



Financial Controls

[For reference: <https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities>]

Note: during the Covid pandemic, the Trust put in place some 'remote' procedures, to ensure that financial commitments (invoice payments, payroll, etc) could continue to be met whilst staff and consultants were working from home. As the Trust's Bookkeeper and Accountant have remained working from home, the 'remote' procedures are still being used. They are marked throughout this document in *italics*, with the 'regular' procedures retained underneath, for reference – or such time that the financial consultants return to working in an office.

SECTION 1: BANK ACCOUNTS, INVESTMENTS & PETTY CASH

Triodos Bank

Overview: The Butler Trust has two accounts with Triodos Bank.

Triodos Current Account

- This account is used to pay staff salaries and invoices by BACS. Direct debits (such as the monthly rent payment for the Trust's office space) also come out of this account.

Triodos Business and Charity Deposit Account

- This account holds the Development Fund, from which any events, conferences, seminars, etc, organised by the Trust, outside of its core work, are funded.

Internet & telephone banking

- The Trust has internet banking which allows access to both accounts. Internet banking is secured with a pin code set by the user and one-time-use pass codes provided through an electronic digipass.
- The Trust does not have telephone, fax or email banking. These functions were removed, via a letter signed by Simon Shepherd and Julian Avery, in August 2016.

Signatories

- The signatories for the Triodos Bank accounts are:
 - Malcolm Butler (transactions of any amount)
 - Liz Green (transactions of any amount)
 - Michael Spurr (transactions of any amount)
 - Simon Shepherd (transactions of up to £5,000 only)
 - Robin Wilkinson (transactions of any amount)

In addition, Elva Tehan has authority to set up transactions & authorise transactions up to 1 pence (a necessary step to enable Elva to view the pending transactions she has created).

Procedures & controls

- Setting up BACS payment(s):

- Remote procedure:*

- 1 Each month, invoices are collated by Andrew, who produces a single, 'locked' PDF document showing all the invoices to be paid. This document is emailed to Simon for approval, who in turn forwards it on to Elva, indicating that he approves the invoices for payment;
 - 2 Elva sets up the BACS payments via online banking;
 - 3 Elva collates the invoices and relevant paperwork for the BACS payments and emails this back to Simon, along with one or two Trustee(s) who have agreed to authorise the transactions (as per signatory instructions above); who then authorise the payments using online banking;
 - 4 Elva creates an entry in Quickbooks for each transaction, which is reconciled monthly against the Triodos bank statements.

- Regular procedure:*

- 1 An invoice is received by Andrew/Elva who checks the details against budget/instructions. It is passed to Simon Shepherd to approve payment;
 - 2 Elva sets up the BACS payment via online banking;
 - 3 Elva scans the invoice or relevant paperwork for the BACS payment(s) and sends this to Simon, who approves the paperwork and forwards it to one/ two signatories who have agreed to authorise the transaction(s); as per signatory instructions;
 - 4 Elva creates an entry in Quickbooks for each transaction, which is reconciled monthly against the Triodos bank statements.

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CAF Bank

Overview: The Butler Trust has two accounts with CAF Bank.

CAF Cash

- This account is used for online purchases which cannot be paid for by BACS. The Trust holds two debit cards – one in Simon Shepherd's name and one in Andrew Skilton's name - connected to this account, to enable the account to be used for purchases such as staff travel, ordering items for the office, invoices which require immediate payment, etc.
- The maximum account balance should never exceed £5,000. The account should be topped up from the Triodos Current account by BACS when the balance drops to £500 (or to £1,000 during busy times, e.g. planning for the Award Ceremony).
- The CAF Cash account is used to receive donations from small individual funders .
- Cheques may be written against this account if there are sufficient funds in the CAF Gold account to cover the transaction.
- This account has an automatic sweep facility to ensure that there is always exactly £250 in this account, as funds are transferred between this account and the CAF Gold account to ensure that the balance remains at this level – but funds are swept instantly, and available immediately, when required.

CAF Gold

- This account holds the funds which are swept to/from the CAF Cash account.

Internet & Telephone banking

- The Trust has not previously had internet or telephone banking with CAF due to concerns around security (as they only required one signatory to request transactions and account changes by telephone). However, as the risks associated with these accounts have now decreased (as there is substantially less money held in them than there used to be), internet and telephone banking could be reinstated if required (*2025 note – the Director has online access to the bank statements, but not full online banking access – keep this under review, and consider request full online banking if necessary*).

Signatories

- The current signatories for the CAF Bank accounts are:
 - Malcolm Butler (transactions of any amount)
 - Liz Green (transactions of any amount)
 - Michael Spurr (transactions of any amount)
 - Simon Shepherd (transactions of up to £5,000 only)
 - Robin Wilkinson (transactions of any amount)

Procedures & controls

- Debit card payments:
 - Remote procedure
 - 1 Once a payment is made, the relevant receipt(s) for the purchase are sent through to Elva, who completes an electronic copy of the Trust's 'debit card use' voucher;
 - 2 If Simon Shepherd makes a debit card payment, the corresponding paperwork will be electronically countersigned by Andrew Skilton; if Andrew makes a debit card payment, the corresponding paperwork will be electronically countersigned by Simon;
 - 3 The receipts are emailed through to Elva to check against entries on the CAF bank statement, and to query any missing documents or information. Elva creates an entry for each transaction in Quickbooks which is reconciled against the bank statement. The bank statements are sent to Michael Ray who checks the work and completes the Management accounts.
 - Regular procedure
 - 1 Once a payment is made, the paperwork is completed and the relevant receipt(s) for the purchase attached;
 - 2 If Simon Shepherd makes a debit card payment, the corresponding paperwork will be countersigned by Andrew Skilton; if Andrew makes a debit card payment, the corresponding paperwork will be countersigned by Simon;
 - 3 The paperwork is passed to Elva to check against entries on the CAF bank statement, and to query any missing documents or information. Elva creates an entry for each transaction in Quickbooks which is reconciled against the bank statement. The bank statements are sent to Michael Ray who checks the work and completes the Management accounts.

Charifund investment fund

Overview: The Charifund investment fund is managed by M & G Investments. Two signatories are required to operate the account (although one signatory can sign a letter accompanying a cheque to invest further funds).

Signatories

- The current signatories for the Charifund account are:
 - Michael Spurr
 - Simon Shepherd
 - Robin Wilkinson

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Virgin Charity Deposit Account

This account is now closed.

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Co-operative Bank

This account is now closed.

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Petty cash

Overview: The Trust holds approximately £100 in cash to cover staff expense claims and small office purchases. This is replenished from the CAF Bank account when necessary.

Access

Simon has access to the petty cash box and is responsible for withdrawing cash from the CAF Bank account to replenish the balance.

Procedures & controls

- Using petty cash for expense claims & cash payments:
 - 1 The paperwork for an expense claim, or for cash taken to cover an office purchase, is completed and the relevant receipt(s) attached;
 - 2 If Simon Shepherd requests petty cash, the corresponding paperwork will be countersigned by Andrew Skilton; if Andrew requests petty cash, the corresponding paperwork will be countersigned by Simon; Elva checks that receipts are present for each petty cash request; and queries any missing receipts or information;
 - 3 Elva creates an entry in Quickbooks for each petty cash request, which is reconciled each month against the actual Petty cash balance provided by Andrew.

Expense claims should not exceed £100 to be paid from Petty cash. Should the claim exceed £100, reimbursement will be made as a BACS payment from the Triodos bank account.

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SECTION 2: PAY, PENSIONS & EXPENSE CLAIMS

Pay & pensions

Payroll

Payroll is handled by Iris Fully Managed Payroll Ltd (formerly Superior Payroll Services Ltd), a BACS approved bureau.

Iris contact Elva Tehan (or, if she's not available, Simon Shepherd) each month to enquire if there are any changes to payroll for the following month. Elva or Simon are able to confirm only that there are no changes.

If a pay amendment has been agreed by Trustees, Simon Shepherd informs the Treasurer, who in turn informs Michael Ray of the correct figures, who then instructs Iris to make the amendment to the payroll.

Iris have confirmed that, if they were to receive an email requesting changes to the payroll purporting to be from a signatory other than Michael Ray, they would query this with Michael Ray (as he has always been their sole point of contact). Therefore, a member of staff would not be able to email Iris requesting a change to the payroll as this would immediately trigger Iris to verify this with Michael Ray (who would only action any amendments to payroll if the correct process for amendments outlined above had been followed).

Salary payments

Staff are paid on – or, in the case of bank holidays or where the date falls on a weekend, the closest working date before - the 28th of each month. The figures for staff salaries are supplied by Iris via email. Elva sets up the BACS payments using Triodos online banking. An electronic copy of the paperwork is sent to two signatories on the Triodos Bank account, who then authorise the salary payments.

Pensions

Staff members are entitled to receive pension contributions equal to 8% of their salary. The Butler Trust workplace pension is run by Legal & General. In the event that a staff member chooses to opt-out of the workplace pension scheme, the 8% pension contributions will continue to be paid to their existing personal pension.

Each month, Elva logs in to the Workplace pension administration site and manually inputs the pension submissions for all members of the workplace pension scheme. Staff are able to log in to their own pension overview and check the value of their pension and the payments received.

When a staff member who is part of the workplace pension scheme is awarded a pay increase, this would be amended in the next applicable pension submission via the online management system.

When a staff member who has opted out of the workplace pension scheme is awarded a pay increase, Simon Shepherd would write to the relevant pension company asking for the pension contributions from The Butler Trust to be increased by the agreed amount; this letter is countersigned by the Chair.

The Bookkeeper, Michael Ray, has been given access to the Legal & General workplace pension scheme account. He logs in each month, and: (a) checks that the pension submissions for the month match the amount taken from the Triodos Bank account; and (b) checks that the allocation to each member of staff matches 8% of their salary.

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Staff and Trustee expenses

Staff and Trustees are able to claim for travel and subsistence in line with the expense claim guidelines. A report of all expenses is presented to Trustees quarterly, in order for the Board to check that the expense claims are appropriate. The report includes a cover sheet, with the totals from the current year's previous reports noted on the cover sheet for reference. Staff and Trustees need to provide an invoice, including relevant receipts, for any expense claim; expenses can be paid by BACS or from petty cash.

Expense claims should not exceed £100 to be paid from Petty cash. Should the claim exceed £100, reimbursement will be made as a BACS payment from the Triodos bank account.

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SECTION 3: BOOKKEEPING

Quickbooks

Overview: The Trust uses Quickbooks Online for the Trust's bookkeeping and accounts.

Authorised users

- There are three people who can access The Butler Trust Company file in Quickbooks:
 - Michael Ray (Bookkeeper): Master Admin and registered Company Bookkeeper
 - Elva Tehan: Bookkeeper and Company Coordinator
 - Andrew Skilton: Company Admin

Procedures & controls

Elva updates Quickbooks each month, to record expenditure and income and reconciles everything entered into Quickbooks each month against the bank statements. Michael Ray checks the entries/allocations against budgets and produces monthly management accounts.

Andrew Skilton / Elva Tehan

Consultant / Bookkeeper

July 2025