

# The Phoenix Fellowship Financial Controls Policy

Version 1.1

## Statement of Assurance and Governance Alignment

This Financial Controls Policy has been developed to ensure that The Phoenix Fellowship meets and exceeds the expectations set out by the Charity Commission for England and Wales, including full alignment with the guidance in CC8: Internal Financial Controls for Charities and CC12: Charity Fundraising. It incorporates best practices from across the UK charity sector, including independent grant-makers, academic foundations, and operational charities of similar scale. All procedures outlined within this document are designed to be specific, implementable, and auditable.

The policy includes defined financial responsibilities, thresholds for approval and oversight, fraud prevention mechanisms (including cybersecurity and verbal verification protocols), protections for whistleblowers, and practical guidance for day-to-day financial activity. It is intended not only as a control document but as a clear and practical guide for trustees, staff, and volunteers (particularly those new to the organisation) reinforcing our proactive commitment to good governance, financial stewardship, and public trust.

## Purpose

This policy sets out the financial controls and procedures of The Phoenix Fellowship (TPF) to ensure funds are managed with integrity, transparency, and accountability. The objective is to protect charitable resources, prevent misuse or fraud, and uphold public and donor confidence. This document is mandatory for all current and future trustees, employees, volunteers, and contractors with financial responsibilities.

## Responsibilities and Oversight

The Board of Trustees has ultimate responsibility for TPF's financial integrity. The Treasurer is the named lead for financial oversight and will present quarterly financial statements. Any delegation must be formally minuted. Finance-related duties must be segregated to avoid conflicts of interest (e.g. no person should both authorise and process payments). Named individuals with specific responsibilities (e.g. payroll submission, invoice approval) must be listed in the Delegation Register. The Chair, Treasurer, and one other designated Trustee will serve as authorised signatories for all financial accounts.

## Bank Accounts and Controls

TPF will maintain accounts with UK-regulated banks offering dual authorisation and online security controls. At no time shall:

- Blank cheques be signed.
- Personal accounts be used for holding or transferring charity funds.
- Bank access be granted to any party without Trustee approval.

Bank statements will be reconciled monthly by a person who is not the originator of transactions and reviewed by the Treasurer within 5 working days.

## Income and Donations

All income must be logged, receipted, and banked within 5 working days. Examples include:

- Gift Aid—eligible donations, which must be separately tracked in the income register.
- Anonymous donations over £500 will be flagged to the Board for due diligence.
- Restricted funds must be clearly labelled in financial reports and not used for general expenditure.

Online donation portals (e.g. CAF, JustGiving) must be linked to charity accounts, with access limited to Trustees or the appointed Finance Lead.

## Expenditure and Payments

All payments must:

- Be supported by original documentation (invoices, receipts, contracts).
- Follow budget lines agreed by the Board or recorded in written Trustee resolutions.
- Be authorised by at least two unrelated individuals, one of whom must be a Trustee for amounts over £500.

Recurring payments (e.g. insurance, website fees) will be reviewed annually. Novel or high-risk expenditure (e.g. international transfers, crypto acceptance) must be authorised by the full Board and documented in meeting minutes.

## Petty Cash and Cash Handling

TPF discourages the use of cash. Where unavoidable:

- A maximum of £200 in petty cash may be held, locked, and recorded in a Cash Ledger.
- Two unrelated individuals must be present when withdrawing or counting cash.
- Reconciliation must occur monthly and be signed by both the user and verifier. For example: If £60 is spent at a stationery supplier, the original receipt, cash ledger entry, and signed expense slip must be submitted within 3 days.

## Contracts and Procurement

Contracts must be reviewed by at least two Trustees before signature and renewed or re-tendered every 3–5 years.

- Any single contract above £10,000 requires Board approval.
- Value for money must be documented by comparing at least two written quotes.  
Example: If engaging a website developer, TPF will retain bids from at least two providers and select based on quality and price, minuted by Trustees.

## Payroll and Honoraria

Staff salaries must be agreed by the Board and benchmarked externally. The following controls apply:

- No individual may approve their own pay or any form of discretionary bonus.
- Monthly payroll reports must be reviewed and signed off by the Treasurer.
- Expense claims must be submitted using the TPF form and reimbursed within 10 working days if approved.

Honoraria (e.g. guest speaker fees) must be pre-approved by the Board with a standard rate cap of £250 unless justified and minuted.

### **Financial Reporting and Audit**

Quarterly financial reports will be prepared for the Board showing:

- Income and expenditure against budget
- Forecast to year-end
- Notes on any material variances (>10%)

An annual independent examination or audit will be arranged depending on income thresholds as per Charity Commission requirements.

### **Fraud Prevention and Cybersecurity**

All Trustees and staff must remain alert to phishing scams, spoofed bank instructions, or impersonation fraud.

- Unexpected payment requests must be verbally verified using known contact details.
- AI-generated scam calls are to be treated with the same suspicion as email fraud.
- The use of codewords between key individuals for payment approval is encouraged for high-value transactions. Example: Before processing a £5,000 international transfer, the Finance Lead and Treasurer must confirm the details by phone and document the verification in writing.

### **Whistleblowing and Incident Escalation**

Suspected fraud or misuse of funds must be reported to the Chair or another Trustee immediately.

- Reports may also be made confidentially to the external auditor or Charity Commission.
- Whistleblowing protection applies to anyone acting in good faith. Example: A volunteer who identifies duplicate payroll entries is encouraged to raise this confidentially and will be protected from any negative consequences.

### **Document Retention and Archiving**

The following minimum retention periods apply:

- Financial accounts: 7 years
- Bank records and receipts: 18 months
- Contracts and insurance: Duration + 6 years

Digital documents must be backed up securely and access restricted to Trustees or designated finance personnel.

### **Contact**

If you have any questions about this policy, please contact the Policy Lead using the [policy@phoenixfellow.org](mailto:policy@phoenixfellow.org) email address.

### **Review**

This policy is reviewed at least once a year and sooner if legal requirements or our operations change. The version number and effective date will be updated on publication.

**Effective date**

Effective from. 1<sup>st</sup> October 2025

Document owner. Policy Lead.

Next planned review. September 2026