

**BEACON  
OF LIGHT**



**ALTRUISM**  
SUPPORTING THE COMMUNITY  
THROUGH FOUNDATION OF LIGHT

Ratified Date: February 2023

Review: 3 years from date

Compiled by: LS

Authorised by: Finance, Audit  
and Risk Committee

**Title: Finance Policy**

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## **FINANCE POLICY**

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Policy Ratification and Review

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<b>Version Date</b>	<b>Description of Change If Any)</b>	<b>Authorised</b>
February 2023	New policy	YES
August 2024	Quality Check	YES

### **1. Policy Statement**

The Foundation of Light's (FOL) financial affairs are well managed, its funds are spent effectively, and its assets are carefully stewarded and used to deliver its purposes and achieve utmost impact.

### **2. Policy Aim**

To ensure good financial planning, effective forecasting and robust financial controls, that are critical to good governance, and for the FOL to succeed in delivering its charitable aims.

### **3. Scope**

The policy (and accompanying manual) applies to all employees, Board Members, partners, and volunteers of the Foundation. It also applies to contractors, visitors and other Foundation partners who are engaged to work with the Foundation.

### **4. Policy Principles**

#### **Financial Planning and Budgets**

The FOL has a financial plan forecasting estimated income and expenditure levels for the period of three years. The financial plan is reviewed and approved by the Board as part of the process of developing the Strategic Plan.

The FOL has a budget for each financial year. The budget is reviewed and approved by the Board, via the Finance, Audit and Risk Committee, prior to the start of the financial year to which it relates. The budget includes income and expenditure, a month-by-month cashflow, and is compliant with the reserves policy.

The financial implications of a proposed new service, project, activity or development are assessed by the Executive Team before a final decision is made on whether to proceed. The wider financial implications of a funding or grant application are assessed before the application is approved and submitted by the Executive Team.

The FOL has a written fundraising strategy that includes fundraising targets for both project and core costs, an assessment of existing income streams and their security; plans for meeting targets; donor relations; and ethical considerations. The strategy is reviewed and approved by the Board every three years.

The FOL also has an income generation plan for its trading subsidiary recommended by Altruism Ltd Directors.

#### **Financial Processes, Systems and Controls**

The FOL has at least one Trustee with financial expertise; a dedicated finance lead, reporting to the CEO of the FOL; access to professional financial advice when required and at each Board meeting, the Board receives a report summarising the financial position of the FOL, highlighting any points requiring consideration or decision.

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The FOL has a manual setting out its financial controls and the systems and processes by which those controls are implemented including financial authority levels; procurement procedures: payment authorisation; payroll and expenses; banking arrangements and petty cash; invoicing and approval of payments; anti-fraud and anti-bribery measures and safeguards and adherence to HM Revenue & Custom's "fit and proper persons' test".

**Accounts and Reporting**

The FOL produces management accounts every month which are reviewed by the Finance, Audit and Risk Committee.

The FOL's annual report and accounts are made accessible to staff, volunteers, and other key stakeholders as a means of promoting the services, activities, outputs, outcomes, and impact of the FOL and to demonstrate its transparency. Accounts are subject to external review by appointing auditors annually.

**Reserves**

The FOL has a written reserves policy. The reserves policy is reviewed and approved by the Board every three years.

**Investments policy**

The FOL has an investment policy which is reviewed by the Board every three years.

**Banking**

The FOL reviews its banking arrangements at least once every six years.

**Equality, Diversity and Inclusion**

We will ensure that equality is embedded in all our activities, policies and decisions and will work with our partners to share good practice.

**5. Policy Ratification and Review**

This Policy was reviewed and approved by the Board of Trustees on 14 February 2023. The Policy will be reviewed every three years (or sooner if changes in legislation or charities governance rules).