



Financial Policy and Procedures. Financial Reserve Policy

Financial Policy

1. Introduction

The purpose of this policy is to ensure that the Trustees of Uzima In Our Hands have the tools and skills to ensure effective financial management takes place. Where other people are involved this policy will set out the individual responsibilities in a clear way to avoid confusion, inconsistency and conflicts.

2. Roles and Responsibilities

The Board of Trustees is responsible for:

- a) Safeguarding the assets of the charity
- b) Preventing fraud
- c) Avoiding mistakes
- d) Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- e) Preparing Annual Accounts in accordance with the governing document and relevant legislation

To enable the Board of Trustees to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all Trustees, staff and volunteers.

The role of Administrator is created to assist the Board of Trustees with the preparation of the monthly and annual accounts.

Volunteer fundraisers will be responsible to ensure that funds raised are safe guarded and promptly deposited on the account of Uzima In Our Hands. All information received need to be guarded as prescribed in the most recent version of the [Uzima IOH Privacy Notice](#).

A copy of this policy and procedures will be given to all the Trustees on their election/appointment to the Board, and to all relevant staff and volunteers.

The policy and procedures will be reviewed annually by the Board of Directors and revised as necessary



Financial Procedures

1. Organisational Information

- a) Our Financial Year runs from the January 1 to December 31.
- b) Our bank is Nat West, in Newport
- c) Our independent examiner is appointed Josh Fagelman and is appointed annually.

2. Bank Accounts

- a) All bank accounts must be in the name of Uzima In Our Hands.
- b) No account may ever be opened in the name of an individual or individuals.
- c) New accounts may only be opened by a decision of the Board of Trustees, which must be minuted.
- d) Changes to the bank mandate may only be made by a decision of the Board of Trustees, which must be minuted.
- e) Two people should be involved in counting cash receipts. A cash form needs to be completed, signed and stored on the central drive (Mega).
- f) All outgoing payments will initiated by Internet Bank Transfer
- g) All Internet Bank Transfers must be authorised by two signatories.
- h) The Treasurer is responsible for ensuring accuracy and completeness prior to transmission.
- i) The signatories are responsible for examining the payment documentation (purchase invoice etc) prior to authorising an Internet Transfer.

3. Signatories to the accounts:

- i. Name: Joy Mowle
Role/Job Title: Chair of the Board of Trustees
- ii. Name: Louise Collins
Role/Job Title: Trustee and Treasurer
- iii. Name: Rachel Beasley
Role/Job Title: Trustee
- iv. Name: Vivienne Collins
Role/Job Title: Trustee
- v. Name: Heribert
Role/Job Title: Administrator / Volunteer

4. Annual Budget

- a) An annual budget, setting out the organisation's financial plan for the year, will be prepared so that the Board of Trustees can approve it before the start of each financial year.
- b) The draft budget will be prepared by the following people:
 - o Chair of the Board of Trustees
 - o Treasurer
- c) The budget submitted by director of Uzima Children Orphan Centre will be used as a starting point for the budget of Uzima In Our Hands.



5. Financial Reports

- a) A financial report will be prepared for every Board of Trustees meeting.
- b) The financial report will consist of:
- c) Income and expenditure
- d) Balances
- e) Each Financial Report will be circulated to all the Trustees discussed at the following committee meeting.
- f) The reports will be prepared by the administrator on behalf of the Treasurer, following a check list.
- g) **At least every 6 months the trustees will review the accounts of Uzima Children Orphan Centre, to ensure the issued grants are received and used appropriately.**

6. Annual Report

- a) On behalf of the Treasurer and with input from the Trustees, the administrator will draft the annual report.
- b) The financials will be examined by an independent examiner
- c) The annual report will be approved by the Trustees in a board meeting and this must be minuted.
- d) The administrator or a Trustee will file the report with the Charity Commissioners.

7. Accounting and other financial records

- a) The organisation maintains a financial system in the form of an excel spreadsheet in which is recorded:
 - o Cheques and cash received and banked
 - o Electronic Donations received
 - o Cheque payments, Internet Banking Transfers and other amounts paid from the bank accounts
- b) Every transaction will be entered into the system and will include:
 - o The date of the transaction
 - o The name of the person money was received from or paid to and the full amount
 - o A brief description of why the money was received or paid
 - o An analysis of each amount under its relevant budget heading, where applicable
- c) All documents relating to receipts and payments will be filed on the shared drive (Mega)
- d) A regular backup copy will be taken by the Administrator and the Chair of the Board of Trustees

8. Authorisation and Payment

- a) All expenditure, grants paid and purchases must be approved by the Board of Trustees, which must be minuted.
- b) No Board of Trustees or staff member may authorise payment to themselves, their partner or relatives.
- c) Once payment has been made the invoice (or other receipt) should be marked "Paid", together with the cheque number and date.
- d) All payments must be entered in the computerised accounting system only after being authorised.

9. Gift Aid



- a) Gift aid over all applicable donations will be claimed at least once a quarter.
- b) The administrator will claim the gift aid on behalf of Uzima In Our Hands
- c) Only when a supporter has so indicated gift aid may be claimed. This is either per gift (e.g. donations received through TotalGiving, PayPal Giving Fund) or a supporter gift aid form needs to be received.
- d) Gift aid forms are stored as PDF on \Mega Uzima\Donors\Gift aid forms and recoded in Donors-Lckd.xlsx
- e) Gift aid to be claimed will be calculated in the accounting system.

10. Payroll

- a) As all Trustees and other staff members are volunteers, there is no Payroll.

11. Insurance

- a) Appropriate Insurance policies will be maintained to cover:
 - o Public Liability
 - o Professional liability
 - o Volunteer Travel Costs (*An appropriate contribution will be requested from Volunteers, but not from children, who will continue to travel under their own Insurance as Visitors, to cover these costs*)
- b) An inventory of all physical assets of the organisation will be kept and regularly updated.
- c) A copy will be kept off the premises at the address of the Chair of the Board of Trustees.



Financial Reserve Policy

1. Introduction

As there is a high dependency on Uzima In Our Hands for the running of Uzima Children Orphanage Center, the Trustees of Uzima In Our Hands have decided to have the following reserves:

2. General Reserve

To ensure that in case of a calamity, Uzima In Our Hands can relieve the pressure a reserve will be held of £ 5,000, which is approx. 60% of the **quarterly** running cost of the Orphanage Centre.

Once a year – when the annual report is approved in the Board of Trustees, the adequacy of the General Reserve will be reviewed at the Board of Trustees and, if necessary, adjusted, which need to be reflected in the minutes of the Board of Trustees meeting.

3. School Reserve

To ensure Uzima In Our Hands can pay the school fees and additional expenditure for the pupils who need special education, Uzima In Our Hands will set apart a monthly amount during the year. The amount will be reviewed once a year, after a visit to Uzima Children Orphanage Center and agreed by the Board of Trustees, which must be minuted.



Reimbursement of Expenses & Purchases: Policies & Procedures

Note: this policy may need to change with the growing of the charity. Disadvantage of not paying out expenses is that the true cost of running the charity is obscured and it might make it difficult for some volunteers to enter into doing things for the charity. However, to have more than 95% of the donated funds actually going to Kenya is an important characteristic of Uzima In Our Hands. It is a question whether this level can be sustained in the future and so, this policy might need to be reviewed in the near future.

Before approving this policy, it make sense to read:

<http://www.from.smallcharitysupport.uk/SCS-policies/Expenses.docx>

**) Expense based as percentage of the raised funds for 2017/2018: 2.1% includes fund raising cost) 12018/2019: 0.8% - 2019/2020 1.3%*

1. Introduction

Uzima In Our Hands prides itself that over 95% of the raised funds are used for the purpose it is being raised, i.e. to support (or finance?) Uzima Children Orphanage Center. This means that Uzima In Our Hands focus is to ensure our cost base in the UK is as low as possible. It is therefore the policy that personal expenses (i.e. food, travel expenditure, etc) is not reimbursed by Uzima In Our Hands.

We will never pay a trustee or a volunteer for their time and effort spend on charitable work.

2. Expenditure

Expenditure on behalf of Uzima will be reimbursed based on an actual invoice and only with pre approval of the Board of trustees. These approvals need to be minuted.

Examples of expense Uzima In Our Hands may reimburse is cost for the website, paid by personal credit card, purchase of goods to be taken to Kenya, etc.

3. Timing

To ensure we keep track Expenditures need to be claimed within a month of occurrence.

This Financial Policy, the Financial Procedures and the Reimbursement of Expenses & Purchases: Policies & Procedures as detailed above were agreed and minuted at a meeting of the Board of Trustees on:

Name:.....

Signed:.....

Date:.....