

13 Financial Policy

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1. Purpose

The purpose of financial management in the operation of all HCV Network Ltd. activities is to fulfil the organisation's objects (according to the Articles of Association) in the most effective and efficient manner and to remain accountable to all stakeholders, including members, customers, funders, employees, and the community.

This Financial Policy provides the policies and procedures for finance transactions within the business which must be followed by all staff. It also provides the guidelines HCV Network Ltd. will use to administer these policies, with the correct procedure to follow.

HCV Network Ltd. will keep all financial policies current and relevant. From time to time it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.

Any suggestions, recommendations or feedback on the policies and procedures in this manual are welcome.

These policies and procedures apply to all employees.

2. Financial Authorisation

The Board of Directors (BofD) is ultimately responsible for the financial management of all HCV Network Ltd. activities. The Finance Manager is authorised to act on the Board's behalf on financial matters when action is required prior to a Board Meeting.

The Global Director (GD) is responsible for the day-to-day financial management of HCV Network Ltd. The BofD authorises the GD to hire and supervise all staff and independent consultants, pay bills, receive funds, and maintain bank accounts.

Prior to any of the following finance transactions being undertaken, the authorising person noted must authorise the transactions.

Finance Transaction	Authorised Person
Bank accounts	Global Director
Issuing cash floats	>£500 to be authorised by relevant line manager
Purchasing assets/equipment	Global Director
Debt collection	Finance Manager
Payment of invoices	Finance Manager / Global Director – Subject to approval from relevant budget holder
Staff expenses	Global Director

The GD is authorised to make payments of up to £50,000 on any one item. For amounts greater than this amount, approval must be sought from the Board Chair.

The GD is authorised to enter contracts as part of budgets or projects up to a maximum of £250,000. Contracts greater than this amount must have prior approval of the BofD.

Senior Managers are authorised to enter contracts as part of budgets or projects up to a maximum of £100,000.

Payments are to be set up by the Finance Manager and authorised separately by the ED on all accounts except for the Wise account that does not have secondary authority process. In these instances, the Finance Manager saves electronically all payments made for the ED to review. No payments over £3,000 may be made on this account without prior approval of ED.

4. The Board of Directors must approve any use of the board designated Reserves (see Policy 12 - Exercising budgetary control and monitoring)

- The annual budget for the year will be produced on an Excel template and stored in a confidential folder. The Budget is prepared by the Global Director and Finance Manager at the beginning of each financial period and a summary presented for approval by the BofD.
- All approved financial transactions are inputted into SAGE accounts software which is administered by the Finance Manager. A review of all transactions is carried out Monthly with the Global Director and then presented quarterly to the BofD.
- The Finance Manager and Global Director provide information for the external chartered accountants to verify and advise on compliance, legal and tax related issues.
- The Global Director (with the Finance Manager) shall:
 - Account for donor restricted and board designated funds separately from general operating funds and clearly define the restrictions applicable to these funds.
 - Report the financial results of HCV Network Ltd operations at least quarterly to the Board of Directors
 - Pay all obligations and file required returns in a timely manner
 - Record fixed assets with purchase values greater than £500 as capital assets in the accounting records
 - Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computer and other technology equipment.
 - Limit supplier credit accounts to prudent and necessary levels.

- Obtain competitive bids for items or services costing in excess of \$5,000 per item. Selection will be based on cost, service, value for money and other elements of the operational requirements. However, HCV Network Ltd. may award the bid to any supplier and is not required to accept the lowest cost proposal.

5. Income

Raising request for funds

- Project Manager will raise an invoice guide for submission to the Finance Manager. The Finance Manager will raise a suitable invoice/payment request in SAGE based on the information provided in the invoice guide. The Finance Manager will then send the invoice/payment request to the client via email, with the Project Manager in CC.
- Monthly reviews of income will be carried out by the Global Director and the Finance Manager.

Outstanding Debts

- An aged debtor report is to be run every month. All overdue customer payments are to be noted and debt collection undertaken in timely and controlled manner in accordance with suitable credit control practices.

6. Supplier & Sub Contractor expenditure

- For items of expenditure over £5,000, 3 competitive quotes should be obtained for comparison purposes. This process may not be followed in exceptional circumstances, such as, if due to the expertise required, only one contractor is capable of providing the services. However, this should be documented in the project folder with the contract awarded.
- Expenditure will be approved by the relevant budget holder and sent to the Finance Manager for inputting onto SAGE.

- All requests must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.
- Expenditures will be settled within 30 days or within the stated terms of the supplier of an approved invoice.
- Monthly reviews of expenditure will be carried out by the Global Director and the Finance Manager.

7. Bank Accounts

Opening Bank Accounts

- Any new bank accounts to be opened for the business must have the authorisation from the BofD.
- For each new bank account opened, the accounting system must be updated, and the bank account registered by the Finance Manager

Bank Account Authorisations for Transactions.

- For monies withdrawn from any bank account, whether by cheque, or other online payment method, the Global Director must approve/sign off all transactions.
- The Budget Holder first approves the payment for the Finance Manager to input where necessary. All payments inputted will then be approved/signed off by the Global Director.
- The process and persons for authorising bank account payments are:

Action	Authorised person
Approving a request for payment	Relevant Budget Holder
Inputting/Administrating the payment	Finance Manager
Authorising/signing off the payment	Executive Director

Each payment made must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.

Variations to Bank Account Terms and Conditions

Any variations to banking arrangements will be made by the Global Director and the Directors (the signatories of the accounts).

Finance Manager is responsible for updating the accounting system and/or bank account register with the new information.

Bank account controls

Bank Reconciliations are performed by the Finance Manager monthly and any unreconciled items to be flagged to the Global Director.

8. Asset Protection

To ensure that the assets, staff, and community are adequately protected and maintained the Global Director shall:

- Insure against theft and liability losses to the BofD members, staff, and the organisation.
- Avoid actions that would expose the organisation, its BofD or its staff to claims of liability.
- Protect intellectual property, information, and files from unauthorised access, tampering, loss or significant damage.
- Receive process and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts and payments.