Saffron Kitchen Project Finance and Accounting Policy

Effective Date: 07/2024
Review Cycle: Annually - next policy review 07/2026

Name and contact details of Director:
Evelina Eskenazi
evelina@saffronkitchenproject.org
+447811083381

1. Objective: The purpose of this Finance and Accounting Policy is to establish clear guidelines for the sound financial management of Saffron Kitchen Project. This policy ensures financial stability, accountability, and compliance with regulatory requirements. By adhering to this policy, Saffron Kitchen Project demonstrates responsible financial stewardship and accountability to stakeholders.

2. Financial Management Responsibilities Saffron Kitchen Project is committed to ensuring that its financial management practices are transparent, ethical, and efficient. Financial oversight and accountability are structured as follows:

- The Board of Trustees oversees financial management, ensuring compliance with financial regulations and strategic alignment with the organisation's mission.
- The Executive Director is responsible for overseeing financial operations, including income management, budgeting, expenditure control, cash-handling, reconciliation and reserves management and liaising with UK and GR accountants.
- The Project Manager is responsible for in-house bookkeeping.
- All financial transactions must adhere to established accounting procedures, ensuring accuracy and transparency.
- Training of this policy delivered to Trustees and management to ensure policy is implemented and adhered to.

3. Budgeting and Financial Planning

3.1 Annual Budget:

- Saffron Kitchen Project will prepare an annual budget detailing expected income and expenditure for the upcoming financial year.
- The budget must be approved by the Board of Trustees before the start of the financial year.
- Budgeting will consider operational costs, project expenses, and reserve allocations.

3.2 Monitoring and Adjustments:

- Regular monitoring will ensure that actual financial performance aligns with the budget.
- Any significant deviations must be reported to the Board, with recommendations for corrective action.

4. Income Management

4.1 Sources of Income:

- Income sources include grants, donations, sponsorships, and revenue from services.
- Income must be recorded accurately and allocated to designated funds or projects as required.

4.2 Income Processing and Documentation:

- All income must be documented with appropriate records, such as receipts and acknowledgment letters.
- Donations above a set threshold must be formally acknowledged.
- Restricted funds must be used solely for the purposes specified by donors or funding bodies.

5. Expenditure and Payment Control

5.1 Approval of Expenditures:

- All non-routine expenditures need to be pre-approved and within budgeted limits.
- Large (over €5,000) or unplanned expenses must be approved by the trustee responsible for financial oversight, Fausta Eskenazi, who has access to and control of the bank account.

5.2 Payment Procedures:

- Payments must be supported by invoices, receipts, or contracts.
- Electronic payments are the preferred method, ensuring traceability and efficiency.
- Payments above a specific threshold must be co-signed by authorized personnel.

6. Reserves Management

6.1 General Reserves:

- Saffron Kitchen Project will maintain reserves equivalent to at least three months' worth of operating expenses.

- Reserves provide a financial buffer against unexpected challenges and ensure continuity of operations.

6.2 Usage of Reserves:

- Reserves may only be accessed under specific circumstances, such as:

  a) Unforeseen financial crises, such as unexpected funding shortfalls or increased costs.
  b) Temporary shortfalls in revenue due to funding gaps.
  c) Emergencies that threaten the organisation's ability to deliver services.

- Any reserves exceeding three months of operating costs may be allocated to projects at the discretion of the Board of Trustees.

7. Financial Controls and Risk Management

7.1 Internal Controls:

- Bank reconciliations will be conducted monthly to ensure accurate financial records.
- Access to financial accounts and systems will be restricted to authorized personnel only, including the Director and the Trustee representative

7.2 Audit and Compliance:

- An annual external independent examination will be conducted to ensure financial accountability and compliance with regulatory requirements in accordance with the UK Charities Commission guidelines.
- Internal financial reviews will be conducted quarterly to assess financial risks and internal controls, and yearly for our annual review.

8. Reporting and Accountability

8.1 Financial Reports:

- Monthly financial reports will be prepared and reviewed to assess financial performance by the Project Manager.
- Quarterly financial updates will be presented to the Board of Trustees.

9. Policy Review and Amendments

- This policy will be reviewed annually to ensure its relevance and effectiveness.
- Amendments will be made as necessary and must be approved by the Board of Trustees.