BrainWaves Research Financial Controls Policy

1. Policy Statement and Purpose

This policy sets out the financial controls and procedures for BrainWaves Research, ensuring that all financial activities are conducted with integrity, transparency, and accountability. The purpose is to:

- **Safeguard the charity's assets** from fraud, error, and mismanagement.
- **Ensure compliance** with our governing documents and all relevant UK laws and regulations, including the Charities Act 2011.
- **Maintain accurate and reliable financial records** for all stakeholders.

This policy applies to all trustees, employees, and volunteers.

2. Governance and Oversight

2.1 The Board of Trustees

The Board of Trustees has overall responsibility for the financial management of the charity. This includes:

- Approving the annual budget and reviewing financial performance against it.
- Reviewing and approving the annual accounts.
- Ensuring an appropriate system of internal controls is in place and operating effectively.

2.2 The Chair of Trustees

The Chair of Trustees is responsible for providing oversight of the charity's financial affairs and reporting on financial performance to the Board.

3. Bank Accounts and Payments

3.1 Bank Accounts

All bank accounts must be held in the name of BrainWaves Research. Any new accounts must be approved by the Board and minuted. The charity will maintain a main bank account for all operational income and expenditure.

3.2 Bank Signatories and Authorisation Groups

All authorised bank signatories fall into one of two groups:

- **Group A (Senior Management):** The CEO, COO and 2 designated managers.
- **Group B (Trustees/Directors):** The Chair of Trustees and other designated Trustees.

A minimum of two authorised signatories are required for all bank mandates. Signatories must not be closely related. All changes to signatories must be approved by the Board and minuted.

3.3 Payments and Authorisation

Due to our remote-first model, all payments will be made electronically via BACS or bank transfer. The use of cheques is prohibited unless explicitly approved by the Board in a specific circumstance.

All electronic payments must be authorised in accordance with the following tiered system:

- **Up to £10,000:** Requires authorisation by a single person from **Group A**.
- **£10,001 to £25,000:** Requires authorisation by any **two** people from either Group A or Group B.
- **Over £25,000:** Requires authorisation by **two** people, with at least one approver from **Group B**.
- **Documentation:** Prior to authorisation, signatories must review and verify all relevant documentation (e.g., invoices, expense claims) for accuracy and completeness. They must initial or digitally approve the documentation to confirm verification.
- **Debit/Credit Cards:** Any charity-issued debit or credit card may only be used by the designated cardholder. Any single purchase over £1,000 must be approved by the CEO. The cardholder is responsible for the secure, digital storage of all card details.

4. Income and Revenue

4.1 Income Recording

All income received, whether by BACS, bank transfer, or online platform, must be recorded promptly and accurately in the charity's bookkeeping system, Xero.

4.2 Sales Invoices

Where goods or services are provided for a fee, a sales invoice will be raised and a copy filed digitally. A credit control system will be in place to ensure invoices are paid within the agreed terms.

4.3 Cash and Cheques

The charity does not hold a petty cash float. Any occasional cash or cheques received must be immediately recorded and paid into the bank account as soon as reasonably possible.

5. Expenditure and Expenses

5.1 Purchase Authorisation

To ensure effective budget control, all purchases and orders must be pre-authorised in line with the payment rules in Section 3.3.

- **Up to £10,000:** The purchase can be authorised by anyone in group A.
- **Over £10,000 and up to £25,000:** The purchase must be pre-authorised by any two people from Group A or Group B.

- **Over £25,000:** The purchase must be pre-authorised by two people, with at least one from Group B.
- **Prohibition:** No individual may authorise a payment to themselves, their partner, or their relatives.

5.2 Expense Claims

All expenses incurred by staff, volunteers, or trustees must be reimbursed via bank transfer in accordance with the charity's **Expenses Policy**. All claims must be supported by an original digital or physical receipt, with the exception of mileage.

5.3 Digital Documentation

All invoices, receipts, and other financial documents must be stored digitally in a secure, designated filing system for easy retrieval.

6. Financial Reporting and Auditing

6.1 Annual Budget

An annual budget will be prepared by the CEO and COO and approved by the Board prior to the start of the financial year.

6.2 Management Accounts

The Finance Manager will produce monthly financial reports for the Board. These reports will include:

- Actual income and expenditure versus budget, with a narrative explanation for any significant variances.
- The latest bank reconciliation and statement.
- A list of outstanding sales invoices.

6.3 Annual Accounts

Annual accounts will be prepared in line with statutory requirements and undergo an independent scrutiny or audit, if required by law. The accounts will be submitted to the Charity Commission and Companies House, as well as any other relevant bodies within the required deadlines.

7. Payroll

All staff wages and salaries will be managed through a secure, authorised payroll provider. Payments will be made via BACS, and all relevant PAYE and National Insurance regulations will be followed. Any changes to salary levels or hours must be approved by the Board and minuted.

8. Assets and Risks

8.1 Asset Register

A register of all assets over a specified value will be maintained and updated as assets are acquired or disposed of. Assets must be disposed of at fair market value, and the proceeds paid into the charity's bank account.

8.2 Financial Risk

The Board will review the financial risks to which the charity may be exposed on an annual basis, as part of the wider **Risk Management Policy**, and will take the necessary steps to mitigate those risks.

9. Reserves Policy

The charity will maintain a reserves policy to ensure it has sufficient funds to meet its commitments. The Board will annually review the reserves target and monitor progress toward it, ensuring it can cover operational costs in an unforeseen event, such as a funding shortfall.

BrainWaves Research

- **Date Adopted:** August 2025
- **Date of Next Review:** August 2026