



FEEDING DREAMS - FINANCE POLICY AND PROCEDURES

POLICY

The following is a joint working document to ensure that **Feeding Dreams (UK)** (FDUK) and **Feeding Dreams Cambodia** (FDC) operate fully within the guidelines of the Charity Commission.

The Trustees at FDUK and the Directors at FDC will:

- meet their legal duties to safeguard the charity's assets
- administer the charity's finances and assets in a way that identifies and manages risk
- ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information

The aims of internal financial controls are:

- to protect the charity's assets;
- to identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud;
- to ensure that financial reporting is robust and of sufficient quality; and
- to ensure that the trustees comply with charity law and regulation relating to finance.

FDC's staff and volunteers are responsible for ensuring that the controls put in place by the FDUK Trustees are implemented. FDUK Trustees will annually review the effectiveness of the internal financial controls. They will assess whether the controls are relevant to, and appropriate for, the charity and not too onerous or disproportionate.

PROCEDURES

Quarterly meetings (involving FDUK Trustees and FDC's UK Ambassador) take place to monitor the financial activities of FDC. In these meetings all funding which has been processed through FDUK will be monitored. When appropriate the Directors of FDC may attend these meetings. Meetings take place four times each year. FDUK's accounting year is 1st October to 30th September. FDUK is audited annually by the Charity Commission and HSBC (FDUK's bank). FDC's accounting year is 1st January to 31st December and they are audited each year by ATCAM Consulting, Siem Reap.

Bank Details:

Feeding Dreams (UK)

Bank: HSBC

Account Name: Feeding Dreams (UK)

Account Number: 11225138

Sort Code: 40-07-18

IBAN - GB49HBUK40071811225138

BIC - HBUKGB4143C

Feeding Dreams Cambodia

A/C 001120118
Swift Code ABAAKHPP
Advanced Bank of Asia Limited,
148 Preah Sihanouk Blvd,
Phnom Penh, Cambodia

Monitoring Risk

Budgetary control

Proper and realistic estimates of income and expenditure are made for each area of FDC's activities for each financial year. From this information FDUK's Trustees and FDC's UK Ambassador will set the fundraising target for the coming year. The fundraising targets will be set before the start of FDC's financial year. The performance of these targets are reviewed quarterly. Significant over or underperformance of both income and expenditure are monitored and adjusted as required.

Internal Audit/Controls

The financial information provided at each trustee meeting includes details of the charity's financial position and performance. All decisions by the Trustees is taken collectively and significant decisions and action points are noted in writing. The financial information is sent to each trustee before each meeting and will typically include:

- the latest management accounts
- a comparison of budget to actual figures
- an explanation for variances between forecasts and what actually happened
- details of cash flow and closing bank balances

FDC Department Managers submit financial information on a monthly basis to FDC Directors, which are correlated by FDC's Finance Officer. Relevant information is brought to quarterly joint meetings by the UK Ambassador for Feeding Dreams.

It is the responsibility of FDUK Trustees to keep accounting records, and to prepare an annual report and accounts with the appropriate level of external scrutiny. Trustees must also safeguard the Charity's assets and take steps to ensure the Charity is protected against financial abuse. Accounting records must be kept for at least six years.

Trustees have a number of legal duties that must be met in relation to accounting and financial reporting. FDUK and FDC will:

- keep 'sufficient' accounting records to explain all transactions and show the charity's financial position
- prepare an annual report and statutory accounts meeting legal requirements
- consider the need for a reserves policy, managing the level of reserves held and the disclosure of any reserves policy in the Trustees' Annual Report
- formally approving the Trustees' Annual Report and Accounts
- ensure that accounts are subjected to any external scrutiny required by law or by the charity's governing document

- ensure that the Trustees' Annual Report, accounts and annual return are filed on time with the Charity Commission (*FDUK*) where filing is required by law.
- meet requests from the public for copies of the charity's most recent trustees' annual report and accounts
- safeguard the assets of the charity and ensuring proper application of resources
- take steps for the prevention and detection of bribery, fraud, financial abuse and other irregularities

Donations will be refused where the terms of the donation are unduly restrictive or are intended to exercise undue influence over the Trustees or where the acceptance of the donation would be detrimental to Feeding Dreams' reputation.

FDC will ensure that adequate training is provided to staff and volunteers to ensure that they are familiar with the charity's financial controls and know what actions to take if they notice any financial anomaly. Staff and volunteers will know how to report their concerns within the organisation, including concerns about the conduct of trustees or senior managers.

Income

Feeding Dreams (UK) is registered with the HMRC - Tax number XR77064.

Gift Aid – UK tax payers are encouraged to claim gift aid as part of their donations to Feeding Dreams. Virgin Money Giving claim and process Gift Aid on behalf of Feeding Dreams. Gift Aid is credited to FDUK's bank account on a monthly basis. Gift Aid payments to FDC are detailed in payment reports which accompany all financial transfers.

Banking procedures

The following controls help ensure protection for Feeding Dreams' funds:

- cheque and cash receipts are promptly recorded (FDC do not accept cheques)
- cheques and cash are banked regularly and promptly
- cash and cheques not banked on the day of receipt are kept in a safe and secure place

Income via the post

FDC do not receive any payments by post. FDUK very rarely receive any payments which are not through the online banking system. Any post received at FDUK's public address is forwarded immediately. There is no undue delay in opening post and any receipts are logged and banked.

For fundraising and sponsored events the following controls are in place:

- records are maintained for each fundraising event, in sufficient detail to identify gross receipts or takings and costs incurred
- for all events for which there is ticket income or gate money:
 - (i) that tickets are all pre-numbered
 - (ii) a record is kept of all persons who have been issued with tickets to sell, and the ticket numbers that have been allocated to each person
 - (iii) a record is kept of which tickets have been sold
 - (iv) all money from tickets and any unsold tickets are collected
 - (v) a reconciliation is made of receipts against tickets sold

Reviewed March 2021: Next review date March 2022

Feeding Dreams do not use external fundraisers.

Bank Procedures

FDUK - Where payments are made directly into the bank account via BACS, cheque or cash the Treasurer will check for such direct payments each time a bank statement is received, or on-line as circumstances require.

FDC – The Finance Manager and CEO monitor payments into FDC's account. Income is collated with monies due.

Authorisation of Expenditure

FDUK and FDC have a two-person authorisation process for banking and expenditure purposes including cheque signing, withdrawals. In FDUK this authorisation is two Trustees. In FDC there are two Directors and two Managers who have authorisation for this dual role. FDUK and FDC do not have business credit cards. FDUK has a debit card linked to their account. This is used only for FDUK website and email address charges.

FDC – Department Managers submit request forms for any goods or services required. Requests are reviewed by a two-person authorisation process. Small items in an emergency can be assessed by one Director. Directors ensure that:

- any orders for goods or services placed are clearly documented
- any orders placed are within the agreed spending budget and emergency spending must be authorised
- invoices received are checked against orders confirming the price and receipt of the goods or services ordered

Payment of grants and loans at FDC

The Manager of the Community Department ensures beneficiaries sign for receipt of funds, and photos are taken to ensure that funds are spent on intended purpose. Often a Community Department Social worker accompanies the family on all purchases with photos. Photos and emails are then forwarded to the donor to confirm agreed use.

Wages and Salaries at FDC

If payment is in cash staff sign for receipt of payment. FDC are moving towards payment of salaries through bank accounts on a monthly basis.

FDUK Payment by Cheque (FDC do not use cheques)

Two signatories are required on cheques.

FDUK will:

- ensure cheque books are kept in a secure place
- do regular reviews of bank mandates and authority limits
- prohibit the signing of blank cheques
- ensure prompt recording of payments including details of the cheque number, nature of the payment and the payee

- obtain documentation to support the validity of the payment including relevant invoices and confirmation that the goods or services have been received

Direct debit, standing order and BACS direct credit.

All payments made from FDUK or FDC accounts must be agreed by two signatories. Security for bank accounts is agreed with the relevant banks.

FDUK and FDC do not take out loans.

FDUK and FDC do not invest charity funds.

Electronic Banking

To maintain security over electronic banking systems Feeding Dreams will ensure that:

- after each electronic banking transaction, a printout should be taken showing details of the transaction and stored as part of the accounting record
- retaining print outs of statements as part of the accounting records
- keeping all PCs with access to the online banking facilities secure
- ensuring all PCs are up to date with anti-virus, spyware and firewall software
- keeping all the password(s) and PIN(s) secret
- changing passwords periodically and following changes in authorised staff and trustees
- adequate training for those using the charity's computer systems
- treating emails received relating to bank accounts with caution, in particular, trustees and staff should not respond to emails or telephone calls asking for personal security details

Restricted Funds and Endowment Funds

Payments transferred to FDC from FDUK are always accompanied by a payment report. These detail who the donations are from and what they are to be used for. The relevant information is passed on to the Community Department so that Managers are clear what the payments are for and they are allocated accordingly.

Fundraising and grant applications

All fundraising and grant applications undertaken on behalf of Feeding Dreams Cambodia must have the approval of the CEO and Directors of FDC. All fundraising and grant applications undertaken on behalf of Feeding Dreams (UK) will be done with the prior approval of the Trustees.