

THE WHEELS PROJECT LTD
31 - 32 Bonville Road
Brislington
Bristol BS4 5QH
Registered Charity No. 1081236

FINANCIAL POLICY AND PROCEDURES

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1. Introduction

As a registered charity and company limited by guarantee, The Wheels Project (TWP) recognises that it is imperative we adopt rigorous financial controls and procedures that help to ensure the financial viability for the future of the organisation. In so doing we will be able to fulfil the expectations of the Charity Commission, Companies House and our funders and stakeholders.

This policy recognises the importance of sound governance, financial management and internal control systems in ensuring that funds and assets are not placed at undue risk.

2. Roles and Responsibilities

The Board of Trustees are responsible for: -

- Safeguarding the assets of the charity;
- Preventing fraud;
- Avoiding mistakes;
- Maintaining financial records in accordance with our governing documents and relevant legislation; and
- Preparing annual accounts in accordance with the governing document and relevant legislation.

The Board of Trustees responsibilities are achieved through designating responsibilities to the General Manager and other named individuals within the charity.

To enable the Board of Trustees to carry out their responsibilities, this policy and procedural guidance must be followed at all times. This policy may be overridden in exceptional circumstances, and only with the express approval of the Board (where there are timing imperatives this can be the Chair or Treasurer, with the decision to override reported at the next Board meeting).

3. Organisational Information

Registered Address	31-32 Bonville Road Brislington BRISTOL BS4 5QH
Financial Year	The Wheels Project Financial Year runs from 1 st April to 31 st March
Bankers	HSBC Bank plc, 34 High Street, Keynsham, Bristol. BS31 1DQ
Auditors	Elliott Bunker Ltd, 1 st Floor, 61 Macrae Road, Eden Office Park, Ham Green, Bristol BS20 0DD
Charity No.	1081236
Company No.	02745215

4. Banking and Cash Management

TWP maintains both a bank account (HSBC), which is used for the receipt of income and the day-to-day expenses and costs of the organisation, and a building society account (Santander), which is used to maintain a reserve balance.

Both accounts are in the name of the organisation. New organisational accounts may only be opened by a decision of the Board of Trustees, which must be minuted.

Cheque books and Building Society Account passbook are kept in a locked security cabinet and petty cash and the commercial bank card are kept in a locked tin in a locked security cabinet.

4.1. Bank Account (HSBC)

Payments against the bank account are made either via cash, cheque, bank transfer or by using the commercial bank card.

Cash – The General Manager and the Office Manager are authorised to administer the organisations petty cash. Every effort will be made to minimise the cash payments. The maximum limit for petty cash use should be £200.

If no receipt has been obtained a special docket 'payment for which no receipt available' is completed and attached to the usual petty cash docket. Receipts are stapled to the petty cash docket. Petty cash dockets are numbered consecutively and stored in the petty cash tin.

The Office Manager completes a monthly petty cash reconciliation, at which point the petty cash dockets are put in the 'petty cash vouchers' file. The monthly reconciliation is printed out, agreed, and signed as correct by the General Manager, who also checks the cash in the petty cash tin, and filed in the Petty Cash File.

Cheques – the issuing of a cheque requires two signatures, as outlined below: -

Payments up to £250	Payments above £250
2 signatures from any two of the following: - <ul style="list-style-type: none"> • General Manager • Workshop Manager • Any Trustee (Treasurer in first instance) 	2 signatures from: - <ul style="list-style-type: none"> • General Manager or Workshop Manager and • Any Trustee (Treasurer in first instance)

Bank transfers

- Current account will be kept at a balance of £20,000. This will prevent payments being rejected due to insufficient funds (this is based on current expenditure)
- Office Manager to set up new Customer and beneficiary accounts as and when required. Office Manager to commit to checking when setting up a new account that the Company name, sort code and account number are a 100% match using the online banking 'check payee' facility
- All Invoices to be authorised in the first instance by the General Manager and/or Workshop Manager
- Online payment/s will be added on to the system by the Office Manager using the Internet Banking facility with HSBC
- Before authorising payment/s, the Treasurer will be provided with the corresponding Invoice/s to check the payment/s against.
- For new beneficiaries, the Supplier's bank details will be provided for the Treasurer to cross check against
- In the absence of the Treasurer, online payments will be authorised by the General Manager.

Commercial Bank Card – the commercial bank card is held in the name of the General Manager and should be used in accordance with our separate commercial bank card policy. The General Manager will ensure that a record of the use of this card is maintained by the Office Manager. This record will then be checked against the monthly statement itemising all expenditure provided by the bank.

Customer Receipts - details of all incoming cheques and BACS payments are to be entered into our SAGE accounting system and paid against corresponding Invoices. Hard copy Invoices are filed in the income section of each corresponding month with remittance advices attached.

Bank Receipts - details of donations received are recorded as such on our SAGE accounting system. A copy of correspondence advising of donation is filed in the income section of each corresponding month.

At the end of each month a report is printed out for all sales income and donations and filed in the income section of each corresponding month

4.2. Building Society “Reserve” Account (Santander)

Reserve funds are kept in this account. The signatories against this account are: -

- Sarah Crew – Chair of Trustees
- David Smithen – Trustee and Company Secretary
- Nick Adams – Trustee and Treasurer
- David Glossop – General Manager

Any of the signatories must call Santander on 0800 731 6666 in order to request an online balance of the account.

Santander issue a 12-month statement in July/August. Cheque and paying in book kept on site along with a Visa debit card.

Withdrawal of funds – in the event that it is agreed that funds need to be withdrawn from this account, this is the procedure that will be followed: -

- A letter to Santander will be prepared, detailing the amount of money required, the details of the Santander account and the HSBC current account into which the monies are to be transferred;
- The letter will be signed by two of the above-named signatories (i.e., a Trustee will always be required to sign);
- Telephone Santander on 0800 731 6666 to establish where to email the letter to;
- Confirm transfer against bank statements.

Receipt of funds – As and when the payment of funds into the “Reserve” account is deemed necessary, this will be undertaken by cheque from The Wheels Project’s HSBC current account into the Santander account.

All transactions will be discussed with the General Manager and recorded by the Office Manager

4.3. General Administration

The General Manager will ensure that both the HSBC and Santander mandates are kept up to date, as and when resignations from or appointments to the Board of Trustees occur.

A list of signatories is maintained by the General Manager.

In the event of signatories leaving or joining The Wheels Project then at the direction of the General Manager, they should complete a change of mandate form for both Santander and HSBC accounts. These will be emailed directly to the individual/s in question by the Office Manager.

For Santander, the attached form must be completed and returned by post along with black and white photocopies of two forms of ID (refer to application check list attached – list 1 for which forms of ID are accepted).

For HSBC the form is to be completed online by accessing the following link: -

<https://www.business.hsbc.uk/en-gb/everyday-banking/ways-to-bank/help-and-support/account-services>

Upon completion of the online form, a prompt will appear to print the form and sign where indicated. A further prompt will appear to post the completed form to HSBC. When the HSBC team are in receipt of the completed form then they will undertake an electronic identification and address verification check.

A request to provide identification and address verification will only occur if this check fails.

5. Selection and Offer of Contracts to Suppliers

The General Manager has delegated authority to seek and issue appropriate contracts to safeguard the Wheels Project Ltd against risk and to ensure the Project runs smoothly. The General Manager shall ensure that a Contract Register shall be maintained by the Office Manager.

5.1. Procedure for Goods and Services up to value of £10,000

For contracts under £250 – at least 2 verbal or written quotes shall be obtained from a contractor or supplier whose source may have been via internet search, referral, or follow-on from previous services supplied. The General Manager will agree the contract on the basis of the quote and a letter of offer will be sent, clearly defining the service to be provided, the timescale and the final agreed cost. Notes of the quotation and offer letter will be retained by the Office Manager.

For contracts and supplies between £251 and £500, at least three verbal or written quotes will be obtained from a contractor or supplier. The General Manager will agree the contract on the basis of the most acceptable quote and in a letter of offer, clearly define the service to be provided, the timescale and the final agreed cost. Notes of the quotation and offer letter will be retained by the Office Manager.

For contracts and supplies between £501 and £1999, a minimum of 3 written quotes shall be obtained. Once the quotes are received, the General Manager and Treasurer (and/or other designated Board Member) will determine the best value for money, the most appropriate supplier/provider and ensure sufficient funds are available to allow purchase. Once the decision has been made, a letter of offer, clearly defining the service to be provided, the timescale and the final agreed cost will be sent to the

successful supplier/provider. Notes of the quotation and offer letter will be retained by the Office Manager.

Contracts of a value between £2,000 and £9,999 require at least three written proposals on the basis of a supplier questionnaire and a specification provided by Wheels Project Ltd. The General Manager and relevant staff as well as at least one Board Member will be involved in decision making. The returned supplier questionnaire and proposals will require checking against essential and desirable criteria. A telephone, electronic or written check made to verify the supplier's references and previous contracts either before or after selection. The supplier must be made aware that where compliance and proof is not evidenced, this may affect the issue or continuation of an agreed contract. A copy of the successful supplier's insurances and relevant certificates will be requested and retained along with the letter of contract which defines the service to be provided, the timescale for delivery and the final agreed cost as well as any special and agreed requirements.

5.2. Procedure for Goods and Services above £10,000 in value

A list of identified contractors or suppliers shall be approached (at least 5) with invitation to tender (ITT) documentation. This documentation should include:

- A detailed brief or specification of the services required including start and completion dates;
- Background information on the Wheels Project Ltd;
- Details of any interim and final reports or other outputs required;
- Named contact and details for queries.

The brief needs to be clear so that the Wheels Project Ltd can obtain the most appropriate and best value service. Therefore, it should include a request for the supplier to: -

- Identify the proposed method(s) of achieving the specified contract objective(s);
- Give examples of experience, relevant qualifications, and expertise they possess;
- Quantify the costs of completing the contract, to include fees together with the basis for their calculation (e.g., lump sum, by period of time etc), related expenses, travel costs and VAT;
- Identify other cost items that the tenderer has not included in the estimated costs of the contract;
- Request information relating to the contractor's insurances and/or accreditation within recognised standards;
- The closing date for receipt of tenders and instructions (i.e., electronic, or postal return).

During the selection process, if queries are received by any of the tenderers, the query and response must be made available to all known tenderers.

A list of criteria will be prepared for comparing the tenders for which a simple scoring mechanism should be used. This will ensure feedback can be given to unsuccessful tenderers which may help them in the future. It is also an objective method of comparison.

Three or more individuals will be engaged in opening tenders at the appointed time and the selected individuals will compare each tender against the criteria selected.

This need not be carried out at the same time, nor in the same room but scores will be compared later to identify whether or not an interview is required.

Interviews need to be carried out with the individuals engaged in the initial sift and decision-making. In any case no more than 4 people should be engaged.

Taking up references and checking claims to accreditation or levels of insurance should be undertaken prior to notification to the contractor.

The Wheels Project Ltd does not have to accept the lowest quote or tender and can, in the case quality or other factors, accept a higher cost quotation providing a clear rationale is evidenced and value for money is documented.

5.3. Issuing and varying the contract

Once a tender has been approved or accepted, an offer of contract letter should be sent. To safeguard TWP from contract variations, a paragraph should be inserted into the offer of contract letter informing the supplier of their responsibility to manage the contract within the agreed timeframe and budget. The contractor may also be notified those deliberate errors and omissions within their tender that may arise later could render the contract null and costs may be subsequently recovered.

Where a change to the monetary value of a contract is needed, the following approach should be adopted depending on the relative value of the variation:

- If the value of the variation is less than 10% of the original net contract value, and the budget is available to increase the value, the General Manager needs agree this in writing with the supplier;
- If the increase is more than 10% on a large-scale contract, then a decision involving the Treasurer or other Board Member needs to be made to identify the reasons for its increase and whether or not to issue a new contract. The Supplier must be informed that a request for additional monies does not automatically guarantee success.

5.4. Other considerations

Conflict of Interest - There may be occasion when a Board Member, stakeholder, business, or other person closely associated with the Wheels Project can offer or recommend the take-up of a service. In order to protect the individual and the Wheels Project, the following procedure must be applied: -

- At the earliest possible opportunity and during planning discussions, the individual must declare an interest in the work or contract being offered. If he or she does not do this and subsequently offers a tender or quote, this can be considered as unsolicited tender and will be disqualified for consideration even if it is the only quote or tender rendered;
- Once the individual has declared interest, they must remove themselves from further discussions surrounding the terms of the contract or service to ensure they do not have unfair advantage;
- The normal tendering rules apply to the individual where they submit a quote.

Unsolicited Submissions and Proposals - In the case of an unsolicited submission - i.e., where an individual irrespective of the relationship they have with the Wheels Project, makes a submission or proposal for the supply of goods and services, the proposal, however, attractive must not be considered for a contract in isolation. The service must be considered in terms of the aims and objectives of the Wheels Project

and the value proposed determines the procedure above which should be followed at all times.

6. Insurances

TWP is obliged to take out insurances to fulfil its legal obligations towards Trustees, Staff, Students, Premises, Assets and Professional Services. Covering the cost of replacement or up to the liability set out by our main contractors. A complete schedule detailing all insurances, renewal dates and costings is kept up to date. All suppliers to be reviewed at least every five years.

These include: -

- Employers' liability
- Public and Product Liability
- Engineering Insurance
- Certificate of Motor Insurances (including comprehensive breakdown cover for vehicles and students)
- Directors and Offices Cover
- Professional Negligence Indemnity
- Business Interruption
- Property Insurance
- Audit Tax Protection Scheme

7. Invoice Management

7.1. Invoices from suppliers

Delivery notes will be checked against goods delivered by the member of staff accepting delivery. These will be given to the Office Manager and filed in his/her in tray until such time as the Invoice arrives where they will be matched up.

On receipt of an invoice the delivery note (if available) is matched up. All Invoices to be approved by General Manager or Workshop Manager as appropriate.

Upon receipt of a supplier Invoice, Office Manager to record Invoice details on our SAGE accounting system and print out hard copy and file in corresponding month (in Invoices to pay section) of the file. When the Invoice is due for payment, the Office Manager will seek authorisation from either the General Manager or Workshop Manager and add the payment for authorisation by the Treasurer using the HSBC Internet Banking facility.

The original invoice will then be filed (in Invoices paid section) of the file. This will be filed according to the date of the invoice.

7.2. Invoices to Service Users

The Office Manager is responsible for raising customer invoices for TWP programmes. Details of course fees for Junior Programmes are as directed by the General Manager by his entering of such on the Schedules. Each customer Invoice carries its own unique number. Details of which are shown on the programme schedule along with when the Invoice is sent and when the Invoice is paid.

8. Payroll

Each member of staff completes a detailed timesheet which identifies how they spend their time in a range of administrative duties and programme delivery by programme. These

timesheets are handed in on the 16th day of each month and processed by the General Manager who reports to our payroll bureau service providers (Wormald & Partners, 157 Redland Road, Bristol BS6 6YE), to process staff salaries. Staff salaries are paid via BACS system, operated through HSBC.

A record is kept of all additional allowances paid including overtime, meal allowances, camps, and alarm call outs on top of basic salaries. Salary slips and payroll print outs are mailed to the Office Manager who distributes the slips to staff and enters salary/PAYE/NI details onto the computerised accounts on a monthly basis.

A computerised record is also kept on the systems managed by our payroll administrators. Salaries are paid in line with the job description and contract issued to each member of staff. The pay review takes place in January each year and is conducted by nominated Board members, including the Treasurer, and the General Manager. Staff members are notified of any pay awards in writing which take effect from 1st April each year.

The Office Manager is responsible for the prompt payment of Pension contributions, PAYE, and NI payments online to the Inland Revenue on a monthly basis.

9. Group Stakeholder Pension Scheme

TWP operates a Grouped Stakeholder Pension Plan (GSPP) with Lloyds Banking through Halifax Financial Services (Plan Number X5257 since 2004)). Wheels' Employees are automatically enrolled onto The Wheels Project's Group Stakeholder Pension Scheme after completing their Probationary period of 6 months. Following government legislation, every **employee** has one calendar month period after being auto enrolled into a **pension** scheme, where they **can** choose to **opt out**. An **employee can** also **opt out outside** this period but may not be eligible for a short service refund.

The contribution rates mirror the minimum statutory pension contributions introduced under the Pensions Act 2008 and changes made in October 2015: -

Date Effective	Employer Rate %	Employee Rate %	Total Contribution %
06/04/18 onwards	5.0%	5.0%	10.0%

Employees who have passed their Probationary period will be eligible to receive an additional payment from The Wheels Project of 5% of salary into their Group Stakeholder Pension Plan.

Each employee has an obligation to make a minimum contribution at the level outlined in the above table. Employees can choose to contribute more than their minimum legal contribution of their salary if they wish, but the contribution from The Wheels Project is capped at 5% of the employee's annual salary.

The Office Manager is responsible for ensuring that Halifax Financial Services is in receipt of these monies by the 20th of each month. Halifax Financial Services issues a confirmation letter on receipt of such. These are kept in the Pension Payments file by the Office Manager.

10. Capital Expenditure and Asset Management

Definition – A capital item is any building, installation, item of plant or equipment, fixture, fitting, vehicle, land (whether leasehold or freehold) or any other item which: -

- is bought or fabricated at a cost of £2,000 or more (per item or the collective value of a group of items), and;
- has an estimated useful life of more than one year, and;
- can be separately identified throughout its life.

Proposal to incur capital expenditure – Any proposal to incur capital expenditure in excess of £2,000 must be the subject of a formal proposal to the Board, setting out the details of the capital item together with the capital and revenue implications.

The standard procedures for ordering goods and services (as outlined in section 5 above) are to be applied to the acquiring of capital items.

Recording capital items – A Fixed Asset Register must be maintained by the Office Manager for all capital items for which cost exceeds £2,000, to record: -

- Asset number;
- Description;
- Location;
- Serial number (if any);
- Date of purchase;
- Cost
- Date last inspected;
- Depreciation rate and method;
- Depreciation to date;
- Written down value;
- Date of disposal;
- Sale proceeds.

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows: -

- Plant and equipment - 25% reducing balance;
- Fixtures and fittings - 25% reducing balance;
- Motor vehicles - 25% reducing balance.

Inventory - Where an asset item with an expected useful life of more than one year is purchased at a net cost of less than £1,000, it must be recorded in the Inventory Register, notwithstanding that the asset in question will have been written off as a revenue item in the accounts.

The inventory register must be maintained by the Office Manager, to record: -

- Inventory number;
- Description and location;
- Serial number (if any);
- Date of purchase;
- Purchase cost (net of recoverable VAT);
- Date last inspected.

Disposal of Assets – The procedure for the disposal of any item on the fixed asset or inventory registers that has been identified as being no longer required is as follows: -

- The General Manager will agree that the asset is to be sold;

- Current prices will be researched, enabling a fair price to be agreed and documented which is reflective of current market values as well as the condition and age of the asset;
- The asset may be advertised on eBay, with an appropriate reserve set;
- In the event that the reserve value cannot be reached, but there were bids exceeding the scrap value of the asset, then the item will be re-advertised with an adjusted reserve value. Otherwise, the asset will be scrapped.

11. Investments and Reserves

The Trustees of The Wheels Project are aware that charities able to make financial investments.

Our management of funds takes place through the use of: -

- A bank account which operates as our current account, and through which we manage day to day expenditure and receipts. This account is non-interest bearing, and the balance will fluctuate across the year depending on the current profile of receipts and expenditure incurred;
- A building society account which operates as an instant access savings account, upon which we are able to generate interest.

Across both accounts the Trustees seek to maintain a working balance which ensures that in the event of being unable to secure sufficient funds to support the continuation of the charity, that we are able to cover the costs of winding the charity up. Specifically, this is achieved by maintaining our “reserve account” balance (our building society account) with levels of income equivalent to 6 months expenditure as shown and maintained in our Forecast Budget Forecast in the financial year ahead.

Our financial cash position is subject to monthly reconciliations, and periodic reviews to ensure that we are retaining sufficient cash balances across both accounts.

In the event that the Charity was able to secure significant increases to our funds we would review our current practice and consider whether the holding of financial investments was desirable.

12. Periodic roles, controls, and reporting

Day-to-day - The Office Manager is responsible for the day-to-day financial administration and is accountable directly to the General Manager and through the General Manager to the Treasurer and through the Treasurer to the Board of The Wheels Project.

In addition to those listed above, The Office Manager’s financial duties are:

- To receive and check supplier invoices;
- To raise cheques for signature of the General Manager and Workshop Manager (up to £250) plus the Treasurer (over £250) and ensure payment of said invoices by due dates;
- To raise customer invoices/credits;
- To ensure payments for said invoices are received;
- To enter said invoices/credits notes/payments on SAGE computerised accounting system;
- To reconcile the computerised accounts and bank statements at each month end;
- To prepare Management Accounts for the auditor;
- To prepare end of year accounts for the auditor;

- To raise cheques for staff, travel claims;
- To administer and reconcile petty cash;
- To arrange direct debit payments as required;
- To ensure that the Inland Revenue receives PAYE/NI payments on time.

Monthly – On a monthly basis the following shall be undertaken: -

- **Accounts Reconciliation** – Each month the Office Manager enters all financial transactions onto the SAGE computerised accounts system and reconciles this information with the bank statements.
- **Board Review** - The following information shall be prepared and provided to the Board for review: -
 - Reconciled bank balance - prepared by the Office Manager as above.
 - Levels of reserves - prepared by the Office Manager.
- **General Manager Review** - A computerised spreadsheet is kept by the Office Manager itemising all funds and separating them into undesignated and designated sections. An up-to-date copy of this spreadsheet is printed and given to the General Manager on a monthly basis to update our budget and cashflow forecast performance.

Quarterly – On a quarterly basis, at the Board meeting, the following shall be prepared and presented to the Board: -

- Budget v Actual Expenditure – prepared by the General Manager
- Budget and cash flow forecasts – prepared by the General Manager
- Details of funds received for the year spreadsheet – prepared by the General Manager.

David Glossop
General Manager



20.1.21

Nick Adams
Treasurer



20.1.21