

Financial Management and Accounting



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Definitions:

The Charity: Animal Rescue and Care (“ARC”), Registered Charity no 1095004

Board: The Board is the Executive Board of Trustees of the Charity.

Financial Year: The Charity’s financial year is 1 April to 31 March.

Treasurer: The Treasurer is the member of the Board who leads the strategic and operational responsibility for the financial management of the Charity.

Finance Officer: The Finance Officer is the person who has the day-to-day responsibility for the administration of the Charity’s financial transactions.

Note: It may be the case from time-to-time that the Treasurer and the Finance Officer are the same person. For that reason, these policies and procedures are constructed in a way which does not require or imply that one role acts as a monitor/validator of the other.

Authorised Person: Authorised persons are those persons authorised by the Board of Trustees to approve financial instruments (cheques, purchase orders, invoices, etc) on its behalf.

Animal Lead: ARC volunteer responsible for managing the fosterers and intake/adoption process for specific animal types. ARC has four Animal Leads: Cat, Rabbit, Guinea Pigs and Small Furrries.

Adopter: Individual, couple or family who have been vetted and approved to adopt one of ARC’s animals and have been paired with one or more rescue animal(s).

Income Policy & Procedures

Purpose: To safeguard, monitor and control income including adoption fees, donations & contribution in the form of BACS, cheques & cash.

Income and Invoicing:

ARC’s main sources of income are adoption fees, donations and fundraising. It is rare for ARC to raise formal invoices. For adoption fees, the normal process is that an adopted animal is not released to the adopter until the adoption fees have been received and receipt of the funds has been confirmed with the Finance Officer.

However, ARC's primary purpose is the care of animals and there will be situations when ensuring that the adoption occurs is more important than receiving the adoption fee. Fosterers, Animal Leads and Trustees all have authority to exercise discretion in releasing an animal to an approved Adopter without first confirming receipt of the adoption fee.

It is not appropriate to raise an invoice for donations as donations, by definition, represent gifts rather than payment of any amounts owed to ARC.

ARC's primary fundraising centres around car boot sales, stalls (usually selling donated goods) at local festivals and similar events, and selling donated goods on-line. As a general rule, invoices are not raised for these types of sales; instead, goods are not transferred to the purchaser until after payment has been received.

Recording Payments:

Payment by BACS:

Where payments are made directly into the bank account via the BACS payment system the Finance Officer will check for such direct payments each time a bank statement is received, or on-line as circumstances require.

When payment by cheque or cash is received:

Cheques or cash received by Fosterers, Animal Leads or Trustees can be deposited directly into ARC's current account. The person depositing the funds needs to notify the Finance Officer to ensure proper recording of the funds' arrival in the accounts.

Cash in Transit:

All persons carrying cash to or from the bank are instructed to put their personal safety first in the event of any attempt to steal the money.

In the event of losses of cash in transit, the Finance Manager, Treasurer or a Trustee must be informed immediately.

Budgeting Policy and Controls

Purpose: To ensure that funds cash flows can be effectively and efficiently managed to ensure that there are always sufficient accessible funds available to meet the Charity's financial commitments as they arise.

The nature of ARC's charitable purpose is such that it is not possible to conform to annual budgets. Instead, budgetary control is maintained through the constant monitoring of ARC's financial health by the Treasurer and other Trustees. At minimum, the Treasurer does an analysis of the income/expense run rates and overall financial health quarterly and provides a read-out to Trustees at every Board meeting. Where there are unexpected spikes in expenses that outpace the rate of growth in income for the same period, the Finance Officer or Treasurer informs the Board. However, the general expectation is that the Board would have already been informed of and provided

approval for any significant unexpected expense, as required under the Expense Reimbursement policy.

Further, any new project undertaken by ARC must first be reviewed and approved at a Board meeting. Car boot sales and stalls at local festivals do not require Board approval so long as the ARC's main contact person for the event is a Trustee.

Where the rate of expenditures outpaces income in excess of £1,000 a month for three consecutive months, the Board must discuss and consider actions to preserve ARC's financial health. At the end of any fiscal year in which expenditures outpace income for the year, the Board must draw up a plan for improving ARC's financial health and review the results of the plan in at least the first two Board meetings of the following fiscal year, or until improvements to ARC's financial health are seen, whichever comes later.

Purchasing Policy and Procedures

Purpose: To ensure that all expenditure is properly authorised.

Fosterers can make purchases and incur expenses for animal care (e.g., pet food, hay, etc) of up to £100 without additional approvals. Routine veterinary care (e.g., vaccination, neutering, etc.) is similarly reimbursable so long as performed within normal veterinarian office hours.

Animal Leads and Trustees can make purchases and incur expenses for animal care (e.g., pet food, hay, etc) of up to £200 without additional approvals. Routine veterinary care (e.g., vaccination, neutering, etc.) is similarly reimbursable so long as performed within normal veterinarian office hours.

Any expense incurred or purchase made for animal care (e.g., relating to animal illness) in excess of £200, but less than £500 must be authorised by at least the majority of the Trustees.

Any expense incurred or purchase made for animal care (e.g., relating to animal illness) in excess of £500 must be authorised by all Trustees.

Exceptions to the above rules may be allowed in cases where animal treatment is both urgent and life-threatening. In cases where an animal's life is endangered and no Trustee can be reached, pre-approval by the relevant Animal Lead is acceptable. In exceptional cases where an animal's life is endangered and no Trustee or Animal Lead can be reached, notification to the Trustees and Animal Lead will be accepted for expense amounts up to £1,000. In this kind of emergency, life-threatening situation, Animal Leads can approve an expense up to £2,000 if no Trustee can be reached. Even in emergency situations, expenses greater than £2,000 must be approved by a Trustee and ideally by at least the majority of Trustees.

For expenses and purchases not directly for animal care, including but not limited to travel, meals, printing costs and office supplies, the following limits apply:

Up to £50 requires approval by an Animal Lead

More than £50 and up to £100 requires approval by a Trustee

More than £100 and up to £250 requires approval by a majority of Trustees

Over £250 requires approval by all Trustees

Accounting and Audit Procedure

Purpose: To ensure that the Charity meets the statutory accounting requirements of the Charities Commission and to provide accurate and useful data for the Board, volunteers and members.

Procedure:

The Charity's accounts will be managed electronically using appropriate software approved by The Board and the Charity's Auditor/Examiner;

The Board of Trustees appoints the Auditor/Examiner at the AGM, or at other times when circumstances require;

The Treasurer, in conjunction with the Finance Officer where appropriate, will ensure that all financial records, supporting documentation and reconciliations are accurately maintained, up to date and easily retrievable for analysis and examination purposes;

The Treasurer will prepare timely and accurate year-end accounts in the appropriate format with the required supporting working papers and relevant reconciliations.

The Treasurer will meet with the Auditor/Examiner to ensure that audit/examination queries are resolved and that accounts are completed and signed within six months of the year end and prior to the Annual General Meeting, whichever is earlier.

The Treasurer will ensure that the audited/examined accounts are filed with the Charity Commission within 10 months of the year-end.

Change Record

Date of Change:	Changed By:	Comments:
01/02/2024	SL	Policy approved by the Trustees
16/07/2024	SL	Rev 1.1: Edited Trustee contact information

