



Exeter Food Action Finance Policy

Standing Financial Instructions

1. Introduction

These Standing Financial Instructions (SFIs) set out the financial policies and procedures to be followed by all employees of Exeter Food Action (EFA) who are involved in financial transactions or management.

2. Authority

The SFIs are issued by the Chair of Trustees under the authority delegated to him/her by the Trustees.

3. Scope

These SFIs apply to all financial transactions undertaken by EFA, including purchases, sales, contracts and payments. They apply to all EFA employees who are involved in financial transactions or management, including those who authorise, approve, process or record such transactions.

4. Responsibilities

All EFA employees who are involved in financial transactions or management are responsible for complying with these SFIs. In particular, they must:

4.1 Policy and procedures: Understand and follow the policies and procedures set out in these SFIs,

4.2 SFI compliance: Ensure that all financial transactions are conducted in accordance with these SFIs,

4.3 Potential SFI breaches: Report any actual or potential breaches of

these SFIs to the coordinator, the treasurer of Chair.

5. **Financial Controls**

EFA will implement the following financial controls to ensure compliance with these SFIs:

5.1 Approval limits: Where necessary, each employee will be assigned an approval limit based on their position and responsibilities. Any transaction exceeding this limit must be approved by a higher authority.

5.2 Recording and documentation: All financial transactions must be recorded accurately and promptly in EFA's financial system. All supporting documentation must be retained for at least six years, a requirement of the Charities Act 2011.

5.3 Bank accounts: All bank accounts must be opened and maintained by the Treasurer, who will be responsible for ensuring that bank statements are reconciled regularly.

5.4 Cheque book: A current cheque book bank account will be administered in EFA's name at a bank chosen by the Trustees.

5.5 Bank mandates: will always be approved by the Trustees, as will all changes to it, and this will be recorded in the minutes of the meeting at which approval is agreed.

5.6 The bank: will be chosen according to quality of service (including value for money in terms of interest paid, bank charges, etc.). No borrowing will be undertaken by EFA without a decision being taken at a meeting of the Trustees.

5.7 A deposit account: may also be administered in EFA's name in an appropriate Society or Company and surplus funds may be invested in appropriate Societies in accordance with the Trustees Investment Act (which allows part of the funds to be invested in equities as well as fixed

interest stock). EFA will not speculate with funds in investments which carry any significant risk.

5.8 Petty cash: A petty cash float of £50.00 will be managed by the coordinator, who will be responsible for maintaining a log and reconciling it regularly, with all income and expenditure recorded and receipts retained.

6. **Purchasing Procedures**

EFA will follow the following purchasing procedures:

6.1 Competitive bidding: Where practical, all purchases over £2,000 must be put out to competitive bidding.

6.2 Receipt and inspection: All goods and services received must be inspected for quality and quantity, and the receipts matched against orders.

7. **Payment Procedures**

EFA will follow the following payment procedures:

7.1 Invoices: All invoices must be checked for accuracy and completeness before payment is made.

7.2 Payment terms: Payment will be made within fourteen days of receipt of a correct invoice.

7.3 Payment methods: Payments will be made by electronic transfer or cheque.

8. **Authorisation of Expenditure**

All payments must be authorised by an individual with appropriate approval authority.

8.1 Authorisation: to sign a contract, legal agreement or lease committing EFA to over £2,000 expenditure must be taken at a meeting of the Trustees.

8.2 Commitment to expenditure: Before committing EFA to any expenditure in excess of £200, staff need to obtain authorisation from the Treasurer.

8.3 Treasurer authority: The Treasurer can authorise expenditure up to £2,000 if it is in the EFA budget and up to £1,000 if it is not in the budget but there are sufficient funds to meet the cost. Expenditure over these amounts will be referred to the Trustee Board.

8.4 Credit Card: EFA may administer a credit card account with delegated authority for expenditure as above.

8.5 Urgent expenditure: Commitments to urgent expenditure between £2,000 and £5,000 can be made by the Chair of Trustees, provided that permission is obtained from the Treasurer, who will decide on behalf of the Trustee Board.

8.5 Electronic payments, direct debits and cheque payments: must be authorised/signed by 2 separate Trustees if over £200.

8.6 Blank cheques: must never be signed. The relevant payee's name will always be inscribed on the cheque before signature, and the cheque stub will always be completed. Cheques must not be signed by the person to whom they are made payable.

8.7 Payment authorisation: No payment should be authorised until the signatory is satisfied, through sight of an order form, invoice or similar written evidence, of the validity of the payment.

8.8 Restricted funds: Spending against restricted funds will be controlled by holding all such funds in a separate deposit account. Transfer of restricted funds to the current account may only be made with the specific approval of the Treasurer or a Trustee.

9. **Travel and Expense Reimbursement Procedures**

EFA will adhere to the following travel and expense reimbursement procedures:

9.1 Travel policy: All travel must be authorised in advance. Rates for expenses or allowances will be those agreed from time to time by the Trustee Board. Staff, volunteers and trustees must complete and sign a claim form accompanied by receipts. The current allowance for cars and vans is in line with HMRC's Approved Mileage Allowance Payments (AMAP): 45p per mile for the first 10,000 miles and 25p per mile for every mile over 10,000.

9.2 Expense reports: All expenses must be supported by a properly completed expense report and receipts.

9.3 Approval: All expense reports must be approved by an individual with appropriate approval authority.

9.4 Payment: Reimbursements will be made within ten working days of receipt of a properly completed expense report.

10. **Reporting and Monitoring**

EFA will monitor compliance with these SFIs through the following procedures:

10.1 SFI Reporting: Financial reports will be produced regularly to enable management to monitor compliance with these SFIs and to make informed financial decisions.

10.2 SFI Training: All employees involved in financial transactions or management will receive training on these SFIs and on financial best practices.

11. **Revision and Review**

These SFIs will be reviewed periodically to ensure that they remain

current and relevant. Changes to the SFIs will be approved by the Chair of Trustees. All EFA employees who are affected by changes to these SFIs will be notified in writing.

By complying with these SFIs, we can ensure that EFA conducts its financial transactions in a responsible and transparent manner, and that we are accountable to our stakeholders for the use of resources.

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