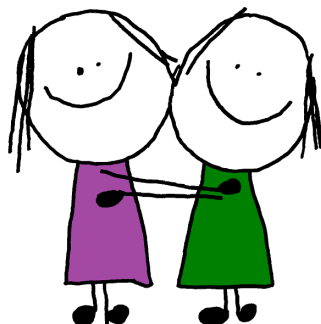


Friends – Play for Disabled Children



Friends – Play for Disabled Children
Email: info@friendsplay.org.uk
Website: www.friendsplay.org.uk
Registered Charity Number: 1167995

Financial Controls Policy

Status: Approved

Approval date: 2 October 2026

Version: 1.0

Next review: October 2027

Right — **4. Financial Controls Policy**. We've got enough now to make this fit Friends properly rather than forcing a big-charity system onto you.

The one meaningful change I'd build in is a light-touch **second-person review of the monthly reconciliation/financial summary**. Charity Commission guidance says all charities need suitable financial controls, duties should be split where possible, monthly bank reconciliations should be carried out, and where a small charity cannot fully separate duties, trustees can manage that risk by reviewing transaction reports and checking controls are being followed. [GOV.UK](https://www.gov.uk)

Friends – Play for Disabled Children

Financial Controls Policy

Registered Charity Number: 1167995

Status: Draft

Approval date: [to be completed]

Version: 1.0

Next review: [month/year]

1. Purpose

Friends – Play for Disabled Children (“Friends”) is committed to managing its money responsibly, transparently and in the best interests of the charity.

This policy sets out the financial controls used by Friends to:

- safeguard charity funds;
- maintain accurate financial records;
- reduce the risk of fraud, error or misuse;
- ensure expenditure is properly authorised;
- monitor restricted and unrestricted funds;
- support trustee oversight; and
- meet the charity's accounting and reporting responsibilities.

All trustees remain collectively responsible for the charity's financial management, even where particular financial tasks are carried out by individual trustees. [GOV.UK](https://www.gov.uk)

2. Financial accounts and payment services

Friends currently uses:

- an HSBC bank account in the charity's name;

- PayPal; and
- SumUp.

The trustees must approve the opening or closing of charity bank or payment accounts.

A current list of all charity financial accounts and authorised users should be maintained.

Charity money must not routinely be held in personal accounts.

3. Bank access and security

Authorised trustees may have access to the charity's bank account and payment services where required for their role.

Each authorised user should use their own login credentials wherever the provider supports individual access.

Passwords, PINs, security codes and authentication details must not be shared.

Any lost or stolen payment card, suspicious login or unauthorised transaction must be reported promptly to the relevant provider and to another trustee.

Access should be removed promptly when it is no longer required.

4. Debit cards

Friends may issue debit cards to authorised trustees.

Cards must:

- only be used for legitimate Friends expenditure;
- not be used for personal spending;
- not be shared with another person;
- be kept securely;
- have supporting receipts or other evidence retained; and
- be returned or cancelled when no longer required.

Receipts may be retained electronically or with the charity's financial paperwork.

Where a receipt cannot be obtained, the trustee should make a written record explaining the expenditure.

5. Authorising expenditure

Charity money may only be spent for legitimate Friends purposes.

Routine expenditure connected with previously agreed activities, bookings, events or administration may be paid by an authorised trustee.

Large, unusual or unbudgeted expenditure should be discussed and agreed by trustees before commitment wherever reasonably possible.

The trustees should consider:

- whether the expenditure supports the charity's purposes;
- whether sufficient funds are available;
- whether restricted funds can legally be used;
- whether the cost represents reasonable value; and
- whether any trustee has a conflict of interest.

Any conflict must be managed in accordance with the Friends Conflict of Interest Policy.

6. Quotes and value for money

Friends does not currently operate fixed quotation thresholds.

For significant or unusual expenditure, trustees should take reasonable steps to satisfy themselves that the proposed cost represents value for money.

Depending on the circumstances, this may include:

- comparing prices;
- seeking alternative quotations;
- using previous experience with a provider;
- considering accessibility and suitability as well as price; or
- recording why a particular supplier has been chosen.

The cheapest option does not always have to be selected where another provider better meets the charity's needs.

7. Payments

Payments should only be made where there is reasonable evidence of what is being purchased or paid for.

Where appropriate, supporting records may include:

- invoices;
- receipts;

- booking confirmations;
- contracts;
- email confirmations;
- grant documentation; or
- trustee approval records.

The person making a payment should check that:

- the amount is correct;
- the payee is correct;
- the expense relates to Friends;
- the appropriate fund is being used; and
- supporting documentation is retained.

8. Monthly reconciliation and review

The charity's accounting records should be reconciled to the bank account and other relevant payment accounts on a regular basis, normally monthly.

The trustee responsible for the day-to-day accounts will prepare the reconciliation and financial summary.

A second trustee should review the monthly reconciliation or financial summary and record that the review has taken place.

This review is not intended to duplicate the bookkeeping process. It provides an independent check that:

- balances broadly agree;
- transactions appear reasonable;
- unusual items are identified; and
- financial controls are being followed.

The Charity Commission recommends monthly reconciliation and appropriate separation or review of financial duties. [GOV.UK](https://www.gov.uk)

9. Trustee financial oversight

Trustees should receive sufficiently regular information to understand the charity's financial position.

This may include:

- current bank balances;
- income and expenditure;
- grant balances;
- significant upcoming expenditure;
- unusual transactions; and
- any financial concerns.

Friends may discuss financial information informally or at trustee meetings, provided appropriate records are maintained.

All trustees should have access to the financial information reasonably necessary to fulfil their responsibilities. [GOV.UK](https://www.gov.uk)

10. Restricted grants and funds

Money provided for a specific purpose must only be used for that purpose.

Friends will keep restricted grant funding separately identifiable within its accounting records.

This may include maintaining spreadsheet records showing:

- funder;
- amount awarded;
- purpose of the grant;
- expenditure charged to the grant;
- remaining balance; and
- any reporting or retention requirements.

Restricted funds do not necessarily require a separate bank account unless required by the funder.

11. Cash

Friends handles relatively little cash.

Cash may occasionally arise from:

- tombolas or fundraising;
- small event payments; or
- other occasional activities.

Where cash is received:

- the amount should be recorded;
- where practical, it should be counted or checked by more than one person;
- it should be kept securely until banked or otherwise processed;
- it should be reflected accurately in the charity's financial records; and
- supporting event or income records should be retained where appropriate.

Cash receipts should **not routinely be replaced with an equivalent transfer from a trustee's personal account**, as this can make the audit trail less clear.

12. Expenses and out-of-pocket purchases

Friends does not operate a routine volunteer expenses scheme.

Where a trustee or volunteer personally pays for an authorised Friends expense, reimbursement may be made where:

- the expense was genuinely incurred for Friends;
- the cost is reasonable;
- a receipt or other evidence is provided; and
- another trustee can reasonably verify the purpose of the expenditure.

No person should approve their own unusual or disputed reimbursement.

13. Refunds

Authorised website administrators may issue refunds where appropriate.

Refunds should:

- relate to an identifiable order or payment;
- follow Friends' booking/refund arrangements;
- be recorded through the relevant payment or booking system where possible;
and
- be reflected in the financial records.

Unusual or discretionary refunds should be discussed with another trustee where appropriate.

14. Online payments and website systems

Access to PayPal, WooCommerce, SumUp and similar financial systems must be limited to authorised users.

Users should:

- maintain secure individual access;
- use strong passwords and multi-factor authentication where available;
- avoid sharing credentials;
- review access periodically; and
- report suspicious activity promptly.

Payment records should be retained in accordance with Friends' Data Protection Policy and relevant accounting requirements.

15. Receipts and financial records

Friends will retain sufficient records to explain its income and expenditure.

Records may include:

- receipts;
- invoices;
- bank statements;
- electronic payment records;
- spreadsheets;
- grant records;
- booking records;
- refund information; and
- annual accounts.

Electronic records are acceptable where they are complete, legible and securely retained.

16. Annual accounts and independent review

Day-to-day bookkeeping may be carried out by an authorised trustee.

Annual accounts will be prepared and reviewed in accordance with the requirements applicable to the charity.

The charity's treasurer or other appropriately appointed person may assist with the annual review, preparation or checking of accounts.

Trustees remain collectively responsible for approving the annual accounts.

17. Fraud, theft, loss or financial irregularity

Any suspected:

- theft;
- fraud;
- misuse of charity funds;
- unauthorised payment;
- significant accounting error;
- loss of financial information; or
- breakdown in financial controls

must be reported promptly to another trustee.

Trustees should act quickly to:

1. protect remaining charity funds;
2. preserve relevant records;
3. contact the bank or payment provider where necessary;
4. establish what has happened;
5. notify insurers where appropriate;
6. consider whether specialist advice is required; and
7. consider whether the matter must be reported to an external body.

Depending on the circumstances, this could include Report Fraud, the police, HMRC, the ICO or the Charity Commission. Serious or potential significant losses may need to be reported as a serious incident to the Charity Commission. [GOV.UK](https://www.gov.uk)

18. Financial conflicts of interest

Trustees must not use their position to obtain inappropriate financial benefit.

Any personal or connected-party interest in a supplier, payment, contract or other financial decision must be declared and managed under the Friends Conflict of Interest Policy.

19. Review of financial controls

The trustees will review financial controls at least annually and after:

- a significant financial incident;
- suspected fraud or theft;
- a major change in income or funding;
- introduction of a new payment system;
- a significant change in how Friends operates; or
- identification of a weakness in existing controls.

Charity Commission guidance recommends that financial controls are reviewed at least annually and after significant changes or financial incidents. [GOV.UK](https://www.gov.uk)

20. Review and approval

This policy will be reviewed:

- at least annually;
- following a significant financial incident;
- following a material change in the charity's financial arrangements; or
- where relevant accounting, legal or regulatory guidance changes.

Approved by: Friends – Play for Disabled Children Trustees

Approval date: 2nd October 2026

Version: 1.0

Next review: October 2027