

Financial Authorisation

This policy describes levels and procedures for authorisation of expenditure at Collings Park Trust (CPT). In all cases, whoever makes and authorises transactions - in line with this policy - takes or shares responsibility for them.

1. Financial recording

All financial transactions are recorded, CPT's finances being overseen by the appointed Treasurer. Quarterly reports are submitted to the Board of Trustees, who monitor all transactions.

2. The Board

Ultimately, the board is always responsible for all aspects of finance. The board's role includes not only authorising expenditure and ensuring income but putting in place and monitoring systems for recording transactions. The board shall appoint a Treasurer to oversee the charity's finances, the Treasurer being from amongst either the board or the management committee.

3. Management Committee

The management committee plans and oversees CPT activities. In many cases, the management group therefore oversees expenditure on behalf of the board; but those transactions take place within plans that must already have been submitted to and approved by the board.

4. Types of expenditure

There are many ways to categorise types of expenditure but a crucial difference for CPT is between:

- Planned, standardised expenditure which relates to the functioning of the organisation and is in line with approved plans and budget – e.g. purchases of equipment or payment of agreed contractors
- Expenditure on minor items that can be covered in a specific budget line – e.g. expenses

As implied above, the former category needs approval from CPT's board as a whole; the latter, if within certain limits, needs approval by any two trustees. Any expenditure over £500 needs prior, explicit board authorisation, either as a proposal in itself or as a specific item noted within a bigger plan and proposal.

5. Planned Expenditure

Where the board has approved a plan and budget there will be a nominated lead, either from the board or management committee, who will be responsible for expenditure against that plan and budget. They will therefore have authority to spend on that basis.

6. Purchases / orders

Where a CPT member makes a purchase, the following apply:

- Purchases must fit with the organisation's aims, role & plans
- Any expenditure should be agreed in advance with the board, as above
- Records must be kept of all expenditure; e.g. for orders made, date, goods, co., total price, and other relevant information. Order forms / invoices / receipts are kept for record. Invoices / receipts shall be passed to the Treasurer.
- Received goods must be checked – on day of receipt or as soon as possible afterwards – against the order (and, if received, invoice). Any discrepancy should be followed up by, or with the agreement of, the Treasurer, informing the board, if and as necessary.

7. Financial authorisation levels

The overall context for expenditure is the annual budget for the organisation, agreed each year by the board. Any and all spend must fit with this and / or with operational CPT's functioning.

As noted above, spending on specific commitments (based on formal proposals), that are part of the budget are agreed and authorised by the annual budget approval process. As stated, any expenditure over £500 requires explicit approval by the board.

For other expenditure - not explicitly part of the annual budget - different levels of expenditure must be agreed by different levels of management.

- Expenses of up to £25 may be authorised by the Treasurer or one board member, of up to £50 two and above that three.

NB All expenditure is shown in financial records that are reported to trustees.

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