
Financial Policy and Procedures



Approval date: 06/09/2017

Revision date: 05/02/2020

1. Policy Statement

- 1.1. Children's Books Ireland (CBI) is committed to ensuring that the organisation's finances are managed to a high standard, and in line with established accounting practices and the legal obligations of the organisation. CBI is committed to complying with the Charities Statement of Recommended Practice (SORP).

2. Purpose

- 2.1. The purpose of this policy is to set out principles and procedures for financial management of the organisation. These principles and procedures have been designed to be transparent and clear.

3. Scope

- 3.1. This policy covers basic financial management for organisational income and expenditure and pertains to all employees of CBI and all members of the Board.

4. Principles

- 4.1. Decision-making concerning all financial decisions should be transparent.
- 4.2. Systems should be monitored regularly at multiple levels (including at Board level) to ensure transparent and secure systems and appropriate financial management.
- 4.3. Management accounts which highlight any deviation from projected spending will be presented to the Board at regular Board meetings.
- 4.4. The organisation will abide by all relevant taxation and accounting standards, and ensure policy and practice reflects changes, where appropriate.
- 4.5. Where possible, on-line or automated (standing order, direct debit, other EFT) payment methods that avoid paper waste and needless expense will be used. Suppliers should be asked to complete the CBI EFT form (**APPENDIX 1**) or Laureate EFT form (**APPENDIX 3**) and return by email to ensure that all information is received in the correct format and in full.
- 4.6. Financial duties are to be shared between the CEO and the Administrator & Office Manager in the organisation in order to reduce the risk of fraud or error – adherence to a segregation of duties shall be adopted in all cases to mitigate the risk of fraud occurring.

5. Roles and Responsibilities

- 5.1. The board has ultimate responsibility for the finances of the organisation. The role of the Board in relation to financial oversight will be to:
 - 5.1.1. Review the budget and management accounts at each meeting.
 - 5.1.2. Consider and decide on any adjustments to the annual budget that may be required.
 - 5.1.3. Ensure that financial reporting as required by funders and under statutory requirements is complete, timely and accurate.
 - 5.1.4. Consider any broader strategic issues with regard to finance.
 - 5.1.5. Agree the annual budget, prepared and presented by the CEO.
 - 5.1.6. Ensure that appropriate risk assessment and risk management procedures are in place.
 - 5.1.7. Monitor and review the accuracy of the financial statements of the organisation.
 - 5.1.8. Monitor and review control and risk management systems.
 - 5.1.9. Monitor and review the effectiveness of the organisation's internal audit role.
 - 5.1.10. Monitor and review the external auditor's independence and the effectiveness of the audit process.
 - 5.1.11. Monitor and review arrangements by which staff of the organisation may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. (The board will make sure that there are arrangements for independent investigation of such matters and for appropriate follow-up action).
 - 5.1.12. In the case of financial difficulty, investigate the issue and agree plans to resolve it.
- 5.2. The CEO is responsible for day to day financial management, including:
 - 5.2.1. Supervising the work of the Administrator & Office Manager to ensure that all financial transactions are recorded in QuickBooks and to maintain a clear, up to date system of accounts which allows for a timely evaluation of the organisation's financial position and performance
 - 5.2.2. Approving and signing off on electronic payments of all purchase invoices twice monthly

- 5.2.3. Approving and signing off on monthly staff expenses
 - 5.2.4. Carrying out monthly bank reconciliations with the Administrator & Office Manager
 - 5.2.5. Overseeing project budgets or delegating them to relevant members of staff where appropriate
 - 5.2.6. Preparing all necessary documentation for audit, with the assistance of the Administrator & Office Manager
 - 5.2.7. Overseeing the annual audit process and liaising with the organisation's auditor in this regard
 - 5.2.8. Preparing and presenting the annual budget to the board
 - 5.2.9. Preparing clear and up to date financial reports for the board in advance of board meetings, detailing any areas where there is deviation from the forecast budget, and any other financial concerns.
- 5.3. The Administrator & Office Manager is responsible for:
- 5.3.1. Preparing the payments of wages and salaries for the CEO to authorise and process.
 - 5.3.2. Preparing the payments of staff expenses for the CEO to authorise and process.
 - 5.3.3. Completing income and expenditure entries on QuickBooks for the previous month.
 - 5.3.4. Raising invoices for customers using QuickBooks.
 - 5.3.5. Following up with customers to ensure prompt payment of invoices.
 - 5.3.6. Assisting the CEO in the preparation of all necessary documentation for audit.
 - 5.3.7. Maintaining a safe and secure filing system for financial information.
 - 5.3.8. Attending at the bank as and when necessary.
 - 5.3.9. Preparing and maintaining a cash flow projection to ensure liquidity is available to cover projected expenditure.
- 5.4. All staff members are responsible for:
- 5.4.1. Obtaining value for money when making purchases. A minimum of two quotations must be sought in writing for purchases over the value of €1,000. Any obligations set out by funders to obtain quotations for services or purchases must be adhered to.
 - 5.4.2. Committing expenditure only when they have control or delegated authority for a project budget.
 - 5.4.3. Retaining receipts for any expenditure, whether using a company debit card or cash to be reclaimed as part of monthly expenses.
 - 5.4.4. Reporting to the CEO or to the Chair of the Board any concerns about possible improprieties in financial matters.
 - 5.4.5. Ensuring that they act in accordance with this policy.

6. Bank Accounts and Financial Support Details

- 6.1. Children's Books Ireland currently banks with Bank of Ireland, 6 O'Connell Street Lower, Dublin 1.
- 6.2. The organisation currently holds the following bank accounts:

Current account – Children's Books Ireland

Bank Name:	Bank of Ireland
Branch Name:	O'Connell Street, Dublin
Sort Code:	900033
Account Number:	68965992
IBAN:	IE38 BOFI 9000 3368 9659 92
BIC:	BOFIE2D

Signatories:

- Elaina Ryan CEO
- Ciara Houlihan Administrator & Office Manager
- Patricia Forde Chair
- Patrick Thorpe Vice-Chair

Any two to sign

Current account – Laureate na nÓg

Bank Name: Bank of Ireland
Branch Name: O’Connell Street, Dublin
Sort Code: 900033
Account Number: 39095860
IBAN: IE03 BOFI 9000 3339 0958 60
BIC: BOFIE2D

Signatories:

- Elaina Ryan CEO
- Ciara Houlihan Administrator & Office Manager
- Patricia Forde Chair
- Patrick Thorpe Vice-Chair
- Aingeala Flannery Laureate Project Manager

Any two to sign

Deposit account – go day notice

Bank Name: Bank of Ireland
Branch Name: O’Connell Street, Dublin
Sort Code: 901933
Account Number: 53440851
IBAN: IE24 BOFI 9019 3353 4408 51
BIC: BOFIE2D

Signatories:

- Elaina Ryan CEO
- Ciara Houlihan Administrator & Office Manager
- Patricia Forde Chair
- Patrick Thorpe Vice-Chair

Any two to sign

- 6.3. Responsibility for authorising the opening of new bank accounts, closing bank accounts and decisions to change banks lies with the board.
- 6.4. The organisation’s auditor is currently Jill Percival of JPAS, 35 Ashton Wood, Herbert Road, Bray, Co Wicklow, A98 P7K3.
- 6.5. Each year in advance of the AGM the board will consider the incumbent auditor and will make a recommendation to the members as to whether the auditor should continue in place or not.

7. Payroll

- 7.1. Payroll calculations, including calculation and payment of returns to the revenue commissioners, are the responsibility of David McConnell (‘the Payroll Administrator & Office Manager’), 18 Villiers Road, Dublin 6. Payroll figures will be emailed to the Administrator & Office Manager before the 28th of the month. The CEO is responsible for communicating and confirming any changes in payroll (salary levels, new employees, departing employees, pension contributions) to the third party service provider and/or to pension providers.
- 7.2. Salaries will be paid on the 28th of the month by electronic transfer.
- 7.3. Payslips will be prepared by the Payroll Administrator & Office Manager and emailed directly to employees.
- 7.4. The Administrator & Office Manager will prepare the payments of wages and salaries using online banking, and the CEO will authorise and process the payments.
- 7.5. Contracts of employment must be in place for all individuals who are processed via the organisation’s payroll.
- 7.6. A master document will be maintained by the Executive Director containing details of all employee salaries and pension arrangements and any changes made to same while they are employed by the organisation.

- 7.7. Statutory tax deductions (PAYE, USC, PRSI) will be made from wages and salaries and regularly forwarded to Revenue by the Payroll Administrator & Office Manager following approval from the CEO.

8. Payment Protocols

- 8.1. In general, where there is regular expenditure (such as for a utility provider) which can be paid by direct debit or online banking, these methods should be used.

9. Electronic Payments/Transfers

- 9.1. All payments should be made by EFT where possible. Payment runs should be prepared on a fortnightly basis.
- 9.2. Only the CEO and Administrator & Office Manager should have access to online banking via the Bank of Ireland app which generates a new password each time the system is accessed.

10. Cheques

- 10.1. Where the payment is to be made by cheque, the Administrator & Office Manager should prepare a cheque for signing. Two authorised signatories are required to sign cheques, one of whom must be the CEO. Cheques can only be issued from the Children's Books Ireland current account, not from the Laureate na nÓg current account.
- 10.2. Cheques should only be forward signed by one signatory in the absence of another signatory in circumstances where both the payee and amount are filled in on the face of the cheque. Under no circumstances may a signatory sign a cheque which does not have both the amount and payee fields completed.

11. Company Cards

- 11.1. Any debit or credit card the company issues to an employee must be used for business purposes only. Any employee with a company card is responsible for its responsible use in adhering to this policy.
- 11.2. Purchases of over €200 must be approved by the CEO in advance of the transaction, and must be in line with agreed budgets.
- 11.3. Employees must retain all receipts for purchases made using a company card and should submit same to the Administrator & Office Manager as soon as possible after incurring the expense. The Administrator & Office Manager should then file these receipts with the relevant bank statement when the CEO is reconciling the account.
- 11.4. In the case of any use of a company card in error (e.g. for personal transactions) employees must notify the CEO immediately and must take the necessary steps to reimburse the company bank account immediately. A note of the error must be made and must be filed by the Administrator & Office Manager.

12. Expenses

- 12.1. Where possible, staff members should use company cards for expenses incurred e.g. meeting expenses, travel etc.
- 12.2. Where this is not possible, staff members should retain a receipt for expenses incurred and should fill out an **expense claim form** (APPENDIX 2) at the end of each month. This form should be signed by the CEO and passed to the Administrator & Office Manager to prepare an electronic transfer, which should be processed by the CEO.
- 12.3. The CEO should seek approval by email from the Chair, Vice-Chair or Secretary before claiming their own expenses.
- 12.4. In the case that a staff member or contractor cannot use a company card, large expenses (over €200) may be reimbursed immediately on request and following approval from the relevant party as per 12.2 and 12.3.
- 12.5. The expense claim form should be used for the following expenses:
 - 12.5.1. travel by public transport
 - 12.5.2. travel by taxi, when other options are not available
 - 12.5.3. tea /coffee and costs associated with meeting service users in cafes etc.

- 12.5.4. refreshments for specific project-related meetings
- 12.5.5. supplies for projects
- 12.6. Unreceipted expenditure will not be reimbursed unless:
 - 12.6.1. There are exceptional circumstances
 - 12.6.2. Reimbursement is agreed by the CEO

13. Mileage

- 13.1. CBI staff and contractors may claim mileage expenses using the following rates as a guideline and by completing an **expense claim form** (APPENDIX 2) at the end of each month.
- 13.2. If staff or contractors need to make multiple trips as part of a project e.g. over the course of a weekend, the total distance travelled for the duration of the project should be considered and the appropriate rate applied. E.g. If a distance of 120 miles is covered on a Saturday and 120 miles is covered on a Sunday, the total trip should be calculated as 240 miles (not two separate trips of 120 miles).
- 13.3. For business travel, the distance in kilometres is calculated by the lower of either:
 - the distance between the employee's home and the temporary place of work
 - the distance between the employee's normal place of work and the temporary place of work.
 Travel to and from work is the employee's own private travel. It is not a business journey.

Rates for core staff

Official Motor Travel in a calendar year	Engine Capacity: Up to 1,200 cc	Engine Capacity: 1,201 cc to 1,500 cc	Engine Capacity: 1,501 cc and over
Up to 6,437km	39.12 cent	46.25 cent	59.07 cent
6,438km and over	21.22 cent	23.62 cent	28.46 cent

Rates for contractors

Distance Travelled (Return)	Amount payable
0-30 km	€12.70
31-65 km	€22.70
66-100 km	€34.10
101-130 km	€47.00
131-160 km	€52.70
161-195 km	€59.70
196-225 km	€65.40
226-260 km	€71.10
261-290 km	€79.60
291-320 km	€85.30
321-400 km	€93.80
401-480 km	€103.80
481 km +	€150.00

14. Keeping Accounts

- 14.1. Accounts are computerised using QuickBooks and all income and expenditure is recorded to meet the reporting requirements of funders and the board, and are kept in accordance with established accounting principles. In addition, the organisation's financial position can be assessed in a timely manner.

- 14.2. Accounts are:
 - 14.2.1. backed up twice monthly
 - 14.2.2. password protected
 - 14.2.3. traceable to and from source documentation
- 14.3. A chart of accounts should be maintained and available to all users of the financial system. This chart of accounts should detail all nominal costs and cost centres.
- 14.4. Notes on calculations for apportioning costs between cost centres should be maintained.
- 14.5. Income
 - 14.5.1. When income is received by means other than electronic transfer, it must be lodged immediately to the organisation's bank account, entered into QuickBooks and given a unique identifier number. The same identifier should be used at the bank, to assist with reconciliation.
 - 14.5.2. Income as recorded on QuickBooks should be reconciled with the bank statement on a monthly basis. It is the responsibility of the CEO to ensure this is done.
 - 14.5.3. Bank statements should be acquired monthly (preferably at the beginning of the month). Any interest paid or received should be recorded on QuickBooks.
- 14.6. Expenditure
 - 14.6.1. Expenditure should be made from the Children's Books Ireland bank account or the Laureate na nÓg bank account, according to which project the expense relates to.
 - 14.6.2. Cheques are to be recorded sequentially (and by cheque number) on QuickBooks.
 - 14.6.3. Cancelled cheques must be retained and documented so that the reason for cancellation is clear.
 - 14.6.4. Expenditure by other means (e.g. electronic transfers, standing orders, direct debits) must be recorded on QuickBooks and reconciled with the monthly bank statement.

15. Task Breakdown

- 15.1. Separation of duties
 - 15.1.1. The roles, responsibilities, duties and tasks of all personnel involved in financial matters should be separated in order to reduce the risk of fraud or error. The following separation of duties should be maintained at all time;
 - 15.1.1.1. The individual authorising a purchase or payment should not be the same person who requests the purchase or payment.
 - 15.1.1.2. The individual approving expenses should not be the same person who claims the expenses.
 - 15.1.1.3. The individual approving the reconciliation of petty cash should not be the person responsible for managing the petty cash float.
 - 15.1.1.4. The individual preparing or amending payroll details should not be the same person who authorises the payroll.
 - 15.1.1.5. All cheques, electronic transfers or other methods of payments should be signed by two authorised bank signatories, of which the CEO should be one.
 - 15.1.1.6. An authorising bank signatory should never sign or authorise a payment that is payable to them, this should be done by two different authorised signatories.
 - 15.1.1.7. Cash should be counted in the presence of two people. At least one of these two people should not be the person responsible for collecting the cash for the organisation.
 - 15.1.1.8. An individual should not be the sole person in the organisation reviewing their own work.
 - 15.1.1.9. An individual should not be the sole person in the organisation authorising any finance action that has been requested or recommended by them.
 - 15.1.1.10. All authorisations or reviews of financial matters should be carried out by at least one individual who is senior in the organisation to the person requesting or preparing the action.
 - 15.1.1.11. Board approval must be obtained before committing to any capital expenditure or leasing agreements on behalf of the organisation.

16. Retention of Financial Documentation

16.1. Accounting records should be held for a period of 7 years. This includes: all invoices, receipts, and other documentation relating to expenditure, documentation relating to income, documentation in relation to payments to employees and trainees. Files will also include budgets, accounts returned, tax returns, payroll, legal documentation, audits, financial policies, procedures and amendments, and general correspondences on finance.



APPENDIX 1 – CBI EFT Form

*Invoices to Children's Books Ireland should include **ALL** of the following information. Payment will be made electronically direct to your bank account. Failure to provide your invoices in electronic format will likely delay payment to you.*

<i>FULL NAME (as appears on Bank Account):</i>
<i>ADDRESS:</i>
<i>EMAIL ADDRESS:</i>
<i>CONTACT TELEPHONE NO:</i>
<i>NAME OF BANK:</i>
<i>ADDRESS OF BANK:</i>
<i>ACCOUNT NO:</i>
<i>BANK SORT CODE NO:</i>
<i>IBAN NO:</i>

BIC/ SWIFT CODE:

Accounts Payable, Children's Books Ireland, First floor,
17 North Great George's Street, Dublin 1 D01 R2F1

CHY 12911 Tel: (00 353) 1 872 7475 Email: accounts@childrensbooksireland.ie

APPENDIX 2 – Expense claim form

Children's Books Ireland: Expenses claim form					
Staff member:					
Month:					
Date	Project	Receipt: Y/N	Item & reason for expenditure	Amount	Project Subtotal
			Monthly Due	€0.00	€0.00
I hereby request reimbursement of expenses in the amount detailed above. I declare that this claim is accurate and that all expenses incurred were on the business of Children's Books Ireland.					
Signature:	_____	_____		Date	_____
	_____	_____		:	_____
Approved by CEO	_____	_____		Date	_____
	_____	_____		:	_____
*Please group items by project and provide a subtotal for each project.					
The following project names are to be used where relevant.					
	Board & Meetings		Conference		Premises Maintenance
	Bologna		INIS		Professional Development
	Book Clinics		Laureate		Programming
	Book Gifting		Office Supplies		Staff Expenses
	BOTYA		Other		Staff Training & Travel



APPENDIX 3 – Laureate EFT Form

*Invoices should include **ALL** of the following information. Payment will be made electronically direct to your bank account. Failure to provide your invoices in electronic format will likely delay payment to you.*

<i>FULL NAME (as appears on Bank Account):</i>
<i>ADDRESS:</i>
<i>EMAIL ADDRESS:</i>
<i>CONTACT TELEPHONE NO:</i>
<i>NAME OF BANK:</i>
<i>ADDRESS OF BANK:</i>
<i>ACCOUNT NO:</i>
<i>BANK SORT CODE NO:</i>
<i>IBAN NO:</i>

BIC/ SWIFT CODE:

Accounts Payable, Laureate na nÓg, c/o Children's Books Ireland, First floor,
17 North Great George's Street, Dublin 1 D01 R2F1

CHY 12911 Tel: (00 353) 1 872 7475 Email: accounts@childrensbooksireland.ie