receive the expected amounts from committed donors and any due tax repayments.

g) Donations of cryptoassets

Cryptoassets are digital representations of value or rights that use blockchain technology including cryptocurrencies and non-fungible tokens (NFTs). The GGCA do not currently receive or accept crypto currency donations. If this was to change, the GGCA would implement a separate policy and the procedures to follow.

h) Income from trading

The GGCA has a Social Enterprise Arm, Red Valley Enterprises CIC which can trade to achieve its' purposes or to raise funds.

The Finance Manager is responsible for having the systems in place to record all income from trading activities.

For goods and services provided, there is a pricing policy which is reviewed annually. There are procedures in place for:

- invoicing for all goods and services you provide
- stock control
- reconciling invoice amounts and cash received to outstanding invoices
- making sure that any trading stays within the relevant tax exemptions
- ensuring credit control systems are in place and outstanding debts are reviewed along with any debt collection procedures

Further information is available from the Charity Commission [Trustees trading and tax: how charities may lawfully trade](#).

i) Income from legacies

In the event of being left a legacy donation, the GGCA recognise that there can be a long delay between being told of a legacy and receiving it. In the event this should happen, the Finance Manager will:

- keep a record of any expected legacies
- keep a record of all related correspondence
- regularly review progress on collecting outstanding legacies

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- ensure that any items or property left to the charity are held securely, valued and, if appropriate, sold so that the charity can use the income

15. Internal financial controls for expenditure

a) Expenditure on goods and services

The GGCA has suitable systems in place that help make sure that we:

- only purchase things we need and that any purchases are within budget and checked for eligibility of spend with funding body
- only pay for goods or services we receive and at the agreed prices
- ensure any purchases are good value for money and we have 'shopped around'
- have clear, written authority limits for placing orders and approving payments
- make sure that any orders are within an agreed budget. Spending outside agreed budgets must be authorised
- check invoices against orders and the receipt of the goods or services ordered
- pay invoices on time and include any relevant discounts
- make sure accounting records reconcile. As part of this, the purchase ledger is reconciled with the purchase control ledger.

16. Payments by debit, credit or charge cards

The Finance Manager is responsible for all card payments including:

- who can use the debit, credit or charge cards
- the spending limits are set at £250.00 for budget holders and approval from the Finance Manager must be obtained prior to ordering and paying for goods or services. The spending limit for senior managers is £500.00 and must be authorised by the Community Association Manager prior to ordering goods or services. Any goods or services costing more than £500.00 must have permission of at least three Board members one of which should be the treasurer.
- Any lease, hire purchase agreement or contractual purchases must be agreed in writing by the Community Association Manager.
- Budget holders must keep accurate financial records of purchases. These records must be consistent with the record keeping of the organisation. The finance manager will provide templates and training.
- If payment is needed on or before delivery or no credit is given, a 'pro-forma' should be provided.
- Budget holders are required to obtain invoices from the suppliers. These invoices must be attached to the purchase order and recorded in the financial records and passed to the Finance Manager immediately.
- how the cards should be stored
- where the cards can be used, such as only allowing them to be used in specific circumstances
- maintains a log of which staff member has the card (Only the senior managers can use the card) ensuring they have a clear information relating to the above points
- ensuring receipts are provided for every purchase, including for contactless payments for checking against the bank statements
- ensuring the bank card is returned to the Finance Officer after each use to be kept secure
- card statements are sent direct to a different person than the card holder. For example if the Community Association Manager is the Card Holder, the statements should go to the Finance Manager and vice versa.
- all receipts and invoices are matched to transactions on the statements
- card use is regularly checked to make sure the GGCA financial procedure policy is being followed
- ensuring the card is cancelled or destroyed if it is lost or stolen, the card holder is no longer involved with the GGCA or the authorisation of the card's use is withdrawn

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17. Mobile payment systems, such as Google Pay and Apple Pay

Mobile payment systems, such as Google Pay, Apple Pay and PayPal, let you pay for things without having to enter card details or personal details for every transaction. The payment details are in an individual's digital wallet. If the GGCA was to start using these payment systems, the same controls in place for debit, credit and charge cards outlined in point 16 above would apply.

18. Payments by bank transfer, Bankers' Automated Clearing Services (BACS), Direct Debits and standing orders

The GGCA uses bank transfers and BACS payments as a way of paying invoices and staff salaries by electronic transfer directly into an account. We recognise these methods of payments can be difficult to recall in the event of errors or fraud. To better manage this, the Finance Manager has systems in place as outlined in the above points of this document i.e. checks and measures in place when entering the information onto the online banking system and authorisation/second signing by a different authorised person.

The Finance Manager is also responsible for checking any Direct Debits and Standing Orders used for any regular payments.

The GGCA ensures:

- only a limited number of authorised individuals can set up these types of payments
- a list of authorised individuals kept safe and secure
- dual authorisation to authorise a BACS payment and any other payment is required
- all documents for setting up payments are kept as part of the GGCA's accounting records
- all the payments regularly monitored
- payments are immediately cancelled if the GGCA stops using the goods or services

The Finance Manager does not make any batch payments.

19. Payments by cheque

The GGCA has adopted an online banking system with Barclays Bank and rarely would need to use a cheque. However, in the event of using a cheque, there is requirement for two authorised signatures on the cheque and a limit on what can be authorised. In addition, the Finance Manager would ensure that:

- cheque books are stored in a locked secure place
- regular reviews for authority limits are made
- the signing of blank cheques is prohibited
- prompt recording of payments in the accounting system are made, include details of the cheque number, nature of the payment and the payee
- confirmation that the goods or services have been received prior to sending a cheque

20. Payments in cash or by pre-loaded cash card

It would be rare for the GGCA to use cash or pre-loaded cash cards as both methods pose a higher risk due to a lack of electronic audit trail. However, in the event of the GGCA needing to use one of these methods, the Finance Manager is responsible for ensuring:

- cash payments are for small amounts only and paid out of a petty cash float
- details of payments are recorded in a petty cash book or online ledger
- supporting documentation for the payment is authorised by someone other than the person who maintains the petty cash, or the person making the payment

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- keep any petty cash and the records securely
- an independent person carries out regular checks of the petty cash float
- an independent person checks and authorises cash withdrawals

21. Paying wages and salaries

Paying wages and salaries is one of the major expenditures of the GGCA. In order to meet our legal requirements, the Finance Manager is responsible for:

- maintaining the records required by HMRC of PAYE deducted from the wages and salaries of employees
- statutory deductions are paid to HMRC as required
- pension contributions are paid to the pensions' provider promptly
- all legal obligations relating to pensions are met (see the Pensions Regulator for full details on this)
- deadlines for year-end returns to HMRC are met including P35, P11D and P60
- the accounting system is able to provide 'real time information' submissions to HMRC and submit them on time or checks are made that the accountant does this on behalf of the GGCA
- ensuring the GGCA implements the National Minimum Wage including any annual increases set by Government
- only authorised or required deductions are made from pay
- each employee has a proper contract of employment
- data is stored in line with data protection legislative requirements

Further information is available from [HMRC's guidance on PAYE and payroll](#)

The GGCA has systems in place to ensure:

- staff personnel records are stored separately from pay records
- prompt notification and authorisation to those operating the payroll of starters and leavers; changes to pay, hours, overtime or non-standard hours; staff sickness or staff maternity or paternity leave
- checks are made to ensure payments are not being made to staff who no longer work for the GGCA or to ensure existing employees are not being paid the wrong salary
- individuals cannot set their own pay, benefits or terms of employment
- wages and salaries are paid by BACS for safety and efficiency where staff numbers make this worthwhile

22. Payment or reimbursement of expenses

Expense payments are refunds of payments which a trustee, member of staff, sessional worker or volunteer has had to meet personally to carry out their duties for the GGCA. The Finance Manager explains the process during induction training and sends out reminders of the process required to make an authorised claim and the evidence required for the claim. This includes:

- Ensuring everyone within the charity knows and understands the process and procedures during their induction period and via ongoing reminders.
- Checking that claims have been authorised and signed off by line managers or someone in addition to the claimant prior to paying the claim.
- Ensuring claim forms are signed by the claimant as a self-declaration that the claim is accurate and incurred in connection with only the GGCA business
- Making claim payments to the claimant by BACS transfer
- Making sure mileage rates for motor travel is within HMRC rates that do not result in a tax or national insurance liability for the GGCA or the claimant

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Further information is available from [HMRC rules on Expenses and benefits for employers](#).

23. Expenditure on giving grants

The GGCA is not a grant-giving charity and therefore does not give out grants to individuals or organisations

24. Internal financial controls for payments to related parties

The GGCA may make payments to a person or organisation connected to it. Where that person is a trustee, or an organisation connected to a trustee, the full Board of Trustees must give specific authority for payment/s to be made. The GGCA and its' Board of Trustees must ensure any payments are compliant with the rules set out in its' governing document and must be satisfied that it is in the GGCA's best interest before making any related party transactions. For example, the GGCA would not use a company controlled by a trustee to provide a service to the charity simply because it is the easiest option.

Further information on 'related party transactions' is outlined in the [Statement of Recommended Practice \(SORP\)](#), the Charity Commissions [trustee expenses and payments](#) and [managing conflicts of interest in a charity](#).

25. Internal financial controls for assets and investments

a) Tangible fixed assets

These include the following which are used during the GGCA's charitable activities:

- land
- buildings
- fixtures and fittings
- equipment

The full Board of Trustees have a duty to safeguard the GGCA's assets and make sure they are being used properly. The Finance manager ensures suitable internal financial controls are in place to make sure that assets can be:

- identified
- recorded in accounting records
- used for your charity's purposes
- sets an amount at which small capital items should be included in the accounts as fixed assets
- has a register of all fixed assets, including the cost, or value, of each asset and have enough detail to enable each asset to be identified
- regularly inspects fixed assets to ensure that they still exist, are in good repair and are being used appropriately
- authorises the disposal or scrapping of fixed assets appropriately and records this in accounting records and in the fixed asset register
- regularly reviews the GGCA insurance cover to make sure it is adequate
- secures the boundaries of any land and buildings and makes sure they are recorded appropriately with the Land Registry
- holds any title deeds/leases to land securely and checks that the deeds accurately record your charity's interest in the land

26. Restricted funds

The Finance Manager is responsible for ensuring money spent is managed and accounted for including any restricted funds according to the governing document and terms and conditions of funding.

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Restricted funds are given to the GGCA for a specific purpose often referred to as grant funding which is associated with delivering a project. All our funders are listed as separate funds within our accounting system and managed in line with the terms and conditions set by the funding body. Monitoring of the project is carried out on a regular basis including the expenditure of the funding and evidence in claims to the funding body in order to draw down the funding.

27. Investments

The GGCA does not currently have any investments.

28. Internal financial controls for loans

The GGCA does not make any loans

29. Taking out loans, including loans from trustees

Before taking out a loan the GGCA would make sure that:

- a formal recorded decision is taken to approve the charity taking out the loan and the loan agreement
- all trustees are aware of its terms and conditions
- the GGCA is able to repay the loan according to the loan agreement and a plan is in place to do so
- Trustees must have considered that taking out the loan and the loan terms are in your charity's best interests.

The Finance Manager would be responsible for keeping accurate and clear records of:

- the amount borrowed
- the terms of the loan and all relevant documentation
- all repayments of interest and principal
- any charges and any missed repayments
- all outstanding loans and the outstanding balance
- any loans secured or subject to bank covenants in your charity's register of assets

The GGCA would not accept a loan from a related party for example a trustee due to any potential conflict of interest.

30. Internal financial controls for hospitality, including gifts

The GGCA, its Board of Trustees and its staff members would need to demonstrate that any hospitality given or received is justified and is not detrimental to either the GGCA's beneficiaries or its reputation.

Consideration of the following is required prior to giving or receiving hospitality of gifts:

- how it helps you deliver the GGCA's work
- whether it is reasonable
- whether it gives rise to more than incidental personal benefit
- whether it poses any risks to the GGCA's reputation, including if it could be viewed by others as excessive or unnecessary

Consideration to a statement should be given to include the following:

- sets out acceptable limits on hospitality
- prohibits accepting hospitality, which either is, or could be seen to be, a bribe, a corrupt payment or to secure preferential treatment

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- requires records to be kept of hospitality given, accepted or refused. This should also be noted on your charity's register of interests if it relates to trustees
- applies to everyone
- is understood by everyone

31. External audits

The Board of Trustees appoint and external auditor on an annual basis to prepare audit and prepare our financial accounts each year. Our current appointed auditor is Bevan Buckland. The Finance Manager is responsible for ensuring the external auditor receives accurate information in a timely manner in order to ensure the external audit is completed within the timeframe for the GGCA to meet its legal obligations with both Companies House and the Charity Commission.

Further information is available from the Charity Commission [Charity reporting and accounting: the essentials](#).

32. Internal financial controls checklist

The GGCA Board of Trustees, the Community Association Manager, Finance Manager and Operational Manager may make use of the Charity Commissions [internal controls checklist](#) which provides a useful summary of what controls may be needed when reviewing the GGCA's internal financial controls.

33. Legal note

a) Money laundering

Money laundering legislation in the UK is mainly governed by:

[The Terrorism Act 2000](#)

[The Anti-Terrorist Crime and Security Act 2001](#)

[The Proceeds of Crime Act 2002](#)

b) Tax evasion

Corporate charities can be prosecuted where they fail to prevent the criminal facilitation of tax evasion carried out by an "associated person," such as an employee, agent or other person who performs services for or on behalf of the charity. It is a defence for a charity to have put in place reasonable prevention procedures, or where it would be unreasonable to expect a charity to have put in place procedures, for example a very small charity.

Further Information is available from HMRC's [guidance on The Criminal Finances Act 2017](#). This applies to corporate charities such as charitable companies, Charitable Incorporated Organisations, Royal Charter charities and statutory charities.







This policy was adopted on 8.04.2025 and will be revised on or before 8.04.2026

Name and Position	Signed	Date
Kate O'Sullivan - Community Association Manager		19 / 06 / 2025
Olive Frances - Vice Chair of Trustees		25 / 05 / 2025

GGCA Financial Procedures Policy

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