BOOK RELIEF Financial Controls Policy Version 2026/1

1. Introduction

1.1 Financial records will be kept so that the Charity can:

(a) Meet its legal and other obligations, e.g. Charities Acts, Company Law, HMRC and common law.

(b) Enable the trustees to be in proper financial control of the Charity.

(c) Enable the Charity to meet the contractual obligations and requirements of funders.

1.2 The Charity will keep a proper accounting system, which will include:

(a) A cashbook analysing all the transactions in the Charity's bank account(s). This may be a computer package, Excel or paper.

(b) A petty cash book if cash payments are being made.

(c) HMRC and any records which may be kept for payroll (if relevant).

1.3 The financial year will end on the 31st March each year.

1.4 Accounts will be drawn up after each financial year within five months of the end of the year and presented to the next Annual General Meeting.

1.5 Prior to the start of each financial year, the trustees will consider any significant matters likely to have a negative financial impact in the following year.

1.6 A report showing income, expenditure and bank balances will be sent to the trustees every month and reviewed at every trustee meeting. The report will also include a reconciliation of the bank statement to the accounting records with explanations for any differences as well as a reconciliation of cash income and expenses.

1.7 A cash flow will be produced each month if the charity is in financial difficulties or reserves are less than three months expenditure.

1.8 The AGM will consider the need to appoint an appropriately qualified independent examiner to examine the accounts for filing with the Charity Commission if the appropriate threshold is exceeded.

2. **Banking**

2.1 BRUK will bank with HSBC. Current and deposit accounts will be held in the name of Book Relief UK.

2.2 The Trustees may authorise another bank to be used for deposits once due diligence is carried out by the Treasurer and a report presented to the Trustees. Any decision to add or delete bank accounts must be minuted.

2.3 The bank mandate (list of people who can sign cheques or authorise electronic payments on the organisation's behalf) will always be approved and minuted by the Trustees as will all the changes to it. Unless otherwise approved by the Trustees, the bank signatories will be the Chair and the Treasurer.

2.4 The charity will require the bank to provide statements every month or access to electronic statements. These will be reconciled with the bookkeeping system every month and the Chair person will spot check that this reconciliation has been done at least twice a year and sign the reconciliation document accordingly. If only electronic statements are available they will be printed off and filed every month.

3. **Receipts (income)**

3.1 All monies received will be recorded promptly in the bookkeeping system and banked without delay. The Charity will maintain files of documentation to back this up.

3.2 **Money credited to the bank electronically**.

Card sales and online (e.g. eBay) receipts will be logged with cash sales.

4. **Internet Purchases**

When purchases are made over the internet the charity will ensure that only well-known bona fide sites are used for purchasing and that they have appropriate security as illustrated by a lock padlock in the bottom right hand side of the screen when a payment is being made. Such purchases will be properly authorised in a similar way to other purchases.

5. **Payments (expenditure)**

The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated.

5.1 The Treasurer will be responsible for holding the cheque books (unused and partly used cheque books) which should be kept under lock and key.

5.2 Blank cheques will NEVER be signed.

5.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.

5.4 No cheques should be signed without original documentation (see below).

5.5 Payments by debit card -no Charity debit card will be issued.

5.6 **GRANTS PAID**

BRUK exists to make grants to deserving charities who wish to promote literacy but this needs to be done following extremely serious guidelines so as to not pay out money to associations that are not deserving. A Grants Committee has been established to ensure that these guidelines are being followed.

A formal policy for approving applications for grants has been implemented.

All applications must be received via our on-line grants forum A summary of these applications are sent to the Committee by the grants secretary before each meeting. Timing of the meetings depends on the volume of applications received.

An investigation of every applicant is carried out, using data from Companies House, the Charities Commission, websites and any other means possible including direct telephone calls to the applicant.

At the charity committee meeting, the results of the investigations are discussed and a decision on whether to grant the application or not is taken. The decisions are included in the minutes of the meeting.

Once the decision has been made, the applicant is informed that either the application has been successful, unsuccessful or that it is in abeyance pending the receipt of further information.

Where the application is successful, the applicant is sent an acceptance form and requested to return it with their bank details. In addition, each successful applicant is asked to include BRUK's name in any promotional material and to be prepared to send BRUK relevant receipts if requested.

When this is received by the grants secretary, the email is transferred to the Gmail account entitled "grant-applications-acceptance-forms-received" to signify his approval for payment.

Once this is received, the treasurer effects payment and records it in the payments summary and transfers the email to "grants paid" in the Gmail account. From time to time, the "grants paid" account is emptied and all information is transferred to the individual Gmail account of the applicant.

The summary of payments made is sent to the trustees with the monthly financial reporting.

5.7 **Electronic banking**.

The Chair and the Treasurer will have unique passwords which will not be shared with anyone else.

The Treasurer will be able to access the electronic banking system for the purposes of making payments (except to himself) and to reconcile the accounts at the end of the month.

The Chair will make regular spot-checks and review all transactions with the Treasurer as necessary.

The Treasurer will check that purchases have been properly authorised and when appropriate there is evidence that goods in good condition or proper services have been received.

6.0 **On-line sales platforms**

The Chair and any designated volunteer will hold the log in details and password for the relevant site/s and will authorise transactions as necessary. Details of payments and transfers will be communicated to the Treasurer.

7. **Payment documentation**

7.1 Every payment out of the Charity'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 the Charity and filed. The Treasurer should ensure that it is referenced with:

Cheque number or electronic authorisation reference
Date cheque drawn or paid electronically
Amount of payment

7.2 The only exceptions to cheques or electronic payments not being supported by an original invoice would be for such items as a future event, deposit for a venue, etc. Here a suitable record will be kept.

7.3 **Wages and Salaries**. The shop is staffed exclusively by volunteers. If the Trustees were to decide that there might be a need for a paid assistant they should consider their obligations as employers, and provide a clear trail to show the authority and reason for any such payment.

7.4 All volunteer appointments/departures will be notified to the Trustees and authorised as necessary.

7.5 **Shop Cash** will be monitored and reconciled monthly to the sales and petty cash expenditure records. Cash will be banked at least once a week. At the end of each day a note will be left in the sales book showing how much cash (specifically notes) has been left on the premises overnight.

7.6 Expenses / allowances. The Charity will, if asked, reimburse expenditure paid for personally by staff, providing:

Fares are evidenced by tickets.

Other expenditure as evidenced by original receipts.

Car mileage based on HMRC scales (currently 45p/mile).

No cheque signatory should sign for the payment of expenses to themselves, nor authorise electronic payments to themselves without approval from a Trustee.

8. Cheque Signatures and cash cards

8.1 Each cheque will be signed by two people.

8.2 Electronic bank payments can be made by either the Treasurer or the Chair, subject to 7.6 above.

8.3 A cheque should not be signed by the person to whom it is payable.

8.4 'Hole in the wall' type cash cards which access any of the charity's bank accounts will not be used and if issued by the bank they will be immediately cut in half.

8.5 Top up debit cards will not be issued.

9. Other undertakings

9.1 BRUK does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given must be authorised by one or more of the trustees. In exceptional circumstances such undertakings can be made with the Chair's approval who will then provide full details to the next meeting of the trustees.

9.2 All fundraising, contract bids and grant applications made on behalf of the organisation will be done in the name of the Charity with the prior approval of the trustees or in urgent situations the approval of the Chair who will provide full details to the next trustee's meeting.

9.3 Copies of any grant applications will be kept and made available to Trustees on request.

9.4 Any funding contracts or grant acceptance documentation will be brought to the trustee's attention for approval. In urgent situations this may be by e-mail to all trustees.

10. **Other rules**

10.1 BRUK will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost and normal location.

10.2 The charity will maintain up to date good quality antivirus and anti-phishing software on all computers that connect to the internet.

This policy was adopted by the trustees on / /