

SPS Finance Policy

FINANCIAL MANAGEMENT - THE PROCEDURES BY WHICH WE MONITOR AND CONTROL THE DIRECTION, ALLOCATION, AND USAGE OF OUR FINANCIAL RESOURCES



1. Purpose and Scope:

This Finance Policy outlines the financial management practices and procedures to be followed by Southgate Progressive Synagogue (hereafter referred to as SPS), a not-for-profit religious charity registered in the UK.

The policy aims to ensure transparency, accountability, and compliance with relevant financial regulations while supporting the organisation's mission and goals.

2. Financial Responsibilities:

2.1. Trustees: The SPS Trustees (SPS Executive and Council) are responsible for overseeing the financial affairs of SPS. This includes approving the annual budget, financial statements, and taking major financial decisions.

2.2. Finance Committee: The SPS Finance Committee, appointed by the Trustees, is a sub-committee of SPS Council. It assists in financial oversight, reviews financial reports, and provides recommendations on financial matters.

2.3. Treasurer: The SPS Treasurer is responsible for managing the day-to-day financial operations, preparing financial reports, and ensuring compliance with financial regulations. They are also Chair of the Finance Committee.

3. Role of the Treasurer

3.1. The SPS Treasurer takes the lead at SPS Council level on:

- Ensuring SPS maintains proper accounts;
- Reviewing financial performance;
- Ensuring policies for finance, and if relevant, investment, are regularly reviewed;
- Ensuring that SPS has robust and effective financial controls in place;
- Overseeing the negotiation of all contracts, such as utilities, insurance, and maintenance;
- Having overall responsibility for bookings and lettings;
- Liaising with the SPS Chair, plus SPS Executive, Council, and Finance Committee about financial matters and with the appointed external auditor;
- Making GiftAid claims on donations as and when appropriate;
- Reporting on financial matters at the Annual General Meeting (AGM).

3.2. The SPS Treasurer will conduct periodic internal checks and spot checks, particularly prior to audit, and a checklist to assist with this may be provided by the SPS Council, if relevant.

4. Budgeting:

4.1. **Annual Budget:** SPS shall prepare an annual budget that outlines projected revenues and expenses. SPS Council must review and approve the budget.

4.2. The SPS financial year ends on 31st December each year. The annual accounts will be drawn up within 4 months after the end of each financial year and presented at the next AGM.

4.3. SPS Council will appoint an appropriately qualified external auditor to audit the accounts for presentation at the AGM. The Trustees will review the appointment of the auditor at least every 3 years.

4.4. **Budget Monitoring:** Regular monitoring of budget performance shall be conducted. Significant deviations from the approved budget require approval by SPS Council.

5. Financial Reporting:

5.1. **Financial Statements:** SPS shall prepare accurate and timely financial statements in accordance with applicable accounting standards. Financial statements shall include the statement of financial position, statement of activities, and the cash flow statement.

5.2. **Reporting Frequency:** Financial statements shall be presented to the Trustees on a quarterly basis. An annual report shall be prepared and shared with all SPS members.

6. Banking

6.1. All SPS bank accounts and savings/investment accounts must be held in the name 'Southgate Progressive Synagogue.'

6.2. The bank mandate (list of authorised signatories for SPS) will always be approved and minuted by SPS Council, as will any changes to it. Authorisation of transactions will require at least 2 of the SPS authorised signatories, except when using online banking, in which case clause 10.8 of the SPS Constitution applies. viz: *'The Honorary Treasurer can open online banking facilities with any of the Synagogue's bank accounts. Operating access shall be restricted to The Honorary Treasurer and one or more members of the Executive as the Honorary Treasurer shall decide, with a minimum of one other person'*.

6.3. The bank will be required to provide monthly statements. These will be reconciled with the SPS accounts at quarterly intervals, at least, by the SPS Treasurer or appointed bookkeeper

6.4. Change of bankers or the taking out of overdraft facilities or loan agreements will require SPS Council's approval.

6.5. The preferred and principal method of making payments is by online (internet) direct bank transfer from the SPS main current account; cheques may also be used if necessary.

6.6. In specific circumstances payments are made by means of the SPS debit/credit card. Records of these payments are kept accordingly, and it is the card user's responsibility to identify, investigate and inform the SPS Treasurer of irregularities such as non-receipt of goods or services, or incorrect billing amounts. Approval of Card users is at the discretion of the Treasurer / SPS Exec.

7. Financial Records - Income, Expenditure and Payment Documentation

7.1. SPS uses proprietary computer software for recording all monies received, payments made, payment documentation (including invoice storage), cash analysis, asset register and inventory, staff salary payroll, petty cash, expenses, PAYE and pension payments, payments for utilities and services, and the preparation of all accounts - monthly, quarterly, annually, and variances.

7.2. This software is designed to enable SPS to meet its legal, statutory, and other obligations such as HM Revenue and Customs, Charities Act, UK Common Law, etc.

7.3. The software enables the SPS Treasurer and Trustees to have full control of the organisation's finances.

7.4. The software being used must have the facility to automatically and continuously be backed-up to secure off-site cloud storage, retaining the records for the appropriate statutory periods.

8. Fund Management:

8.1. Donations and Grants: All donations, grants, and funds received shall be recorded and acknowledged promptly. Donor restrictions shall be respected, and funds must be used for their designated purposes ('Restricted Funds').

8.2. Investment: Investment decisions shall be made in alignment with SPS's investment policy and agreed by the SPS Trustees and Finance committee, focusing on risk management, and generating sustainable returns to support the organisation's mission. A proportion of SPS reserves will be invested to generate additional income.

9. Internal Controls:

9.1. Segregation of Duties: Financial responsibilities shall be segregated appropriately to prevent conflicts of interest. Any such conflicts must be declared at the start of Finance Committee Meetings, which are held on a regular basis.

9.2. Expense Approval: Expenditure must be authorised by the SPS Treasurer following an approval process, ensuring proper documentation and adherence to budgetary limits.

10. Compliance:

10.1. Legal and Regulatory Compliance: SPS shall adhere to all relevant UK laws and regulations governing financial operations and reporting for charitable organisations. This shall include (but shall not be exclusive to) the rules and regulations of the Charity Commission.

10.2. Tax Compliance: SPS shall maintain its charitable status and fulfil all tax-related obligations, including submission of required documents to HM Revenue & Customs.

10.3 Constitution: The governing document of SPS is its Constitution and in the event of any conflict between this policy and the Constitution, the Constitution takes precedence.

11. Audit and Review:

11.1. External Audit: An independent external audit of the Synagogue's financial statements shall be conducted annually to ensure accuracy and compliance.

11.2. Internal Audit: Regular internal audits shall be conducted to assess the effectiveness of financial controls and identify areas for improvement.

12. Reserves and Investment policies:

12.1. Reserve Fund: The Synagogue shall maintain a reserve fund to provide financial stability, cover unforeseen expenses, and support long-term objectives and sustainability.

13. Amendments to the Policy:

13.1. Review: This Finance Policy shall be reviewed regularly by the Finance Committee and updated as necessary to reflect changes in regulations, organisational structure, or best practices.

This Finance Policy is hereby approved and adopted by the Trustees of Southgate Progressive Synagogue.

Effective date: 1st November 2023

Review date: November 2026

Signatures:

Signature: *Mark Howard Shaw*

Printed Name: Mark H Shaw

SPS Treasurer: *Steve A Lesley*

Printed Name: Steve A Lesley

SPS Chair & Treasurer on behalf of SPS Executive and Council