BDEF CIO (Bristol Disability Equality Forum)

Agreed by Board: November 2025 Signed: 19th November 2025
To be reviewed: Nov 2026.

Financial Policy and Procedures

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Financial Policy

Purpose

It is a duty of the Trustees to ensure that BDEF CIO's resources are protected in order that the charity can fulfil its aims. The purpose of this document is to set out BDEF's internal financial controls which will enable the Trustees to comply with this duty.

General Principles

Internal financial controls are essential checks and procedures that help Trustees:

- 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.

Trustees are committed to reviewing BDEF's financial controls annually.

Definitions

1. Assets of BDEF are classified as unrestricted, restricted and designated.

2. Unrestricted funds are grants and donations that are available to BDEF to use for any charitable purpose.
3. Restricted funds are funds that have been secured from a funder or donor and are restricted to a particular project or purpose.
4. Designated funds are monies set aside from the general fund for a specific purpose.

Roles and Responsibilities

The Board of Trustees is responsible for:

- Safeguarding the assets of the charity;
- Preventing fraud;
- Not doing anything that could place the organisation in financial difficulty;
- Appointing a Treasurer;
- Agreeing financial policies and procedures;
- Ensuring the staff are adequately trained in financial issues and have read and implement the Policy and Procedures;
- Reviewing and approving quarterly income/expenditure and management accounts;
- Approving budgets for each year;
- Ensuring that adequate financial records are kept in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc);
- Approving the Annual Accounts in accordance with the governing document and relevant legislation;
- Only taking financial decisions that do not break laws or requirements set by funders;
- Only spending money of the charity to meet the purposes of the charity as set out in the constitution;
- Agreeing a Reserves Policy and ensuring there are enough reserves to cover a minimum of three months of running costs of the organisation.

The Treasurer will be selected from the Board of Trustees at the first meeting of the Board of Trustees after the AGM and their responsibilities will be set out in the Treasurer role description. This includes: maintaining an overview of the financial situation of BDEF; working with the Director and Accountant to ensure all financial activities are carried out properly and in accordance with policies and procedures; and assisting the Board with financial matters.

The Director, Accountant and Administrator are responsible for the day-to-day operation of finance, administration and maintenance of financial records, reconciliation and distribution of petty cash. An agreement on the allocation of tasks will be made prior to each financial year.

The Director, working with the Accountant, is responsible for the management of funds, internal controls, financial statement preparation, financial payments, preparation of accounts, payroll and other operational financial issues.

The Director is responsible for ensuring that Trustees are provided with sufficient information to be able approve the budget, monitor income and expenditure and to make informed financial decisions.

BDEF will engage the Accountant to manage payroll and calculate Inland Revenue payments, and other duties as agreed with the trustees.

Responsibility for abiding by and carrying-out the Policy and Procedure

All Trustees, staff and volunteers are responsible for abiding by, and carrying out this Policy and Procedures. A copy will be given to all trustees, staff and relevant volunteers when they start their roles.

If a complaint is made against a Trustee that they have breached the policy, this will be investigated by the Treasurer. If following investigation, the Treasurer believes the complaint is valid, they will report to the Trustees. If the Trustees vote that the Trustee concerned has breached the policy, this will mean their immediate removal as a Trustee with no right of appeal. If the Treasurer is the trustee the complaint has been made against, then the Co-chairs will investigate.

If a complaint is made against a staff member for breaching the Policy or Procedure, this will be dealt with under the BDEF's Staff disciplinary procedure.

Relevant legislation and policies

This Policy complements, and should be considered along with other BDEF Policies:

- Reserves Policy
- Expenses Policies for staff, Trustees and volunteers
- Treasurer Role Description
- Risk Register

Scope

This Policy and Procedures applies to all financial matters at BDEF.

Versions

There is an Easy Read version of this document in development. When it is finalised and signed off, it will be linked to here.

Review of the Policy and Procedures

This procedure shall be reviewed every 2 years upon its adoption. An earlier review may take place if:

- We approve a proposal that changes the policy
- There’s a change to the organisation that will change the policy
- There’s a change in the law that affects the policy

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Financial Procedures

To enable the Policy to be effective and for staff and trustees to carry out their responsibilities, the Financial Procedures detailed below must be followed at all times by all trustees, staff and volunteers.

Financial Year

BDEF's financial year shall run from the 1st of April to 31st March each year.

Budgeting process

The annual budget, setting out BDEF's financial plan for the year, is prepared by the Director in consultation with the Treasurer and Accountant.

The Board of Trustees must approve the budget. This should usually take place at the March trustees' meeting ahead of the new financial year. The first draft of the budget should be considered by the trustees no later than 28th February. The final budget for sign-off must be considered by the Trustees no later than 31st March.

The Trustees may review and amend the budget in light of new information ahead of the start of the financial year. However, once the financial year has begun, the budget should be fixed and variances reported against it.

The Budget, including performance against budget, will be monitored by the Director on a monthly basis, and will be monitored at least quarterly by the trustees.

Annual Accounts

The Annual Accounts will be prepared by the Director, Treasurer and Accountant.

The Director will review the Annual Accounts against the 12 month's set of Management Accounts to identify any variances.

The Annual Accounts will be independently examined or audited (as required), and the Board of Trustees must then approve the final Annual Accounts. This should usually take place at the Trustees' meeting ahead of the Annual General Meeting.

The Director and Treasurer will ensure that any recommendations from the audit or independent examination are acted on immediately.

The Annual Accounts will be presented to the Annual General Meeting. This meeting should take place in the timescales required by BDEF's constitution.

The auditor / independent financial examiner for the following year will be appointed by the Annual General Meeting.

Financial Reports

A financial report will be prepared at least quarterly for the trustees by the Director or Accountant, and will be presented by the Director, Treasurer or a Co-Chair. This financial report will show actual income and expenditure against budget, with any variances explained, and a report will also be done on the cash flow and on the state of all reserves.

Accounting and other financial records

Trustees will choose either that BDEF has its own computerised financial records system to record day-to-day transactions, or to buy this service in from an external accountant/bookkeeper. Irrespective of which is chosen, all transactions must be recorded on the computerised system.

Every transaction will include:

- The date of the transaction
- The name of the person or organisation the money was received from, or paid to, and the full amount

- A brief description of why the money was received or paid
- An analysis of each amount under its relevant budget heading, where applicable.

All documents relating to receipts and payments will be filed either electronically or in paper form either in the office or on the office PC in the month they are inputted into the system.

The Treasurer or nominated trustee and Director will review the records every month prior to the Trustees' meeting.

Purchasing

All purchase orders must be initiated, processed and authorised only by the Treasurer, Accountant or Director.

All purchase orders must be recorded in the electronic purchase order folder kept on the office PC. The record must include:

- the reason for the order;
- what is to be purchased;
- which budget head the purchase is to be set against;
- the organisation or individual being purchased from;
- the date of the purchase;
- the expected date of the arrival of the goods or service;
- the sequential number of the purchase order;
- the name of the person authorising the order.

The Purchase Order number must be given to the Supplier and quoted on their invoice.

The Director, or in the case in the absence of the Director, a member of staff designated by the Trustees, can authorise purchases of up to £500 without prior approval from the Trustees. All purchases must be reported in the quarterly financial report to the Trustees. Any purchase of over £500 must be prior-authorised and signed off by a Co-Chair or Treasurer and another Trustee.

No Trustees or staff member may authorise payment to themselves, their partner or relatives. No staff member with authority to sign off transactions can co-authorise a transaction from which they personally benefit if this transaction is outside of usual employment terms and conditions such as pay or redundancy.

Any expenditure in excess of £500 for the purchase of a single item should have bids from three suppliers if possible. These bids are reviewed and approved by at least two of: the Director, Treasurer or Co-Chairs. Purchases of less than the approved amount may be made without competitive bids, however where possible the cheapest source should be used.

The list of suppliers should be reviewed quarterly by the Director to ensure no unauthorised changes have occurred. The Director will also check all new suppliers' details are correct.

Payments

All invoices and other receipts must be either sent in electronically to the office computer or by post to the office address. The Administrator will be responsible for matching all invoices or other receipts against the relevant purchase orders kept on the office PC.

Before payment is authorised, all physical goods must be checked by either the Treasurer, designated Trustee or designated member of staff.

Before the cheque or Internet payment is made, it must be authorised by email by any of the two designated signatories – subject to the exceptions set out above in this Policy and Procedure. This will be done by the Administrator gathering all invoices on a weekly basis and sending to the authorised signatories for the approval. On approval by email, these will then be paid.

When a cheque is signed, the two signatories should also sign the Cheque Requisition Form. For Internet Bank Transfer the two signatories must sign the Authorisation form.

Once payment has been made the invoice, or other receipt should be marked "Paid", together with the cheque number and date or with the electronic bank transaction.

All payments must be entered in the computerised accounting system only after being authorised and paid.

Petty Cash

Petty cash will be kept in the office. It will be kept in a locked box in a locked cupboard. Only the Director and Administrator will have access to the keys to the petty cash.

The amount of petty cash kept in the office will not exceed £200. Requests to withdraw cash to put in the petty cash must be made by the Director to the other signatories. The Director or Administrator will withdraw the cash using the BDEF debit card.

All requests for petty cash must be made by email to the Director. Petty cash will only be taken out and used when the Director has approved the request by email copying in the Administrator.

The Administrator will keep an electronic record of all additions to the petty cash and all withdrawals. Withdrawals must include the purpose, amount, date and who was authorised to receive the petty cash.

Petty cash is for claiming reimbursement for small items of incidental expenditure only. The maximum amount that may be claimed in respect of any single item through the petty cash system (e.g. a taxi fare) is £40. No cash will be disbursed without a receipt, except in exceptional circumstances.

Petty cash can only be used for:

- payment of out-of-pocket expenses for Trustees, volunteers and members such as travel and refreshments

- The urgent purchase of office supplies that cannot be ordered in time from suppliers

The following items cannot be reimbursed via petty cash:

- Staff travel
- Staff subsistence

These should be claimed through the monthly expenses claim form.

The amounts payable under petty cash for out-of-pocket expenses are set out in the BDEF expenses policy.

The Administrator will reconcile the petty cash each month and its use will be recorded in the monthly financial report to the Trustees.

Bank Accounts

BDEF's bankers will be agreed by the Trustees and this decision will be minuted. The bank used by BDEF will be reviewed each year with the review of this Policy.

All bank accounts must be in the name of the organisation. No account may ever be opened in the name of an individual or individuals. New accounts may only be opened by a decision of the Trustees, which must be minuted.

There must be at least three signatories for all BDEF bank accounts. One of these must be one of the Co-chairs. One must be the Treasurer, or another Trustee if there is not a Treasurer in place, or the Accountant. One should be the Director. All signatories will be appointed by the Trustees and minuted at a Trustee meeting. Additional signatories can be agreed by the Trustees providing the decision is minuted at a Trustee meeting.

All financial transactions over £1000 must be authorised by the designated Co-Chair or Treasurer and at least one of the other agreed signatories.

The signatories to any financial transaction, including internet banking, are responsible for checking every detail relating to the transaction, especially that it is in line with this financial policy and procedure.

Blank cheques must never be signed.

The setting up of all direct debits and standing orders also requires the approval of 2 signatories.

Where the Treasurer is not a cheque signatory, they should still be copied into all requests for authorisation and may also authorise internally as if they were a signatory.

Removal of signatories/bank access

It is the responsibility of the BDEF Director to ensure that any outgoing staff member or trustee who is a signatory, has access to online banking or a bank card, is removed. Removal from online banking and destruction of any bank card/authorisation equipment should happen immediately when the contract/relationship ceases and is included on the staff leaver checklist completed at the end of every employment.

Debit Cards

There will be one BDEF debit card held by the Director.

Debit cards may be used for budgeted purchases up to £250, provided that expenditure on different classes of purchases, on a monthly basis, do not exceed 1/12th of the annual allocation for that class. Where expenditure exceeds £250 or 1/12th of the budget, this must be authorised in advance by 2 signatories.

Non-budgeted for expenditure may only be made using BDEF debit cards in accordance with the rules on authorisation of expenditure as set out at paragraph below.

Debit cards have a daily cash limit of £250, but unless for the purposes of topping up the main petty cash tin, the Director should not withdraw cash on the cards without the authorisation of the Treasurer or Co-Chair.

Following the debit card purchase, a receipt must be submitted within 5 working days to the Administrator.

Cash collection boxes

Cash collection boxes may occasionally be used for donations at events. We will try to avoid cash collections if possible however.

The following safeguards are in place:

- all collecting boxes are sealed before use so that it is apparent if they have been opened before they are returned;
- all collection boxes are regularly opened and the contents counted;
- cash collected is banked by the charity as soon as possible without deduction of expenses.

Where cash is collected/received through fundraising, this should be counted by 2 different people.

Gift Aid

Donations made under Gift Aid are treated as if the donor had already deducted basic rate tax from them. BDEF can then reclaim this tax to increase the value of a donation.

The Administrator will maintain a record of donors who have completed a Gift Aid declaration and makes regular checks to ensure donations have been received as anticipated and Gift Aid payments have been received.

Expenses procedures

Expenses may only be claimed in accordance with the relevant policy (for staff/trustees/volunteers). Expenses must be approved by the Director (for staff or volunteers), or Treasurer (for Trustees).

Once approved, expenses are passed to the Administrator to arrange payment. Expenses will only be paid when supported by a receipt or invoice.

Payroll

All employees, including sessional and part time employees, must be asked to complete the relevant PAYE form/s before they receive any payment.

All staff changes, and changes to terms and conditions of employment must be authorised and minuted by the Trustees.

Payroll and all calculations will be made by the payroll service contracted with to provide the service. This service will be agreed and reviewed annually by the Trustees.

On a monthly basis, the Director will contact the payroll provider to inform them of any changes to payroll, sick leave etc. Payroll and Inland Revenue payments are calculated by them.

Insurance

Appropriate Insurance policies will be maintained to cover Employer's Liability, Public Liability and Contents.

List of Equipment

A list of all the physical assets of the organisation will be kept and regularly updated. A copy will be kept off the premises at the address of the Co-Chair or Treasurer.

Lease Agreements

BDEF conducts its operations from leased facilities. Leases and other contractual agreements are negotiated by the Director and executed with the approval of the Trustees.

Invoicing

Invoices must only be prepared by the Finance Officer or Accountant using accounting software.

All invoices for services are added to a spreadsheet list of invoices which is used to record when invoices have been sent and paid.

Pay Awards

BDEF will develop a Pay Policy with agree pay scales for all roles. This will be reviewed by Trustees at least every three years. Staff will be appointed on an agreed pay scale. It is expected that we will normally endeavour to move staff on to the next increment on their scale on 1st April each year. This will only take place if they are not subject to any disciplinary or performance management process and have been with BDEF for over a year.

BDEF Trustees will agree as part of the budget setting each year whether to award a cost-of-living increase and how much that might be.

Any incremental increase or cost-of-living increase is subject to budget approval each year, and will only be awarded if adequate funding is available.

Other than temporary roles, all BDEF salaried positions should be advertised as being within an appropriate scale. It is usually the case that new staff will start at the bottom of the scale, but the Director may authorise an individual starting at a higher point where considered justified by their experience and/or other relevant circumstances.

Staff who are paid the Minimum Wage, will automatically receive any increase from 1 April in the year following the increase being made.

Monitoring arrangements

Many of the procedures set out within this document are in place to help to reduce the risk of financial crime and abuse. In addition, to those things already set out within this document, the following procedures will take place:

- On a monthly basis, the Director or Accountant will check the accounts with online banking to identify any discrepancies between the accounting system and bank statements and to ensure that the opening and closing balances are consistent.
- Paper bank statements will be sent to the Director who will check them for transactions which appear out of the ordinary.

Confidentiality

Financial records are restricted materials with limited access. Only the Director, Administrator, Treasurer, Accountant and appointed Independent Examiner (or others so authorised) shall have access to financial records (payroll, etc.).

Document retention

Accounting records including invoices and receipts will be kept for seven years (six years after the end of the financial year) in line with statutory requirements.

Records relating to payroll payments and statutory deductions will be kept for seven years (six year after the end of the tax year) in line with statutory requirements.

Insurance documentation such as employer liability insurance certificate will be kept for forty years.

The abovenamed documentation will be stored in the office or archived in a locked cupboard on the premises.

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