SAMA 82	Controlled Document

The South Atlantic Medal Association (1982)

Finance Policy

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Document Owner	SAMA (82)
Ratifying Body	Board Of Trustees
Policy Lead	Alan Dodsworth
Available (upon approval) to	Members and Volunteers
Next Scheduled Review Date	19/08/2028

POLICY CONTEXT & REQUIREMENT

This policy has been developed to protect the organisation, employees, trustees, membership and volunteers by ensuring that the organisation has robust and effective financial rules in place. Allowing the governance and management of its fiscal resources to effectively achieve organisational objectives.

Version Control				
Version	Author	Status	Date	Change Detail
2.0	Andrew Lockett	Implemented	19/08/2024	N/A
2.1	Alan Dodsworth	Implemented	19/08/2026	New Front Page, Policy Lead & Version Control

1. **General**
   1.1 The company shall operate with integrity and within the law.
   1.2 The company shall maintain bank accounts sufficient for the needs of the business and optimise the potential to benefit from interest rates available. The bank accounts shall be monitored and actively managed for the benefit of the company.
   1.3 The company shall appoint a sub-committee (Finance Committee) of no less than three persons to monitor the financial processes.
   1.4 A treasurer shall be appointed, by Directors, for the purpose of the conduct of all financial transactions. The treasurer shall make available information required by the sub-committee and Directors so that Directors can be kept well-informed regarding the financial processes of the company.
   1.5 The treasurer, sub-committee and Directors shall obtain suitable advice on financial matters before making significant decisions over investment.
   1.6 Purchasers shall investigate the market for the best purchases so as to minimise the cost of running the association. The cost of those investigations shall be taken into account.
   1.7 The company shall encourage donations and income through the use of all suitable and legal means.
   1.8 Charity money may only be spent in accordance with the articles and memorandum.
2. **Reserves**
   2.1 The company shall retain, in a readily available form, sufficient liquid assets to cover the expected outgoings for the next 12 months.
   2.2 The company should not hold more than £380,000 in central, unrestricted funds. Where this level is exceeded the trustees shall actively pursue expenditure to meet the objectives of the charity to bring the funds to below this level.
3. **Investment**
   3.1 Money not required to meet the reserves policy shall be invested in order to generate income to support the objectives of the association.
   3.2 Investment shall be based on following one of the following strategies decided by the trustees; a low risk strategy / medium risk strategy / high risk strategy.
      3.2.1 Low risk: expectation of covering inflation and gaining about 1% but receiving a fairly consistent growth with a low expectation of losses during any one year. Examples of investments include gilts, government bonds, local authority and corporate bonds.
      3.2.2 Medium Risk: expectation of significant gains and significant losses from year to year but over the longer term a better return than established with the low risk strategy. Examples of investments include equities and equity spread funds.
      3.2.3 High Risk: expectation for substantial losses and substantial gains from year to year but for a significant period the best gain potential. Examples include refined and levered financial instruments.
   3.3 The company shall normally follow the low/medium risk option unless specifically authorised by the Directors.
   3.4 The company shall obtain suitable advice before implementing an investment option.
   3.5 Any investment made shall be consistent with the articles, memorandum and objectives of the association.
   3.6 The Association has decided to significantly invest in the Armed Forces Common Investment Fund governed by a services board and managed by BlackRock. The board

reviews the management of the fund at least five yearly and has the duty to change the management of the fund where deemed prudent.

4. Record keeping

4.1 The treasurer, office staff, branch treasurers and others who handle cash for the organisation shall keep suitable records to account for the money and to satisfy an audit of the records.

4.2 Records may be kept using paper or electronic means. Where significant disruption or potential reputation damage may occur records should be duplicated to ensure that they can be retrieved where the original records are lost or damaged.

4.3 Branches shall arrange a suitable annual inspection and make a report to the main treasurer by the 1st March annually. The accounts shall contain the following:

- 4.3.1 an inspector's statement,
- 4.3.2 an Income and expenditure statement,
- 4.3.3 a Statement of Financial Position,
- 4.3.4 a brief report by the branch treasurer and chairman regarding the financial management of the branch and the activities of the branch and its achievement of the key objectives of the charity.

5. Annual Inspection of accounts

5.1 The AGM shall agree the appointment of an inspector for the main accounts, where that appointment cannot be kept the trustees shall appoint a person to do this work.

5.2 The treasurer shall assemble all supporting documentation from the office and elsewhere and provide the inspector with an orderly and structured set of records in paper, electronic or a mix of the two media.

5.3 The records shall be with the inspector during early to mid-February with the objective of receiving the inspector's report by the 15 March.

6. Annual Reports

6.1 The trustees shall provide an annual report giving financial information, activities undertaken, charitable achievements, compliance with all aspects of charitable management.

7. Presentation of the information to Companies House and the Charity commissioners

7.1 The office manager shall submit the annual reports as follows:

- 7.1.1 Companies House – in August and by the 31 August,
- 7.1.2 Charity Commissioners – by the end of October.

8. Information to Trustees

8.1 Trustees shall be kept informed of key expenditure in a timely fashion where:-

- 8.1.1 the expenditure may give cause for concern.
- 8.1.2 trustees may need the information in order to carry out their roles as trustees.

8.2 Trustees who require more detailed information on the accounts should ask for an electronic copy of the accounts spread sheet which provides all transactions up to the 12th of the last accounting month.

9. Information to members

9.1 The treasurer shall make available information to members as requested but otherwise in a simplified and digestible form where this is of benefit to the organisation.

9.2 Information related to donors shall be maintained confidential and shall be made available only as authorised by the trustees.

10. Main Accounts Maintained

10.1A Current Account: 40 34 10 81118358

10.2B PayPal linked Account: 40 40 04 01514660

10.3C Deposit Account: 40 40 04 41517236
10.4D Common Investment Fund (Armed Forces)
10.5E Paypal account
10.6F Emergency cash fund retained in office in the custody of the office manager.

11. Main documents to be maintained for trustees' review

11.1Income and expenditure statements for all five accounts.
11.2Summaries of restricted funds.
11.3Statements of financial position.
11.4Annual stock sheet.
11.5Annual list of property, equipment etc with depreciation calculations.
11.6Annual reports.
11.7Annual budget estimates

12. Insurance

12.1The Treasurer, with the association secretary shall ensure that adequate insurance is taken out to protect the charity, trustees and all those to whom the charity owes a duty of care.

13. Debit Card

13.1A debit card on SAMA 82's "A" Account is to be provided for the Association Secretary.
13.2The following rules apply to use of the Debit Card:
- 13.2.1 the card is to be put into place by the treasurer with the PIN available only to the office staff (and known to the Treasurer),
- 13.2.2 purchases are to be against the Association Secretary's signature where needed,
- 13.2.3 only purchases for the sole purpose of SAMA activities may be made on the card,
- 13.2.4 where the treasurer has reason to believe that he/she needs to protect the association's interest, the treasurer may withdraw the card,
- 13.2.5 purchases, using the card, must be supported by suitable receipts and those receipts shall be retained kept in a retrieval system,
- 13.2.6 the card is not to be used for the withdrawal of cash,
- 13.2.7 a summary sheet of expenditure made is to be kept for each calendar month,
- 13.2.8 the monthly summary sheet and copies of the supporting receipts are to be sent to the treasurer for him to receive no later than the 16th of the following month. The summary sheet should be provided on an excel spreadsheet.

13.3Only the following items may by purchased using the card:
- 13.3.1 fuel, power, rent, local authority tax for the office, office stationery,
- 13.3.2 stationery for all SAMA 82 activities,
- 13.3.3 telephone costs where these are itemised,
- 13.3.4 capital equipment for the office or the association,
- 13.3.5 sales stock,
- 13.3.6 regional equipment,
- 13.3.7 items of an urgent nature with prior permission of the treasurer,
- 13.3.8 meetings expenditure.

13.4Limits
- 13.4.1 The expenditure on the card must not exceed (£1000) in any calendar month without prior authorisation of the treasurer and chairman.
- 13.4.2 The single item purchase must not exceed (£500) without prior authorisation of the treasurer and chairman.

13.5 Annual Scrutiny

13.5.1 The documentation and processes are to be made available for annual scrutiny alongside the audit of the association's accounts.

14. The Main Processes to running the Task

14.1 There are four main accounts and these are described in the annual reports.

14.2 The current account (account A) is used for the transactions, account B is used to connect with paypal which is downloaded annually Joanne Stevens.

14.3 Account C is the business deposit account where reserves are kept and account D is where we retain term bonds if any.

15. Restricted funds

15.1 Income and expenditure is sometimes apportioned to specific purposes as defined by the donor. The following restricted funds are in operation:

15.1.2 Memorial,

15.1.3 Remembrance Day Lunch,

15.1.4 FFA residue managed by SAMA,

15.1.5 Other restricted funds to deal with short term projects

16. Property

16.1 A property assessment is in place in the files. This is a spread sheet which applies suitable depreciation and appreciation values so that the property can be evaluated for the balance sheet.

16.2 New property should be added to the sheet as acquired and any disposed property brought to zero as disposed.

16.3 The total property value should be entered into the balance sheet.

17. Wages

17.1 Every month wages are paid on the 25th and so payment to employees must be in place to ensure that receive their money on that date. Payment will normally be done by BACs and pay statements communicated to the employee by email.

17.2 To calculate the wages enter the HMRC work sheet and enter gross salary and any other information demanded.

17.3 The office manager is to submit a monthly analysis of working hours and overtime by the 3rd of the month.

17.4 Record the information and arrange payment to employees in suitable time.

17.5 Calculate the amount payable to HMRC and enter their payment web site and pay the required tax and national insurance. Arrange direct debit.

17.6 Calculate the amount payable for pensions and arrange direct debit.

17.7 The wages workbook records all wages transactions and the latest salary awards to employees.

17.8 Annually a summary of the wages, NIC and tax submitted must be submitted to HMRC by the 19 May using the new HMRC spread sheet.

17.9 The employees are to be provided with an annual P60 by email.

17.10 Fines: HMRC may fine the organisation for late monthly payments or late annual summaries.

18. Sales and stock

18.1 Annually on the 31 December the stock carried should be assessed and valued for the balance sheet.

19. Account inspection

19.1 The following documentation is required for the inspection:

19.1.1 the accounting spread sheet with key items printed out,

19.1.2 the balance sheet,
19.1.3 the property account,
19.1.4 the stock account,
19.1.5 supporting documentation for the accounts including,
19.1.6 invoices, bills and other records,
19.1.7 direct debit information,
19.1.8 records supporting donations and gifts,
19.1.9 gift aid information for recovery of tax,
19.1.10 wages records,
19.1.11 Inland Revenue payment records,
19.1.12 supporting emails and records,
19.1.13 cheque book summary,
19.1.14 cheque book stubs,
19.1.15 Sum up statements,

20. Account Signatories

20.1 Cheque signatories are:
20.1.1 Andrew Lockett,
20.1.2 Joanne Stevens,
20.1.3 Marie Hurcum.
20.2 signatories of the Black Rock investment account are:
20.2.1 Andrew Lockett,
20.2.2 Joanne Stevens.

21. Internet Banking

21.1 Account name, password and numerical keypad security device are available on transfer of treasurer duties.
21.2 The office has view only access to Account B

22. Office

22.1 The office provides records of income and expenditure banked by the office on a regular basis.

23. Annual report to AGM.

23.1. A written summary to the members is required and should contain:
23.1.1 Balance sheet,
23.1.2 audited income and expenditure sheet,
23.1.3 written review of the financial affairs of the association.