Unity of Migrant Workers (UMW)
Financial Records and Accounts Policy
Updated: 05 / 12 / 2025

Unity of Migrant Workers — Charity no. 1213132
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1. Purpose of financial records

Financial records must be kept so that:

1. UMW meets its legal and statutory obligations (Charities Act, HMRC requirements and common law).
2. Trustees have proper financial control of the organisation.
3. UMW meets the contractual obligations and requirements of funders.

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2. Books and records

The books of accounts must include:

- A cashbook analysing all transactions appearing on the bank accounts.
- A petty cash book if cash payments are being made.
- Payroll records compliant with PAYE (e.g. HMRC RTI submissions, P11/P60/P45 where applicable).

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3. Year-end accounts

- Accounts will be drawn up at the end of each financial year within **three months** of the financial year end.
- The annual accounts will be presented to the next Annual General Meeting (AGM).

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4. Budget approval

- Prior to the start of each financial year, the trustees will approve a **budgeted income and expenditure account** for the following year.

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5. In-year monitoring

- A report comparing actual income and expenditure with the budget will be presented to the trustees at least **every three months** (or whenever trustee meetings take place).

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6. Audit / Independent examination

- The AGM will appoint an appropriately qualified **auditor or independent examiner** to audit or examine the accounts before presentation to the next AGM.

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7. Banking

1. UMW will hold its bank accounts in the name of **Unity of Migrant Workers (UMW)** with a UK bank.
2. The bank mandate will always be approved and minuted by the trustees; any changes will also be approved and minuted.
3. The charity will obtain regular bank statements. These will be reconciled with the cashbook at least **every three months**, and the Treasurer will spot-check that this reconciliation has been done at least twice a year, signing the reconciliation accordingly.
4. The charity will not use any other bank or financial institution, nor use overdraft facilities or loans, without the agreement of the trustees, recorded in the minutes.

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8. Income

1. All monies received will be recorded promptly in the cash analysis book and banked without unnecessary delay (including sundry receipts such as payment for telephone calls, photocopying etc.).
2. UMW will maintain files of documentation to support all income, including grant and funder letters, remittance advices and receipts.

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9. Payments (expenditure)

1. The aim is to ensure that all expenditure is on UMW’s business, is properly authorised and that this can be demonstrated from the records.
2. The latest approved budget provides the cheque/bank signatories with authority to spend **up to the budgeted expenditure**, not beyond it.
3. The Director (or delegated finance officer) is responsible for holding cheque books and other payment instruments, which must be kept securely.
4. Blank cheques will **never** be signed.
5. The relevant payee’s name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.

6. No cheques or bank payments should be made without original documentation (see **10. Payment documentation**).

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10. Payment documentation

1. Every payment out of UMW's bank accounts will be evidenced by an **original invoice** (not solely by a supplier's statement or final demand). The original invoice will be retained by UMW and filed. The cheque or BACS signatory should ensure that it is referenced with:
   - Cheque/BACS number
   - Date of payment
   - Amount of payment
2. The only exceptions to payments not being supported by an original invoice are items such as:
   - Advance booking fees for a future course
   - Deposits for venues
   - Statutory payments (e.g. VAT/HMRC)

   In these cases, a cheque/BACS requisition form will be used and a copy of the payment confirmation retained.

3. **Wages and salaries**
   - There will be a clear trail to show the authority and reason for every such payment (e.g. payroll reports, requisition forms, HMRC returns).
   - All employees will be paid within PAYE and National Insurance regulations.
4. All staff appointments and departures, and any changes in pay or hours, will be authorised by the trustees and minuted, including the effective dates.

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11. Petty cash

1. Petty cash will always be maintained on an **imprest system**, whereby an Administration Worker (or other designated staff member) is entrusted with a float agreed by the trustees.
2. When that float is more or less expended, a cheque or bank transfer will be made to restore the float to the agreed sum, supported by a complete set of petty cash vouchers/receipts totalling the required amount and analysed as required.

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12. Expenses / allowances

1. UMW will, where requested, reimburse reasonable expenditure paid personally by staff or volunteers, provided that:
   - Fares are evidenced by tickets;

    - Other expenditure is evidenced by original receipts;
    - Car mileage (where used) is based on an agreed rate approved by the trustees.
2. No cheque signatory may authorise or sign the payment of expenses to **themselves**.

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13. Payment authorisation and signatories

1. Each cheque or bank payment will be authorised by at least **two authorised signatories**, in line with the bank mandate.
2. A cheque or payment must not be authorised or signed by the person to whom it is payable.

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14. Other rules

1. UMW does not accept liability for any financial commitment unless properly authorised. Any significant order or undertaking must be authorised and minuted by the trustees in advance.
2. In exceptional circumstances such undertakings can be approved by the **Chair**, who will then provide full details to the next meeting of the trustees (this covers items such as new service contracts, office equipment purchase or hire).
3. All fundraising and grant applications undertaken on behalf of UMW will be done in the name of the charity with the prior approval of the trustees (or, in urgent situations, with the approval of the Chair, to be reported to the next trustee meeting).
4. UMW will adhere to good practice in relation to its finances at all times, including:
    - Setting up and maintaining a **fixed asset register** (date of purchase, cost, serial numbers, normal location of assets);
    - Maintaining a **property/equipment record** of items of significant value, with an appropriate record of their use.

Approved by the Board of Trustees on: 05 / 12 / 2025