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| **Inverkeithing Encore Financial Policy**The purpose of this Financial Policy is to ensure the financial integrity and accountability of Inverkeithing Encore. This policy provides guidelines for managing the organisations finances, including budgeting, financial reporting, handling funds, and conducting audits.**Scope:**This policy applies to all board members, volunteers, and participants in the financial management of Inverkeithing Encore.**Policy:**1. **Budgeting**:
* **Annual Budget**: The Treasurer, in collaboration with the board, shall prepare an annual budget for approval by the board of directors. The budget shall outline projected income and expenses for the upcoming fiscal year.
* **Approval**: The annual budget must be approved by a majority vote of the board of directors before the start of the fiscal year.
* **Monitoring**: The Treasurer shall monitor actual income and expenses against the budget and report any significant variances of the board on a quarterly basis.
1. **Financial Reporting:**
* **Monthly Reports:** The Treasurer shall prepare monthly financial reports, including balance sheet and income statement, for review by the board of directors.
* **Annual Reports:** An annual financial report shall be prepared and presented at the Annual General Meeting (AGM). This report shall include a summary of the year’s financial activities and the financial position of the organisation.
1. **Handling Funds**
* **Receipts:** All income, including donations, grants, ticket sales, and other revenue, shall be promptly recorded and deposited into the organisations bank account.
* **Disbursements:** All expenses must be documented with receipts or invoices and approved by the Treasurer or another designated board member. Payments shall be made by cheque or electronic transfer, and cash payments should be minimised.
* **Petty Cash:** A petty cash fund may be maintained for minor expenses. This fund shall be reconciled monthly, and all disbursements must be supported by receipts.
1. **Internal Controls:**
* **Segregation of Duties:** To prevent fraud and ensure accuracy, financial responsibilities shall be divided among different individuals. For example, the person who approves expenses should not be the same person who writes the cheques.
* **Authorisation:** All financial transactions must be authorised to the appropriate individuals. These individuals are the Treasurer and the Director. Should the Director be unable to make an authorisation of transactions the co-Director may authorise.
1. **Audits:**
* **Internal Audits:** The Financial Committee shall conduct internal audits periodically to review financial procedures and ensure compliance with this policy.
* **External Audits:** An independent auditor may be engaged to conduct an annual audit of the organisation’s financial statements. The results of the audit shall be presented to the board of directors and made available to members at the AGM.
1. **Fundraising and Grants:**
* **Approval:** All fundraising activities and grant applications must be approved by the board of directors.
* **Compliance:** The organisation shall comply with all legal and regulatory requirements related to fundraising and grant management.
1. **Conflict of Interest:**
* **Disclosure:** Board members, volunteers, and participants must disclose any potential conflicts of interest related to financial transactions.
* **Avoidance:** Individuals with conflict of interest shall not participate in decisions related to the transaction in question.
1. **Financial Reserves:**
* Inverkeithing Encore shall maintain a financial reserve to cover unexpected expenses and ensure financial stability. The target amount for the reserve fund shall be determined by the board.

**Review:**This policy shall be reviewed annually by the Finance Committee and approved by the board to ensure its effectiveness and compliance with current laws and best practices. |
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