

Naomi's Garden's Financial Policy

Naomi's Garden / The King's Outreach

1. Introduction

Naomi's Garden is committed to responsible financial management to ensure transparency, accountability, and the effective use of funds in fulfilling our charitable objectives. This policy outlines the financial principles, responsibilities, and procedures governing all financial activities.

2. Financial Governance

- The Board of Trustees holds ultimate responsibility for the charity's financial oversight.
- The Finance Committee (if applicable) or designated financial officer is responsible for day-to-day financial management and reporting.
- The charity will comply with all relevant legal and regulatory requirements, including the Charities Act 2011 and UK Generally Accepted Accounting Principles (GAAP).

3. Financial Planning & Budgeting

- An annual budget will be prepared and approved by the Board of Trustees before the start of each financial year.
- Budgets will align with the charity's strategic objectives and funding requirements.
- Quarterly financial reviews will be conducted to assess financial performance against the budget.
- Any significant variance must be reported to the Trustees with a clear action plan.

4. Income Management

- All income sources (donations, grants, fundraising, and other revenue) must be recorded accurately and promptly.
- Restricted and unrestricted funds must be accounted for separately to ensure compliance with donor conditions.

- Gift Aid will be claimed where applicable, ensuring compliance with HMRC regulations.
- Cash donations will be counted and recorded by two individuals before being deposited into the charity's bank account.

5. Expenditure & Payments

- All expenses must be necessary, reasonable, and in line with the charity's objectives.
- Payments must be authorised as follows:
 - Up to £250 – Finance Officer/Manager approval
 - £251 - £5,000 – Requires two authorised signatories (Trustees/Finance Officer)
 - £5,001+ – Requires Board of Trustees approval
- Payments should be made electronically where possible; cash payments should be minimised.
- All invoices and receipts must be retained for a minimum of six years for audit purposes.

6. Bank Accounts & Financial Controls

- The charity will maintain a dedicated bank account separate from personal or business accounts.
- Bank statements will be reviewed monthly and reconciled against financial records.
- A dual-authorisation system will be used for all online payments where feasible.
- Bank details of suppliers must be verified before processing payments.

7. Reserves Policy

- Naomi's Garden will maintain a financial reserve to cover at least three months of operating costs.
- The reserve level will be reviewed annually and adjusted based on financial risk assessments.
- Any use of reserves must be approved by the Board of Trustees.

8. Fundraising & Grants

- All fundraising activities must comply with Fundraising Regulator guidelines and ethical fundraising practices.

- Grant applications must align with the charity's mission and be approved by the relevant committee.
- Reports on grant spending must be submitted to funders as required.

9. Financial Reporting & Auditing

- Annual accounts will be prepared in accordance with the Charity Commission regulations.
- Independent examination or audit will be conducted as required by law, based on income thresholds.
- Regular financial reports will be presented at trustee meetings.

10. Fraud Prevention & Financial Risk Management

- A zero-tolerance approach is taken towards fraud and financial mismanagement.
- Financial records will be monitored for irregularities, and any suspected fraud must be reported immediately to the Trustees.
- A financial risk assessment will be conducted annually.

11. Expenses & Reimbursements

- Staff, volunteers, and trustees will be reimbursed for approved expenses incurred on behalf of the charity.
- Expenses must be claimed using an expense form with supporting receipts.
- Claims must be submitted within 30 days of expenditure and approved before reimbursement.

12. Conflict of Interest & Related Party Transactions

- Trustees and staff must declare any conflict of interest where financial transactions involve related parties.
- Transactions with related parties will be documented, justified, and subject to independent review.

13. Policy Review

- This policy will be reviewed annually by the Board of Trustees to ensure continued effectiveness and compliance with regulatory requirements.
- Amendments must be approved by the Board before implementation.

Policy Adopted by Trustees on:

15.01.2025

Policy Last Reviewed on:

04.12.2025

Policy Due for Review on:

04.12.2026