



Stronsay Development Trust

Financial Policy

Aim

The aim of this financial policy is to ensure that all directors, employees and volunteers understand their responsibilities to act with regularity and propriety in using and accounting for both funds and assets of the trust.

It is also important to maintain separation of duties and so the policy and processes have been designed to reflect that the trust has a duty of care to ensure that no one individual is vulnerable to possible censure.

Extracts from the Trust's Memorandum of Association

- a. The trust accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.
- b. The signatures of two out of the signatories appointed by the directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the company; at least one out of the two signatures must be the signature of a director.
- c. The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- d. The accounting records shall be maintained by the Treasurer and overseen by the Chair, or otherwise by, or as determined by, the directors; such records shall be kept at such place or places as the directors think fit and shall always be available for inspection by the directors.

1. Purchases and Services

No services will be arranged, goods ordered or purchased on behalf of the Trust without prior approval of the Board majority either at a meeting or through an e mail requesting approval.

The request for the purchase must:

- a) have the need clearly explained
- b) quote the costs
- c) have alternative costs or reasons for choice of supplier provided.

Minutes of the meeting or the reply e mails must be retained by the Treasurer and Admin and Finance support Officer (AFO).

Invoices and receipts for purchases or services must be made out to the Stronsay Development Trust and sent to the Registered Office.

If the Treasurer is not sure what the item relates to it will not be paid, so please make clear reference to the project concerned.

All payments are made by SDT cheque with two signatures (one being the Treasurer) and under no circumstances should cash payments be made for invoices or expenses claims.

1.1 Stationery

For board members, employees and any volunteers working on projects, stationery and printer cartridges etc. will be purchased centrally by the AFO through the SDT preferred supplier whenever possible; Orkney Office Supplies. This is in order to benefit from bulk purchase savings and to prevent any unnecessary duplication in ordering.

Those needing stationery should first enquire whether we have any in stock that they could use, anyone leaving a post or finishing a project should return any unused stationery and equipment, to the registered office.

1.2 IT equipment and peripherals

Having obtained board approval for purchase, the Treasurer or AFO will order through the SDT preferred supplier whenever possible; Orkney PC.

2. Payment to Directors, Volunteers and Employees.

2.1 Working hours

All employees are issued with agreed terms and conditions (see recruitment process) and must keep monthly timesheets signed by the treasurer or authorised signatory. These timesheets must be retained by the Treasurer.

2.2 Casual work for volunteers.

Any ad hoc invoices for paid working time on a project must be supported by a record of the hours worked signed by the project manager/group leader. The timesheet should be used for this purpose.

Note: Directors are not entitled to claim remuneration for work or services unless in exceptional cases where board approval has been given. See OSCR regulations.

2.3 Extra hours claimed by an employee.

Flexi working time is worked by all employees, this allows for any peaks and troughs in workload. Should extra hours be claimed for payment, this should be approved by the Trust Chair and supported by the relevant timesheets.

When an employee leaves then any untaken annual leave should be approved for payment by the Chair and then VAO payroll department advised of the amount to be paid in accordance with their payroll timetable.

2.4 Authorised travel and subsistence costs

- Directors, or anyone carrying out work at the request of the Trust, are entitled to claim reasonable out of pocket expenses. These include travel and subsistence, and mileage. All expenses should be estimated and agreed beforehand.
- Any expenses will be claimed using an official Stronsay Development Trust Claim form and must be accompanied by receipts. See form attached.
- An upper limit of £60 is suggested for an overnight stay in Mainland Orkney this to include an evening meal.
- The Trust (and its funders) will not cover the costs of alcoholic beverages, unless they form part of an official function and then only with prior and explicit agreement.
- Travel further afield will not take place without prior agreement and will usually require extra funding to be sought. Travel will be by the cheapest practical means possible.
- Mileage will be reimbursed at 40p per mile.

All invoices and claims properly authorised will be paid within 30 days.

3. Applications for Funding

There will to be no SDT funding applications without Board approval.

The Community Development Officer (CDO) will co-ordinate any funding applications and provide any assistance needed to fill them out. No funds should be applied for without informing the CDO – this is to avoid multiple applications to one funding body.

Dated December 2011

A Company Limited by Guarantee, Registered in Scotland. Company Number SC271553
A Scottish Charity SC038888 Registered Office: Clifton, Stronsay, Orkney KW17 2AR



