



GS11 Green Synergy Financial Controls Policy

Purpose of the Policy

Green Synergy is committed to ensuring that the organisation's policy framework is inclusive, responsive, robust and accountable. The organisation believes that sound policies are required in the defining the policy and procedures the charity will operate and abide by when managing the financial matters of the charity. This will significantly benefit the overall efficiency of the operations for Green Synergy and promote the best interests of its service users, employees, volunteers, Trustees, members, partners / stakeholders and voluntary officers.

Statement of Policy – Green Synergy recognises that in all aspects of its charitable operations, detailed financial control, systems and oversight is required. The objective of this policy is that the organisation will ensure that there is adequate and appropriate financial control, operation of financial procedures and due oversight by Board members of the financial operations of the organisation.

In the provision of the services provided by the charity and the employment of its staff, Green Synergy will ensure appropriate financial control and management is in place at all time.

The scope of the policy covers the service delivery, activities and workforce of Green Synergy whether they are:

- ❖ Paid employees
- ❖ Volunteer Board Members
- ❖ Volunteers
- ❖ Trainee workers and students on work experience or placements.

This policy will influence and affect every aspect of activities carried out by Green Synergy in its project and programme delivery, training and learning delivery, promotional activities and other functions linked to the organisation, as determined by the Board.

Policy Principles – Green Synergy Financial Control Policy aims to ensure that Green Synergy:

- ❖ Meets its legal and other obligations, e.g. Charities Acts 2011, HMRC Inland Revenue, HM Revenue and Customs, Companies Act and common law.
- ❖ Enables the Board of Trustees to have control of Green Synergy finances.
- ❖ Enables Green Synergy to meet contractual obligations and requirements of funders.

This policy also sits alongside GS12 Fraud Prevention Policy.

Scope of Policy - This Policy applies to all employees and contractors of Green Synergy and subsidiaries, including freelancers and temporary staff. All staff, contractors and volunteers are required to familiarise themselves with this Financial Controls policy and to adhere to all its components.

1. Policy Implementation

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Green Synergy. 49 Roman Pavement, Lincoln, Lincolnshire. LN2 5RD. Tel: 01522 533077

Charity Number: 1153883 Company Number: 8399741

Email: info@greensynergy.org.uk Web: www.greensynergy.org.uk



- a. The Chief Executive, the Finance provider, CA Plus and members of the Board have specific responsibility for the effective implementation of this policy. Each service manager also has responsibilities, and the charity requires all the workforce, volunteers and Trustees team members to abide by the policy.
- b. In order to implement this policy, Green Synergy will:
 - i. Communicate the policy to staff members, Trustees, volunteers and relevant others.
 - ii. Incorporate specific and appropriate duties in respect of implementing the Financial Control policy into job descriptions and work objectives of all staff.
 - iii. Ensure that adequate resources are made available to fulfil the objectives of the policy.
 - iv. Instigate regular policy review to meet the changing needs of the charity's operations.
- c. Green Synergy will keep proper books of accounts, which will include:
 - i. A QuickBooks cashbook analysing all the transactions in Green Synergy bank accounts. The analysis to be provided by nominal account and funder.
 - ii. Petty cash and Soldo accounts for each project.
 - iii. VAT records on the accruals basis that conform to HM Revenue and Customs requirements.
 - iv. Separation of Income and Expenditure between "restricted" and "unrestricted" funds.
 - v. Separation of each funding provider and the amount of grant within each project or contract.
 - vi. Balance sheet accounts that at all times summarise Green Synergy assets and liabilities, to facilitate production of aged debtors' and creditors' listings.
 - vii. Inland Revenue records for all relevant staff, including the recording of employee's expenses to permit completion of P11Ds where they are not covered by a dispensation.

2. Financial Planning

- a. The charity is required to have a long- term financial planning process and this is supported by an annual budget process. The Trustee Board is required to receive and consider the full operational Budget envelope forecast each year. This will include an analysis of principal activities – e.g. core costs and central support, Projects – to clearly identify the funding shortfall (if any). A cash flow forecast will be prepared based on this budget, and the committee will also approve this.
- b. In general, the Senior Management Team members will co-ordinate this with the Chief Executive and in agreeing funding and spending requirements to be presented to the first Board of the Trustees of a new year. The Board will formally adopt the Budget,

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perhaps subject to amendments, at their March Board meeting, or at the meeting soonest thereafter.

- c. The level of reserves is also reviewed in this budget planning cycle and kept under continual review by the Board of Trustees.

3. Books of Accounts

- a. Green Synergy will maintain accurate and appropriate books of accounts through QuickBooks, which will include:
 - i. QuickBooks will be maintained to provide an analysis of all the transactions in Green Synergy bank account(s).
 - ii. A petty cash log if cash payments are being made.

4. Green Synergy Financial Year

- a. The financial year for Green Synergy runs from the 1st April to 31st March each year.
- b. Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting.
- c. Prior to the start of each financial year, the Trustees will approve a budgeted income and expenditure account for the following year.
- d. A report comparing actual income and expenditure with the budget will be presented to the Trustees at least every three months and monthly on the Trustee Basecamp portal.
- e. The AGM will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM.

5. Financial Monitoring and Reporting

- a. Green Synergy currently uses the software package QuickBooks that allows for accruals accounting and uses "class" to identify each separate funding source and the recording of income, analysis and checks of income trends. This is undertaken by the Chief Executive and Senior Managers within the SMT Meetings on a monthly basis. The scope of the reporting includes:
 - i. Grant Income – the level of grant income received and the level of grant income that has been bid for.
 - ii. Deferred Income - a clear overview of the grants received, how grant income and income is being deferred and allocated across cost centres.
 - iii. Fundraising pipeline and fundraising activity that is evaluated as a monthly/ongoing process undertaken by the Executive team.
- b. These are also reviewed by Green Synergy Finance and Fundraising Review Group which comprises of the Chair, the Treasurer and the CEO.
- c. A fundraising pipeline has been deployed by the charity with information relating to all the funding sources for grants and charitable trusts. These are recorded in terms of

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planned and submitted bids as well as outcomes, which is updated on receipt of any funded grants.

- d. A full record of grant applications submitted will be detailed on the Grants Pipeline. This includes the details of dates/amounts secured/timescale for re-application, grant awarded and if the income is restricted and non-restricted funding.
- e. The income accruals are also shown on the nominal ledger transaction report from QuickBooks These are reviewed for accuracy. Deferred income is also shown on the ledger and on the grants profile. This is reconciled at the end of each month and then at year end.
- f. For projects that support salaries and core costs: 12 months prior to the expiry of the grant, an approach is agreed to either secure a continuation period for the grant and/or applications are made to secure alternative sources of funding to ensure continuity of funding and posts; depending on eligibility of funding and grants.
- g. All Trustees receive full Financial Reports at Board Meetings (minimum 4 times per year) and they will be uploaded to Green Synergy's Trustee GoogleDrive portal by the CEO

6. Reconciliation of Funds

- a. The Finance and Office Manager is responsible for recording all financial transactions in the QuickBooks accounting system in addition to reconciling the monthly bank reconciliations and checking accuracy of recording of prepayments, accruals and appropriate recording of ring-fenced moneys on QuickBooks.
- b. Monthly finance reports are provided to SMT. This is then reported to the Finance and Fundraising Review Group every two months.

7. Receipts (income)

- a. All monies received will be recorded promptly on the QuickBooks and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). Green Synergy will maintain files of documentation to back this up.
- b. A Grants Profile will be maintained to log all grants received from trusts and foundations to enable effective allocations in the chart of accounts.

8. Funds Management - Banking

- a. Green Synergy will bank with The Cooperative Bank at its Skelmersdale Branch. Accounts will be held in the name of Green Synergy. The following accounts will be maintained
- b. Green Synergy Account No 1
 - i. The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the Board of Trustees as will all the changes to it.

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- ii. Green Synergy will require the bank to provide statements every month and these will be reconciled with QuickBooks every month the Treasurer will spot check QuickBooks that this reconciliation has been done at least twice a year.
- c. Green Synergy Account No 2
 - i. Green Synergy holds a bank account with Charity Bank to hold reserves levels for the charity.
- d. Green Synergy Account No 3
 - i. Green Synergy holds a bank account with CAF Bank to hold reserves levels for the charity
- e. The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the Trustees through a recorded minute at the Board of Trustees meetings.
 - i. The opening and closing of Bank accounts is undertaken by the Chief Executive at the instruction of the Board of Trustees.
 - ii. Signatories for opening and closing bank accounts are those of at least the Chief Executive, and a minimum of two Board Members.
 - iii. Bank statements are downloaded weekly from the online access for the main Co-operative banking account and they are received monthly and reconciled to QuickBooks internal recording systems monthly.
 - iv. Business account statements are received monthly and reconciled to QuickBooks internal recording systems monthly by CA Plus.
 - v. At least twice a year the Treasurer will spot check that:
 - 1. Green Synergy bank reconciliations are being made and are correct

9. Procurement and Payments

- a. All small operational purchases as they relate to the day-to-day operation of the organisation, and in line with agreed budgets, are approved by the relevant Senior Manager (stationery, postage, facility hire, stock, equipment, accommodation bookings etc.)
- b. All requests for major items are approved by Chair, Treasurer or Chief Executive (capital expenditure or large operational items, etc.) in line with agreed budget projections and approval levels.
- c. Payments will be raised on the bank account for authorisation by the Chief Executive and/ or other mandated signatories (currently the Vice Chair and Treasurer).
- d. Approval Limits: The following signing / approval limits apply:
 - i. SMT limit: up to £2,000
 - ii. CEO limit up to £5,000
 - iii. Chair/ Treasurer limit up to £15,000

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- iv. Any procurement above £15,000 must be presented to the full Board for decision or notified in advance to the Finance and Fundraising Review Group.

e. Payment Documentation

- i. Every payment out of Green Synergy's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by Green Synergy and filed.
- ii. Payments should be made by online BACS payments

f. Wages and Salaries.

- i. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a payroll report asking for payment to an employee, the HMRC Inland Revenue, etc.
- ii. All employees will be paid within the PAYE, National Insurance regulations.
- g. Petty cash will always be maintained on the QuickBooks system whereby the Finance and Office Manager manages a petty cash float as agreed by the CEO / Treasurer.
 - i. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.
- h. Monthly financial analysis is undertaken which includes detailed scrutiny of expenditure items.

10. Debtors Management

- a. CA Plus produces a monthly debtor's report detailing the debtors currently for the organisation. All sales invoices are to be set for immediate payment to be made to the charity. Contact is made after 20 days to follow up with the debtor to chase payment.
- b. If payment is not received, a further formal follow-up letter is sent requesting payment within 10 days and indicate that legal action will be taken to cover the debt.
- c. The scope and detail of the bad debt will then be reported to the Finance and Fundraising Review Group and approval to undertake small claims process in court will be sought.
- d. Bad debts are considered by the Finance and Fundraising Review Group as part of the finance management reports presented by the CEO to the Finance and Fundraising Review Group.

11. Tendering Process

- a. Market testing, requests for quotations or tendering processes must be approved by the Finance and Fundraising Review Group.
- b. Any tender process will be publicised on the Green Synergy website.

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- c. The outcome of any tender or market testing process will be reported back for decision making to the Finance and Fundraising Review Group.

12. Debit Cards / Soldo

- a. The charity has access to charity debit cards for the organisation which are used by the Chief Executive and Senior Managers for purchases made in line with 9d.
- b. All staff members are required to note and sign to agree the terms of use of the Soldo Account Policy.

13. Petty Cash

- a. Petty cash transactions are recorded and evidenced by the Finance and Office Manager.
- b. Green synergy will seek to reduce the level of petty cash transactions with the establishment of a Soldo debit account. Soldo cards are to be used wherever possible to reduce the requirement for cash payments.

14. Cash Handling

- a. Cash is counted by one or two persons responsible for the receipt of the income (fundraisers/ staff etc.). This cash is then recorded in the receipt book at the time it is received. The numerical sequence of the receipt book is maintained. Cash is then counted by the Chief Executive for recording on the credit foils for deposit at the bank. Large amounts of cash are not allowed to accumulate and cash is banked within the same operational week. Cash is kept in a locked cabinet.

15. Gifts and Donations

- a. A list of all donated gifts and donations will be recorded in the Donations and Hospitality Register.
- b. Any hospitality or gifts received from Team Members or Board Members will be recorded in the Donations and Register.

16. Sales and Receipts

- a. Sales policy and procedures
 - i. Sales: The pricing structure for training courses or consultancy services is reviewed annually in line with the preparation of budget forecasts.
 - ii. The Finance and Officer Assistant has responsibility for raising invoices and statements against all sales in the QuickBooks accounting system.
 - iii. The Finance and Officer Assistant has responsibility for posting receipts against invoices in the accounts system.
 - iv. BACS payments reconciliation: The Finance and Officer Assistant records the day-to-day receipts from the bank account onto QuickBooks with the appropriate codes.
 - v. Cash and cheques are banked on a weekly basis following reconciliation or more frequent if over £2,000.

17. Employees and Volunteers

- a. **Payroll and expenses.**

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- i. All staff appointments/departures will be authorised by the Chief Executive, on behalf of the Senior Management Team and reported to the Board of Trustees where the dates and salary level will be minuted. All appointments must be made within the approved budgeted and funding parameters. Similarly, all changes in hours and other payments such as overtime etc will be recorded on a Payroll Change Form and be authorised by the Chief Executive. All employees will be paid within the PAYE National Insurance rules.
- ii. Payroll processing is outsourced to CA Plus, and all payroll matters are passed from Green Synergy's Finance and Office Manager to CA Plus which calculates staff salaries.
- iii. Salaries are paid by bank transfer on 28th of each month or, if that date falls on a weekend or bank holiday, the nearest working day prior to the 28th. The exception is Christmas: December payroll will be run on the 21st. A BACS payment to the Inland Revenue is raised and sent in time to reach them by the 19th of the following month.
- iv. Each month the Finance and Officer Assistant will undertake the payroll reconciliation. Salary splits will be undertaken as per the timesheet allocations for projects. This reconciliation, to the QuickBooks ledger will always be filed and available for the Treasurer to make spot checks.
- v. The charity's pension provider is The People's Pension.
- vi. Written procedures are followed with respect to payroll and expenses: Payment of Salary Procedure, Hours of Work, Travel Expenses, subsistence Allowance. Employee Appraisal, Volunteer Procedure: expenses.

b. Staff expenses:

- i. Green Synergy will reimburse expenditure paid personally by staff, providing it follows Inland Revenue practice. A full explanation of eligible staff expenses and how to claim is set out in the Green Synergy Expenses Policy. Staff must complete an expense claim form and have it authorised by their line manager before payment is made.
- ii. Green Synergy will, if asked, reimburse expenditure paid for personally by staff, providing:
 - a. Fares are evidenced by tickets.
 - b. Other expenditure is evidenced by original receipts.
 - c. Car mileage is based on [approved mileage rates](#).

18. Year End Procedures

- a. The CEO and all Senior Managers will ensure that all relevant sales invoices are processed in a prompt timescale.

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- b. Accruals and deferred income are reconciled to ensure accuracy of year-end figures in line with the grants profile and the grants profile is provided to the Finance and Officer Manager to update QuickBooks.
- c. A year end stock take is taken of all appropriate items / fixed assets and reported to the Finance and Officer Assistant for reconciliation with QuickBooks.
- d. The Finance and Officer Assistant will undertake a full reconciliation check of QuickBooks to ensure all elements of the accounts are accurate before year-end figures are cleared on QuickBooks.
- e. The asset register will be checked against the year-end position to ensure accuracy.
- f. The draft accounts are then produced for consideration by the Executive Team and the Finance and Fundraising Review Group in advance of presentation to the Board of Trustees. Only once final adjustments are completed will the Full Year End accounts be considered by the Board of Trustees in advance of the audit.

19. Auditing

- a. Reports and accounts are independently externally examined each year following the financial year end (31st March). The current auditor appointed to undertake financial external inspection for Green Synergy is CA Plus.
- b. In advance of the annual external inspection process, the timetable will be agreed between the auditors, Treasurer and the Chief Executive and reported to the Finance and Fundraising Review Group.
- c. A letter of engagement will be provided to Green Synergy from the auditors along with the required bank authority request letters for signature.
- d. End of year reports and end of year financial accounts will be provided to the auditors along with the annual Trustees Report once it has been drafted and approved by the Chair and Trustees. The list of required acknowledgements for funders will be provided and detailed in the report. A tracking log of any funder which wishes to be acknowledged in the annual report is maintained as grants are received.

20. Reserves Policy

- a. The Trustees will consider the level of reserves that is prudent for the charity to have at its AGM meeting every year. Consideration will be given to redundancy liabilities, lease agreements, and any other significant factors that should be considered were the charity to close.
- b. The focus is to generate additional funds and reduce operating costs to rebuild the reserves levels by targeting the development of unrestricted funding.

21. Risk Management

- a. Managing financial risk is the responsibility of the Chief Executive, Treasurer and Trustees. Financial risk should be addressed in its own right and as part of a broader risk management approach.

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- b. **Insurance:** Green Synergy's insurance policy is currently held with Ansvar Insurance.
- c. **The brokers are:** T L Dallas & Co. Ltd, Dallas House, Low Moor, Bradford, West Yorks. BD12 0HF
- d. The following insurance covers exist:
 - i. Public and Employee Liability Insurance – cover for £10 million
 - ii. Public / Products Liability: £5 million cover
 - iii. Professional Indemnity: cover for £1 million
 - iv. Management Liability
 - v. Entity Defence: cover for £1 million
 - vi. Business Interruption Cover up to cover of £300,000
 - vii. Directors Liability including corporate liability and Trustees liability up to £1 million of cover.
 - viii. The policy cover is reviewed annually with Thompson and Richardson and the following areas are included in the review: Review of limits for afore mentioned cover, review of Premises cover, review of Contents cover, review of Business Interruption cover limits, review of Employment practices liability cover limits.

22. Assets Register

- a. A register of Assets is recorded in the QuickBooks accounting system and is reflected in the year end audited accounts.
- b. Tangible fixed assets are capitalised and included in the year end accounts at cost, including any incidental costs of acquisition.
- c. An annual stock take and fixed assets register stock take is undertaken each year and at the half year mark.

23. Tax

- a. **VAT:** Green Synergy is not a VAT registered organisation.
- b. **Corporation Tax:** The Company is exempt from corporation tax on its charitable activities.
- c. **PAYE/National Insurance:** Payroll and NI processes are outsourced to Wright Vigar.

24. Other undertakings

- a. Green Synergy does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £5,000, must be authorised and minuted by the Trustees.
- b. In exceptional circumstances such undertakings can be made with the CEO's approval who will then provide full details to the next meeting of the Trustees. (This covers such items as the new service contracts, office equipment, purchase and hire)

Related Policies:

- GS12 Green Synergy Fraud Prevention and Detection Policy

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- GS13 Green Synergy Risk Management Policy

Review date: 26/08/2027

Document Control:

Policy Details			
Policy	GS11 Green Synergy Financial Controls Policy		
Version	Date of Review	Reviewed by	Approval
V1	26.11.2019	CEO M Hollis	
V2	03.10.2022	CEO	Trustee Basecamp Approval.
V3	04.01.2023	Treasurer /CEO	Trustee Basecamp Approval
V4	05.10.2023	CEO	Trustee Basecamp Approval Process
V5	17.10.2024	CEO	Trustee Google Drive Governance Portal
V6	12.09.2025	CEO	Trustee Google Drive Governance Portal
V7	26.08.2026	CEO	Trustee One Drive Governance Portal

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