

## Financial policies

These Policies set out various processes, practices and guidance governing the financial management of IMPRESS. Their purpose is to set standards for the establishment and maintenance of sound financial controls.

The operation of these policies on a day-to-day basis is the responsibility of the Chief Operating Officer (COO), except where explicitly stated otherwise. However, the CEO has the same authorisations as the COO so the CEO may undertake anything in the policies that the COO is responsible for if needed.

### 1. Accounting arrangements

The financial year will run from 1st April until 31st March the following year.

### 2. Banking arrangements

The Chair of the Finance & Audit Committee may open or close an account for dealing with IMPRESS funds, having first sought the views of the F&AC and then the approval of the Board. All accounts will be in the name of IMPRESS.

### 3. Reserves policy

It is the policy of IMPRESS to maintain adequate free reserves. Given the start-up nature of the organisation and its limited income, its ability to build up material reserves will naturally be constrained in its early years. Reserves will be maintained in line with the policies set by the Board having taken advice from the Finance and Audit Committee.

### 4. Cash flow, treasury management, borrowing

The Business Manager (BM) will ensure that cashflow is efficiently managed so that there are sufficient day-to-day cash balances at the bank to meet liabilities as they fall due. Surplus funds are to be invested in short-term overnight deposits and/or high-quality longer-term deposits. Investment in other asset classes (e.g. equities) is not currently permitted.

The policy and practices for cashflow and Treasury management, including asset quality criteria, are to be reviewed on a regular basis by the F&AC. Any borrowing must be restricted to the amount and on terms authorised by the Board.

### 5. Donations

Any grants or donations will be reviewed by the Board to ensure that they do not compromise the independence or integrity of IMPRESS.

### 6. Restricted funds

IMPRESS may on occasion receive funds that are specified as being for specific purposes or projects. It is important that such funds are only applied for these

purposes and not for any other and that separate records of such expenditure are maintained.

## **7. Salary reviews**

Salaries shall be reviewed formally once a year as at 1<sup>st</sup> April by the COO who will consult with the CEO, Chair and Senior Independent Director, except the COO and CEO's salary which will be reviewed by the Board.

## **8. Payment of salaries, Director fees and expenses**

The BM is responsible for ensuring the timely and accurate payment of salaries, Director fees and expense reimbursement. For the avoidance of doubt, provision 11 below does not apply to payments made under this heading.

## **9. Pensions and other benefits**

IMPRESS will comply with the contractual pensions and other benefits arrangements as agreed by the Board. IMPRESS will comply with pension regulations in place including auto-enrolment.

## **10. Procurement**

It is important that optimum value for money should be gained for IMPRESS from any purchase of goods or services.

For expenditure or a linked series of expenditures of up to £250, the BM is authorised to commit IMPRESS without the need for additional authorisation, subject to the expenditure being part of the authorised budget for the year. For expenditure up to £250 that is not part of the authorised budget for the year, the BM should email the COO describing the details of the payment and if approved the COO should reply to authorise the expenditure. Authorisation emails are stored in the Finance Authorisations folder on the server.

For expenditure or a linked series of expenditure in excess of £250 and less than £5,000, BM should email the COO describing the details of the payment. The email should contain:

- Information on whether the expenditure is already included in the budget
- The budget line that the expenditure refers to
- Description of the item to be purchased including its price

The COO should reply to the BM saying whether the payment is authorised. The BM will file it in the Finance Authorisations folder on the server.

Expenditure in excess of £5,000 follows the process for expenditure between £250 and £5,000 but also needs approval from the F&AC Chair. Approval should be filed in the Finance Authorisations folder on the server.

Approval of expenditure which an individual directly or indirectly benefits from, such as travel and subsistence, season ticket loans, personal equipment, personal development, and attendance at events, should never be authorised by the beneficiary of such expenditure. It should be authorised by another account signatory.

Planned expenditure in excess of £20,000 should normally be subject to a tender process.

The COO is responsible for:

- ensuring the Procurement policy is followed by all staff;
- ensuring orders are duly approved before IMPRESS is committed to any expenditure or linked series of expenditures.

### **11. Payment of invoices**

The BM is responsible for ensuring the payment of valid invoices in respect of goods and services supplied to IMPRESS. All uncontested valid invoices shall where practicable be paid within 15 calendar days of the date of receipt

### **12. Authorisation of expenditure (other than salary-related payments)**

The BM is responsible for liaison with IMPRESS's bankers in relation to Accounts, the issue of cheques and online payments.

Payment of valid invoices and expenditure may be made by cheque, online bank transfer or using the company credit card. The company credit card is generally used for expenditure under £250. Larger expenditure should be paid by invoice where possible.

Everyday banking takes place using the TSB account. All expenditure from the TSB accounts requires dual authorisation. The authorised signatories are the BM, COO, CEO, Chair of F&AC and Chair of the Board.

The other IMPRESS accounts are primarily used as savings accounts. They should not exceed the level of compensation from the FSCS (currently £85k). Transfers between accounts are recorded on the Transfer Authorisation Sheet and authorised by the COO before being actioned by the BM.

### **13. Capitalisation and depreciation**

Expenditure incurred in the acquisition of fixed assets will be recorded in the balance sheet where the acquisition cost per item is £5,000 or more. Such assets will be depreciated in equal instalments over their estimated useful lives or 5 years whichever is shorter. Such lives will depend on the class of asset.

### **14. Fraud and corruption**

It is the duty of all members of staff, management and the Board to immediately notify the CEO of any matter that involves or is thought to involve financial irregularity including fraud, corruption or any other impropriety.

If the impropriety is thought to involve any member of senior management, the member of staff shall notify the Chair of the F&AC or the Chair of the Board of their concerns.

### **15. The Bribery Act 2010**

It is the duty of all members of staff, management and the Board to immediately notify the CEO or the Chairman of the Board of any matter that would constitute a bribery offence in accordance with the Bribery Act 2010. Failure to do so may result in disciplinary proceedings.

Bribery is defined as “the offering, promising, giving, accepting or soliciting of an

advantage as an inducement for an action which is illegal or a breach of trust". Offences under the Bribery Act 2010 include bribing another and being bribed. It does not matter whether the bribe is made directly or through a third party.

A Register of Gifts and Hospitality will be kept by the BM in which all benefits received or given by staff or directors will be recorded. Details on how to use the Register are available in the Code of Conduct.

## **16. Audit Requirements**

The appointment of External Auditors is the responsibility of the Members on the recommendation of the Board, who are advised by the F&AC. The appointment of Internal Auditors is the responsibility of the Board on the recommendation of the F&AC.

The External and Internal Auditors shall be given such authority and access to people and information as they need to perform their responsibilities.