



FINANCIAL PROTOCOL

In line with modern practices, NGCE banks online. However, this removes the control on expenditure of two signatures required on a cheque. In place of that control, the following protocol shall be followed by the Treasurer, Chair, all Management Committee members and all employees of NGCE Ltd., in particular the General Retail Manager, for accessing or managing money held in the 'operational' bank account. With regard to authorised signatories, these must be two unrelated people (a related person means any spouse, civil partner, a person with whom the signatory is living; and any parent, grandparent, child, step-child, brother or sister of the signatory (and their spouse))."

This protocol has been created using best practice from The Charity Commission, as recommended by OSCR; see www.charitycommission.gov.uk/publications/cc8.aspx for details.

Electronic payment protocols

- Only the Treasurer and the General Retail Manager may set up arrangements to make payments by direct debit, standing order or BACS from any of the Society's bank accounts.
- The General Retail Manager must inform the Treasurer of any direct debits or standing orders they have set-up within one week of setting them up.
- The documents setting up the payments must be retained as part of the Society's accounting records.
- When setting up new BACS, best practice is to make a £1 deposit and ensure that it has arrived before sending the main payment. It is extremely difficult to recover electronic payments sent to the wrong recipient.
- Direct debits and standing orders should be monitored to ensure that they have been terminated immediately they are no longer required to pay for the goods or services for which they were set up.

Electronic payment of invoices – control levels

- All invoices of up to £50, up to a monthly limit of £500, can be paid by the Treasurer or General Retail Manager without further recourse.
- This excludes payment of approved and countersigned expenses to Management Committee members and other volunteers, which may be paid immediately by the Treasurer but must be declared and recorded at the next Management Committee meeting.
- Invoices of £50 and over, or invoices that bring the monthly total to over £500, should be signed off by another Management Committee member, either by email or by signature, before payment by the Treasurer.
- This excludes operational payments to suppliers by the General Retail Manager if they are in line with the agreed contracts.
- This also excludes payments to contractors from the Big Lottery grant where the invoice has been agreed and paid by the Big Lottery.
- Invoices of £250 and over should be signed off by the Chair or Vice-Chair, either by email or by signature, before payment by the Treasurer.
- Again, this excludes operational payments to suppliers by the General Retail Manager if they are in line with the agreed contracts.
- This also excludes payments to contractors from the Big Lottery grant where the invoice has been agreed and paid by the Big Lottery.

Debit card protocols

- Only the Treasurer, the General Retail Manager and one other named Management Committee Member may hold a debit card.
- Society debit cards may not be used in restaurants, at food retailers or online without prior written (email) agreement by the Chair or Vice-Chair.
- Where at all possible, invoices should be sought such that debit card payment is not required.
- When a debit card payment is made, the accompanying receipt (full receipt, not just the card receipt) must be retained for the Society's accounting records.
- If the Treasurer, General Retail Manager or named Management Committee member leaves the organisation, their debit card must be recovered and destroyed before they demit office.

Debit card payments – control levels

- Where the expected spend is under £50, the Treasurer, General Retail Manager or named Management Committee member may use a Society debit card alone, subject to the protocols above.
- Where the expected spend is over £50, prior written (email) agreement must be obtained from the Chair.
- Where the expected spend is over £250, a second Management Committee member or employee must accompany the Treasurer, General Retail Manager or named Management Committee member on the shopping trip and be present at the point of purchase. The name of the second person attending should be recorded on the receipt.

Monitoring of electronic payments

- Monthly paper statements must be obtained for each bank account held.
- A monthly review of payments made against records held must be made by the Audit and Finance Committee.
- The Treasurer should report the results of these reviews as a standing item at Management Committee meetings (reporting only by exception).

Breach of protocol

Any member of the Board or employee who discovers a breach of protocol must report it to the Chair, Vice Chair or Secretary within 48 hours of discovery. The Board must address the issue as a matter of urgency and, depending on the severity of the breach, take appropriate measures including disciplinary action (including instant dismissal) and reporting to the Police.

Protocol review

This protocol, including the use of debit cards, should be reviewed annually by the Management Committee in consultation with the Audit and Finance Committee to ensure that it is both efficient and effective in its operation.

Agreed at a meeting of the Management Committee on 3 February 2020.