

National Back Exchange

Standing Financial Instructions



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FOREWORD

The Charity Trustees shall manage the affairs of the CIO and may for that purpose exercise all the powers of the CIO. Each Charity Trustee shall adopt a position on the Board.

These Standing Financial Instructions (SFI) are to ensure that there are management arrangements in place to enable responsibility to be clearly delegated to senior charity trustees, and to effectively set the CIO rules which all Charity Trustees must follow when acting on behalf of the CIO.

These National Back Exchange SFI's recognise the Chair, Finance Director and Secretary as the "accountable" Board Members, with a measure of delegation given to other Board members and the CIO Employees. These instructions are applicable to the Membership; Employees; Volunteers; Family Members; Suppliers, Purchasers and Business Partners.

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1. ACCOUNTS

- 1.1 The “terms of engagement” with the CIO accountants will be reviewed annually by the Finance Director and agreed by the Board of Charity Trustees.
- 1.2 A proposal for adoption of accountants will be submitted annually to the membership at AGM.
- 1.3 Annual accounts will be produced and circulated 28 days prior to AGM. A verbal account will also be presented at AGM.
- 1.4 Annual accounts and records will be retained for a period of not less than 7 years. The accounts will be recorded within an accounting software package which will be backed up weekly into cloud storage.
- 1.5 The Finance Director will arrange for the delivery of the books to the approved accountants at the end of the second week of May to allow for previous year run off and timely accounting procedures.
- 1.6 Annual accounts will be submitted to the Charities Commission in line with required filing deadlines, currently 10 calendar months from year end i.e. 31st January following the financial year end of March.

2. ACCOUNTING PROCEDURES

- 2.1 All invoices will be generated by the Office Administrator or auto generated by the utilised membership or event database / booking system. Membership subscriptions and publication purchases will be invoiced on a proforma basis, with any appropriate VAT invoices issued on receipt of payment. Conference delegate invoices will be issued on immediate payment terms and sponsorship invoices will be issued on 30 day payment terms. Other invoices will be issued on 30 day payment terms. Customers will be sent a reminder for non-payment after 30 days and 60 days, with a final reminder letter being sent after 120 days. Any debt not paid after 130 days will be brought to the attention of the Board of Charity Trustees for discussion and action. Where appropriate, suspension of supply of goods or services will be utilised as a method of credit control.
- 2.2 All invoices for payment will be sent to the Administration Office for processing. Each invoice will be checked against supplied services / goods, and if correct payment will be made to the supplier within the agreed payment terms. Any discrepancies must be addressed with the supplier within ten (10) working days. Payments will be made by electronic transfer from the CIO’s bank to the recipient bank. Once processed, authority for electronic payment will be obtained in line with sections 2.6 and 2.7. and this authority must be obtained by email unless countersigned on the invoice. Final approval to run a supplier payment run will be obtained from the Finance Director via WhatsApp, to ensure segregation of devices and message platforms used to obtain remote authorisation, as a process utilised to reduce the risk of payment requests via



email scams. Invoices will be filed, and payment recorded on the accounts database under the appropriate budget line.

2.3 Expenses will be paid in accordance with the Expenses Policy against a duly authorised expenses form submitted within three (3) months of the expense claim. Claims for a specific financial year must be submitted by 14th April following a year end of the 31st March. All expense forms will be processed by the Office Administrator and will be checked against the expense incurred. Any discrepancies will be addressed with the claimant within ten (10) working days. No expenses will be paid unless accompanied by receipt, which must be itemised, and a VAT receipt wherever possible. Card receipts only will be accepted at the discretion of the Finance Director or Chair. Lost receipts may be honoured at the discretion of the Finance Director or Chair and a note made for reconciliation in the accounts. Payments will be made by electronic transfer from the CIO's bank to the recipient's bank. Once processed, authority for electronic payment will be obtained in line with sections 2.6 and 2.7 and this authority must be obtained by email unless countersigned on the invoice. Final approval to run an expenses pay run will be obtained from the Finance Director via WhatsApp, to ensure segregation of devices and message platforms used to obtain remote authorisation, as a process utilised to reduce the risk of payment requests via email scams. Expenses forms will be filed, and payment recorded on the accounts database under the appropriate budget line. Honoraria and expenses for specific events will be approved prior to these events by agreement of the Board.

2.4 Stock control will be the responsibility of the Office Administrator.

All stock for publications must be held by the publisher, in appropriate warehouse conditions. Stock levels will be recorded and reported on by the publisher. The Office Administrator will reconcile monthly, the sales of publications to the stock movement. Any other stock purchased and held at the CIO's central offices and must be recorded and reconciled monthly. Movement of stock from the CIO's central offices will be counted out and back in by two nominated Charity Trustees or Office Administrators as appropriate. The purchase of stock as a disposable asset will be authorised in line with sections 2.6 and 2.7. Stock is valued according to the principle of the lower of cost and net realisable value. Stock & Assets will be adequately insured for loss, damage and theft provided it is cost effective.

2.5 Lavenham will be responsible for fulfilment of book orders via the BART system and will be managed by the Office Administrator and Finance Director.

2.6 Authorisation of expenditure for the year will take place via quorum approval from the Board of Charity Trustees on review of an annual budget and be recorded in the Board minutes. Any expenditure over £10,000 outside of pre-existing supplier contracts must be brought to the attention of the Advisory Committee. All supplier contracts are covered by section 4. The annual budget must be reviewed and approved prior to the start of the budget year applicable.



It should be the recommendation of the Advisory Committee that any expenditure / liability incurred that is in excess of 30% of the annual budget expenditure be brought to the attention of the membership as a whole.

2.7 For reasons of practicality it is however necessary to have measures in place to manage unplanned expenditure in a timely and efficient manner. Any single episode of unplanned expenditure up to £5,000 can be approved by the Finance Director. Any unplanned expenditure between £5,000 and £10,000 must be approved by the Finance Director and the Chair. Any unplanned expenditure over £10,000 must be referred to the Advisory Committee. Any instance of unplanned expenditure must be considered inline with the aims of keeping to the overall approved annual budget.

2.8 A debit card is in place for the CIO administrative overheads and will be held by the Office Administrator. However, where practicable, invoices will be requested and paid through the normal process as the debit card must not be used as a substitute for the normal systems detailed within these SFI's.

The Chair and Finance Director may hold CIO debit cards for use in their roles but will where possible abide by expenses and standing financial instructions. The cards must not to be used for non NBE purchases.

2.9 A PDQ or virtual terminal is a device which allows for the receipt of payments to the National Back Exchange for goods and services. With it payments will be received and banked in a timely manner which will improve accounting and transparency. The device which is fully mobile will be used for credit / debit card transactions at Conference and other events where there is an NBE presence. The Finance Director, Secretary, Chair and the Office Administrators will be the holders of the access codes. The Office Administrators and other designated officers will be trained in the use of the equipment to facilitate transactions at external events. The equipment when not in use will be kept secure with a Board member or Office Administrator, or at any such external events and the access codes will be kept separately. At those events the Office Administrators will be responsible for the device and will be supported to this end by access to secure storage.

3. BUSINESS ACTIVITY

3.1 An annual business plan with both short and longer term objectives will be published and made available to affiliated groups via the CIO website. The business plan will include budget targets proposed by the Finance Director and agreed by the Board of Directors.

3.2 An annual budget will be set according to expenditure trends and strategic objectives as agreed at the business planning meeting. Budget lines will be established for accounting and monitoring purposes and reported upon quarterly by the Finance Director to the Board of Charity Trustees.



- 3.3 Budget targets against Conference related income / expenditure will be set by the Finance Director, in consultation with the Conference Director and agreed by the Board of Charity Trustees. These will be reported upon quarterly by the Finance Director to the Board of Charity Trustees.
- 3.4 All business projects presented to the Board of Charity Trustees will be fully costed by the project leader prior to approval by the Board of Charity Trustees.
- 3.5 The accounts and day to day bookkeeping will be carried out and maintained by the Office Administrator, with all financial activities and appropriate reconciliations carried out. The Office Administrator will prepare monthly short reports for the Finance Directors' review. Quarterly management accounts will be prepared and submitted to the Finance Director for review. The management accounts will include a budget v actual report, for significant variance analysis, and in year monitoring to enable corrective actions to be taken.
- 3.6 The CIO will retain a capital reserve on deposit of 12 months operating funds (£80,000). Authorisation to change this threshold and utilise reserves must have the approval of the Board of Charity Trustees. The current account balance should not fall below £15,000. A running cashflow management working document will be maintained and submitted monthly to the Finance Director to manage this. In addition, the current account will not be in credit to the detriment of return on capital.
- 3.7 The CIO bank accounts will be maintained and monitored through monthly statements reconciled to invoices, receipts and payments. Changes to the account, either opening, transfer, or closing must be with the agreement of the Board of Charity Trustees.
- 3.8 The choice of insurance broker and level of cover, excesses borne, claims procedures shall be reviewed by the Board of Charity Trustees on the advice of the Finance Director. Adequate insurance will be maintained for contents, stock & assets, Employers Liability, Conference and Third-Party Insurance. Buildings insurance will be addressed through the office rental agreement.

4. TENDERING POLICY & PROCEDURE

- 4.1. The Finance Director is responsible for commissioning agreements for the provision of services and goods in accordance with the business plan. All contracts will identify payment terms and conditions, responsibilities, and performance indicators.
- 4.2. Tenders will be canvassed for the following levels of expenditure:
- £5,000 and below – Authorisation by Board of Charity Trustees
 - £5,000 - £10,000 – Minimum of three quotes
 - £10,000 - £20,000 – Tender canvas from minimum of three suppliers, but where doubts have been raised concerning value for money or adequate competition may be referred to the Advisory Committee for consultation.
 - £20,000 and above – Full tender with authorisation from the Advisory Committee



- 4.3. For Tenders above £10,000 the following procedure should be adopted. The Association will compile a list of firms / individuals from whom a tender will be invited, and approach them directly and / or arrange for publication of the tender on the CIO website. Tenders will only be considered if:
- Submitted to the Finance Director via email, in a PDF format, bearing the words 'Tender' followed by the subject to which it relates.
 - They contain the relevant documents required in the tender and include the Contract Conditions and Terms and Conditions of the tenderer as applicable.
 - A written undertaking not to engage in collusive tendering or other restrictive practice is given.
- 4.4 Any questions regarding the tender posed by a tenderer, and its answer will be shared with other tenderers.
- 4.4 All tenders shall be addressed to the Chair. The Finance Director will receive tenders and be responsible for their safe custody until the time appointed for sharing.
- 4.5 As soon as practicable after the date / time stated as the latest date / time for the receipt of tenders. The tenders will be shared with the Chair, Secretary and other nominated members of the Board of Charity Trustees. A record shall be maintained to show:
- I. The names of the firms / individuals invited.
 - II. The names of and number of firms / individuals who submitted tenders.
 - III. The total price(s) tendered.
 - IV. The closing date and time.
 - V. The date and time of sharing
 - VI. All the names of the persons present at the sharing.
- 4.6 In considering which tender to accept (if any) the designated Charity Trustees will have regard to whether value for money will be obtained and whether the number of tenders received provided adequate competition. In cases of doubt, they will consult the Advisory Committee. Tenders received after the due time / date will be considered only if the Chair or nominated Charity Trustee decides that there are exceptional circumstances which will be documented. Incomplete tenders will not be considered. Where the examination of tenders reveals errors which would affect the tender figure or content, the tender provider will be given details of the error and afforded the opportunity of confirming, amending, or withdrawing their offer. Necessary discussions with a tender provider, in order to elucidate technical points etc, need not disqualify the tender. Where only one tender is received the CIO must consider a wider audience to safeguard members' assets. The Board shall, as far as practicable, ensure that the price to be paid is fair and reasonable. All tenders will be treated as confidential and retained for inspection for a minimum of seven (7) years.
- 4.7 Once the designated Charity Trustees have reviewed the tenders, they shall present the best three (3) tenders to the full Board of Charity Trustees who will vote to decide the winning tender. The designated Charity Trustees may arrange for the best three (3) tenders to undertake a presentation if deemed necessary or prudent to assist with the

Board's decision-making process. For tenders over £20,000 the winning tender must be approved by the Advisory Committee before it is awarded.

- 4.8 All successful / unsuccessful tender providers will be notified in writing by the Chair as soon as practicable once a decision has been made.
- 4.9 The timescale for receipt of tenders following invitation will be 21days.

5. EMPLOYEES

- 5.1 Payroll will be managed by the CIO's selected payroll bureau. Following calculation of the monthly NI and PAYE contributions the required paying-in slip for HMRC will be forwarded to the Finance Director for information and authority to pay. Payment to HMRC must be paid promptly in order to avoid surcharge. Any discrepancies will be addressed by the Finance Director and reasonable measures taken to rectify any problems as soon as reasonably practicable. Payments will be made by monthly electronic transfer.
- 5.2 Employee salaries will be reviewed on an annual basis and where a salary increase is deemed appropriate the increase must be agreed by the Board of Charity Trustees and recorded in the Board Minutes. Any authorised increase will be actioned by the Finance Director for payment in the June payroll.
- 5.3 Any additional authorised expenses will be paid at the time of claim and will follow the accounting procedures in 2.3 above.
- 5.4 The Chair will ensure that all employees are issued with a contract of employment, and sanction any variations to, or termination of contract of employment.
- 5.5 The designated Charity Trustee is responsible for day-to-day management of the office including working within contracted hours and reporting of sickness absence and return to work. Both aspects should be reported promptly to the Finance Director for action by the selected payroll bureau as required.
- 5.6 Overtime will not be paid, additional hours worked must be authorised before they are worked, by the Finance Director.
- 5.7 Eligible employees will be enrolled into an appropriate Pension scheme by the CIO which will be compliant with UK Legislation.

6. POLICY REVIEW

- 6.1 This policy shall be reviewed at least every five years by the Advisory Committee.
- 6.2 Advice should be sought from competent sources where there are changes in legislation or codes of practice which may affect this policy



Date	Version	Status	Summary of Changes	Consulting	Changes made by
05/06/20	1.1	Active	Adjusting minor wording / inclusion of Cloud backup / adjusting levels of expenditure / day to day management of Administration	NBE Exec	John Williamson Simon Love
29/01/21	1.2	Active	Wording change in Section 4	NBE Exec	John Williamson Simon Love
Nov 2021	1.3	Active	Reference to Executive Committee changed to Board of Directors	Board of Directors	Vice Chair
Mar 2023	1.4	DRAFT	Remove reference to Trustees and replace with Advisory Committee. Change Chairman to Chair Update Board members to Board of Charity Trustees Update section 2 and 3 to correct in line with current systems and processes. Update authorisation limits.	SL, ST, AW	TC - Echo

