

Tab 1



## **Trans Action West Cumbria Financial Management Policy**

**Approved:**

**Review:**

### **Introduction**

This policy sets out how Trans Action West Cumbria CIC manages its finances responsibly, transparently and in line with legal requirements. It ensures that all income, expenditure and financial decisions support the organisation's aims and protect the interests of our members, funders and the wider community.

### **Scope**

This policy applies to:

- Trustees and Directors
- Volunteers handling money on behalf of the CIC
- Contractors involved in financial administration

It covers:

- Income and expenditure
- Banking
- Purchasing and approvals
- Financial reporting
- Record keeping
- Use of reserves and grants

### **Principles**

We manage our finances in accordance with these principles:

- Transparency and accountability
- Proper authorisation and oversight
- Protection of the organisation's assets
- Compliance with the Companies Act 2006 and relevant financial regulations
- Separation of duties wherever possible
- Accurate and timely record keeping

## Roles and Responsibilities

### Board of Directors

- Hold overall responsibility for financial management
- Approve budgets and monitor financial performance
- Oversee compliance with legal, accounting and reporting requirements
- Approve financial policies and major spending decisions

### Treasurer (Named Individual)

- Maintain accounting records
- Prepare financial reports
- Monitor income and expenditure
- Oversee the bank account
- Support budget planning
- Lead preparation of annual accounts

### Volunteers

- Follow this policy and any related guidance
- Keep receipts and records for all transactions
- Ensure money is transferred or deposited promptly
- Report concerns or irregularities

## Bank Accounts

- The CIC will operate at least one bank account in the organisation's name.
- The board will approve authorised signatories.
- Wherever possible, payments will require two signatories or digital approvals.
- Bank access will be limited to authorised individuals only.
- Personal accounts must never be used for CIC funds.

## Income Handling

Income may include grants, donations, fundraising, membership payments or event fees.

We will:

- Issue receipts or confirmations when appropriate
- Record all income promptly and accurately
- Ensure cash is minimised and banked as soon as reasonably possible
- Keep clear records linking income to funders, events or specific activities

Grant income will be used in accordance with funder requirements, and reporting obligations will be met on time.

## **Expenditure and Purchasing**

### General Rules

- All spending must further the CIC's aims and be reasonable, necessary and cost-effective.
- Expenditure must be authorised before purchases are made.

### Authorisation Levels

The board may adapt these figures as the organisation grows.

- Up to £50 - any Director
- £50 to £250 - Treasurer
- Above £250 - approval of the Board or at least two Directors

### Contracts and Regular Payments

- Any service contract or recurring payment must be approved by the Board.
- Renewals must be reviewed for value and necessity.

## **Cash Handling**

Where cash is unavoidable (for example, fundraising stalls):

- Two people should be present when counting
- Cash must be recorded, signed off and banked promptly
- Cash must never be taken home for long-term storage
- A simple cash record form must be completed

## **Financial Reporting**

## Management Accounts

The Treasurer will produce quarterly financial reports for the Board, including:

- Income and expenditure against budget
- Bank balances
- Fund-restricted balances
- Notes on any issues or emerging risks

## Annual Accounts

- Annual accounts will be prepared in line with Companies House requirements.
- They will be approved by the Board before submission.
- A simple annual financial summary may be published on our website for transparency.

## Budgeting

- The Board will set an annual budget aligned with strategic objectives.
- Spending must stay within the approved budget unless the Board agrees otherwise.
- Significant variances must be explained and addressed.

## Reserves Policy

The CIC will aim to maintain a small unrestricted reserve to:

- Cover short-term expenditure
- Provide stability
- Manage unforeseen costs

The target level of reserves will be reviewed annually based on risk and planned activity.

Restricted funds will be used strictly for their designated purpose.

## Fraud and Irregularities

We will not tolerate fraud, theft or misuse of funds.

Any concerns must be reported to the Treasurer or Board immediately.

The Board will:

- Investigate concerns
- Involve external agencies where appropriate
- Take disciplinary or legal action if required

## Record Keeping and Storage

We will keep accurate, up-to-date financial records, including:

- Receipts and invoices
- Bank statements
- Grant agreements
- Expense claims
- Annual accounts
- Contracts and procurement documents

Records will be kept securely for at least six years.

## **Review**

This policy will be reviewed annually, or sooner if:

- Legislation changes
- Funders require amendments
- The organisation grows or changes its activities

## **Revision History**

- 30th November 2025
  - Draft created