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***Re-approved by the Creative Lives Network Board of Directors, 2024***

***Review by May 2026***

## **1. INTRODUCTION**

This policy is established to ensure compliance with statutory and legal regulations set forth by the Creative Lives Board. It provides definitive guidelines that must be adhered to by all employees.

This document is divided into two parts for clarity and organisation. In Part One (Policy), we outline Creative Lives' legal responsibilities to ensure compliance with relevant laws and regulations.

Part Two (Procedures), is the specific procedures that have been put in place to fulfil the directives outlined in Part One. These procedures are designed to uphold compliance with legal obligations and facilitate efficient operation within the organisation. They provide a practical roadmap for implementing the legal requirements outlined in Part One.

Detailed budgets play a crucial role in monitoring objectives, income, and expenditure. Clear rules and procedures for managing assets and financial resources on a day-to-day basis are equally essential. The Financial Procedures outlined here are designed to promote good practice controls throughout Creative Lives. They aim to ensure necessary information accessibility to all stakeholders without redundancy and avoiding duplication. Certain procedures are accompanied by explanatory notes to simplify complexities and aid understanding.

In essence, these Financial Procedures serve four primary objectives:

1. Maintaining adequate and effective procedures.
2. Demonstrating proper accountability.
3. Safeguarding the interests of the governing body and employees.
4. Enhancing decision-making processes.

## **Policy:**

### **1. Annual Budget**

- 1.1. Annual budgets are to be prepared by each department in collaboration with the Finance & HR Director. These budgets must be submitted to the board for approval before December of the upcoming financial year and should include a proposed cost-of-living increase.
- 1.2. The Finance & HR Director is responsible for maintaining and updating a draft 3-year budget for forecasting purposes.
- 1.3. Appropriate supplementary information should be provided on the key assumptions underpinning the budget plan.
- 1.4. The budget plan must be designed to accommodate all known and

anticipated demands throughout the financial year.

- 1.5. Should circumstances change significantly (e.g., revisions in anticipated income), the board reserves the right to request revised or updated plans.

## **2. Budget Monitoring and Control**

- 2.1. The Chief Executive holds the responsibility to the Board for managing allocated financial resources and ensuring continuous monitoring of expenditure and income against the budgetary provisions throughout the year.
- 2.2. NOTE: No monies from within the budget can be used to support any activities or initiatives that are not solely dedicated to the aims and objectives of Creative Lives.
- 2.3. The Board is required to formally approve and document in its minutes any delegation of its powers outlined in these Financial Procedures.

## **3. Financial Management and Accounting**

- 3.1. The Finance & HR Director is accountable to the Chief Executive for maintaining the principal accounting records of Creative Lives. Prior approval from the Chief Executive is necessary for all local accounting practices to ensure compliance with statutory responsibilities related to record-keeping.
- 3.2. The Finance & HR Director is responsible to The Chief Executive for ensuring timely payment of invoices, adhering to any applicable Creative Lives Procedures, and aligning with the relevant budget line.
- 3.3. The Board holds responsibility for approving the application of accounting principles and practices concerning budgets and expenditures.
- 3.4. In cases where external providers offer accounting facilities (e.g., payroll services), the Chief Executive is tasked with ensuring their adherence to both statutory and non-statutory obligations.
- 3.5. Proper arrangements must be established for the secure retention of invoices and financial records, as stipulated periodically by the Board and/or our Auditors.
- 3.6. The Finance & HR Director is responsible to The Chief Executive for ensuring that comprehensive records are kept, which accurately detail all projects and core funding of the organisation. These records must reflect the conditions and requirements of all funding bodies.
- 3.7. On behalf of Creative Lives, the Chief Executive and Finance & HR Director shall ensure that all awarded grants are claimed and that any returns required are submitted within the prescribed timescale.
- 3.8.

## **4. Staff Contracts**

- 4.1. Each employee, whether permanent or temporary, should be provided with a standard Staff Contract prepared by the Finance & HR Director and signed by the Chief Executive.
- 4.2. Any variance or conditions must be approved in writing by the Chief Executive and appended to the contract.
- 4.3. All contracts will be electronically signed using suitable software that offers an audit trail.

## **5. Freelance Contracts**

- 5.1. Freelance contracts exceeding £2,000, prior approval from the Chief Executive is required. This also applies to contracts below £2,000 if they are anticipated to be part of a series totaling over £2,000 with the same contractor. A standard contract should be issued to all freelance contractors, with all contracts electronically signed using suitable software that offers an audit trail.
- 5.2. The contract should outline the staged payment schedule, contingent upon the submission of formal invoices from the contractor and subject

to normal authorization procedures based on the total contract value. Any adjustments to fees or conditions must be authorised in writing by the Chief Executive and appended to the contract.

- 5.2.1. Note: No payments will be processed unless a valid supporting contract has been received by the Finance & HR Director.
- 5.2.2. Where feasible, and depending on the size and nature of the contract, appropriate staged payments should be established, including payments at the beginning, midpoints/targets, and the conclusion of the contract, with a portion retained as satisfaction payment (e.g., 10%) under specific circumstances (e.g., contracting for services like website development).
- 5.2.3. Proof of insurance will be necessary from freelance contractors before payment is disbursed when mandated.

## **6. Expenses Claims, including Travelling and Subsistence**

- 6.1. All claims must be accompanied by appropriate invoices or receipts (e.g., hotel bills, train tickets) and certified by an approved signatory. C
- 6.2. All mileage conducted on behalf of Creative Lives must be recorded for funding reporting purposes. Claims lacking travel records will not be processed until completed.
- 6.3. Expense claims are to be electronically submitted for payment, inclusive of scans of all relevant receipts.
- 6.4. All expenses must be claimed within 3 months of expenditure. Claims received beyond this timeframe will not be reimbursed except in exceptional circumstances.
- 6.5. The Treasurer approves the CEO's expenses, while the Chair of the Board approves the Treasurer's claims.
- 6.5.1. Note: Individuals cannot certify their own claims.
- 6.6. The Finance & HR Director is responsible for promptly processing all expense claims.

## **7. Capital Expenditure, Leasing and Contractual Commitments.**

- 7.1. All capital expenditure should typically align with recognized capital budgets that have received prior approval from the Board.
- 7.2. In cases of extraordinary capital expenditure where no designated budget exists, approval from the Board is required.
- 7.3. Expenditures on individual items below £500 are usually classified as revenue rather than capital.
- 7.4. All capital items must be documented in the Creative Lives inventory.
- 7.5. Lease agreements are governed by the regulations outlined in Appendix A of the 'Schedule of Items Requiring Chief Executive Approval' provided in this document.
- 7.6. Long-term contracts, such as mobile phone contracts, are subject to the guidelines outlined in Appendix A the 'Schedule of Items Requiring Chief Executive Approval' outlined in this document.
- 7.7. A centralised inventory must be meticulously maintained to document capital assets held in each office. This inventory should encompass all furniture and equipment, including leased or loaned items, with a cost price or market value of £500 or more.

## **8. Security**

- 8.1. The Chief Executive oversees the arrangement of proper security measures for all furniture, equipment, money, and sensitive data.
- 8.2. Certain valuable items of property may be designated as the property of Creative Lives at the discretion of the Chief Executive.
- 8.3. Creative Lives capital assets and other equipment can only be relocated with approval from the appropriate line Director.
- 8.4. Staff members are accountable for the security and safety of both

Creative Lives and their personal property. In regards to computers, information technology, and data security, all staff should adhere to the Creative Lives DATA PROTECTION AND RETENTION POLICY.

**9. Insurance**

- 9.1. The Finance & HR Director is accountable to the Chief Executive for responsibly arranging appropriate insurance cover for risks that fall under the legal liability of Creative Lives and are not self-insured.

**10. Audit and Irregularities**

- 10.1. Creative Lives will undertake an annual external audit to ensure that its accounts are submitted to Companies House and OSCR within the statutory reporting deadlines.
- 10.2. The Finance & HR Director is accountable to the Chief Executive for ensuring adherence to adequate controls, including those delineated within these procedures. In the event of any irregularities coming to light, they are obligated to report such incidents to the Chief Executive and/or the Board. Subsequently, appropriate audit reviews of all relevant activities must be conducted.
- 10.3. In cases where matters arise involving, or appearing to involve, irregularities concerning cash, other property, or any aspect impacting the finances of Creative Lives, the Chief Executive or any other staff member must promptly notify a member of the Board.

**11. Income and Banking Arrangements**

- 11.1. The Finance & HR Director is accountable to the Chief Executive for establishing suitable arrangements to ensure the accurate recording of all outstanding amounts and for the collection, safekeeping, control, disposal, and timely and proper accounting of all funds received.
- 11.2. Under no circumstances should funds owed to Creative Lives be deposited into voluntary or private accounts, whether temporarily or permanently.
- 11.3. The Chief Executive holds responsibility for all bank accounts.
- 11.4. No bank accounts should be opened in the name of Creative Lives or any affiliated projects or development initiatives without prior approval from the board.

**Procedures:****12. Annual Budget & Budget Preparation**

- 12.1. Annual budgets are to be prepared by each department in collaboration with the Finance & HR Director before December of the following financial year.
- 12.2. In addition to the annual budget, the Finance & HR Director shall also produce a monthly 12-month projection of cash flow for Creative Lives. This projection shall be revised each quarter and presented to the board with the management accounts.

**13. Budget Monitoring and Control**

- 13.1. Budget holders are accountable for managing expenditures within the agreed budget limits.
- 13.2. Budget line reallocation is normally only permissible as part of the quarterly re-forecasting process; this will be subject to approval by the Chief Executive in consultation with The Finance Committee.
- 13.3. Quarterly reports, accompanied by variance analysis, will be compiled by the Finance & HR Director. These reports will undergo thorough examination by the Finance Committee before being presented to the board for review.
- 13.4. Any restricted projects that exceed £250,00 will be given additional

scrutiny by the Finance Committee on a quarterly basis.

**14. Financial Management and Accounting**

- 14.1. The Finance & HR Director is responsible to the Chief Executive for maintaining the principal accounting records of Creative Lives.
- 14.2. All financial Creative Lives records are stored via password protected files in Google Drive and Quickbooks.
- 14.3. If Direct Debits need to be set up, please contact the Finance & HR Director for further assistance. This can usually be arranged within the month requested assuming the correct approval is in place.
- 14.4. The Chief Executive can approve use of a prepaid card when required.
  - 14.4.1. Card statements are sent to card holders once a month so that the transactions can be checked and allocated to a budget heading and funding class. (spreadsheet format). This then needs to be sent to the CEO (or Treasurer) for approval via email.
  - 14.4.2. All receipts from card expenditure need to be kept and sent to the Finance & HR Director attached to a copy of the statement that they relate to within one month of receiving the monthly credit card statement.

**15. Payment of Employees**

- 15.1. Creative Lives runs payroll via Quickbooks software and all payments must be processed and paid by the 20th of each month.
- 15.2. The Finance & HR Director prepares the monthly payroll run before sending it to the Chief Executive for final approval prior to payments being made.
- 15.3. Every appointment or modification to the payroll record and adjustments to regular payroll disbursements must be authorised by the Chief Executive or Chair.
- 15.4. Any travel or subsistence claims must be accompanied by appropriate invoices or receipts and certified by an approved signatory via email approval.

**16. Capital Expenditure, Leasing, and Contractual Commitments**

- 16.1. All capital expenditure should typically align with recognised capital budgets that have received prior approval from the Board.
- 16.2. Long-term contracts, such as those for websites or mobile phones, must undergo a biennial review by the Finance & HR Director to ensure the most competitive price.
- 16.3. The Finance & HR Director will maintain an asset inventory and ensure that it is regularly updated and, at a minimum, should contain specified details.
  - 16.3.1. Location of the asset
  - 16.3.2. Date of acquisition
  - 16.3.3. Detailed description of the asset, including any unique identification marks such as serial numbers
  - 16.3.4. Information on disposal or write-off, including reference to board minutes.

**17. Insurance**

- 17.1. Immediate notification must be given to the Chief Executive of any loss, liability, damage, or other event likely to result in an insurance claim.
- 17.2. The Finance & HR Director is responsible to The Chief Executive in maintaining an appropriate record of all insurances held, detailing the risks covered and the level(s) of cover. It should be reviewed and reported on to The Board at least annually.
- 17.3. All events hosted by Creative Lives must complete an Event Form and Risk Assessment to be shared with the Finance & HR Director at least 5 working days prior to the event to ensure adequate cover is provided.

- 17.4. Any staff member involved in any loss, liability, damage, or other event likely to lead to an insurance claim should not make any comments regarding liability to any third party (as this may prejudice insurance cover) but must provide all relevant information to the insurers (and the police if relevant).

**18. Audit and Irregularities**

- 18.1. The Finance & HR Director is accountable to the Chief Executive for ensuring adherence to adequate controls.
- 18.2. The Finance & HR Director will make any and all records available to the external auditors during the Audit process.

**19. Income and Banking Arrangements**

- 19.1. The Finance & HR Director is accountable to the Chief Executive for establishing suitable arrangements to ensure the accurate recording of all outstanding amounts.
- 19.2. All BACS payments made will be made via Dual Authorisation.
- 19.3. All payments for works, supplies, and services provided will be managed by the Finance & HR Director. They are responsible to the Chief Executive for ensuring timely payment of invoices, adhering to any applicable Creative Lives Procedures, and aligning with the relevant budget line.

**APPENDIX A: SCHEDULE OF DELEGATED AUTHORITY****Schedule of Items requiring Board Approval****1. Finance**

- 1.1 Approval of the Annual Budget.
- 1.2 Approval of any extraordinary capital expenditure where no designated budget exists.
- 1.3 Approval of any reforecast where an individual budget line or the overall budget exceeds the budgeted amount by more than 5% or £2,000 – whichever is higher.
- 1.4 Approval of the Financial Procedures
- 1.5 Approval of the list of Bankers
- 1.6 Approval of Bank Mandates
- 1.7 Approval of the Business Plan
- 1.8 Approval of the annual Schedules of Insurance
- 1.9 Recommendation of the appointment of external auditors and recommendation to the AGM
- 1.10 Recommendation of the annual financial accounts and recommendation to the AGM.
- 1.11 Approval of lawyers.

**2. Personnel and Administration**

- 2.1 Approval of staffing structure including any new posts.
- 2.2 Appointment or dismissal of Chief Executive and staff
- 2.3 Approval of Terms and Conditions of Employment
- 2.4 Approval of Chief Executive's expenses
- 2.5 Approval of salary scale, grades, and individual salaries where appropriate
- 2.6 Approval of the CEO's salary
- 2.7 Approval of any re-grading
- 2.8 Appraisal of the Chief Executive

**3. Information Technology**

- 3.1 Approval of any Information Technology strategy

**4. General Issues**

- 4.1 Approval of all policies and changes to policies.
- 4.2 Approval of Terms of Reference for Committee, Panels, and other groups.
- 4.3 Appointment of the Chair of the Board
- 4.4 Co-option of Board Members
- 4.5 Removal of Board Members (where the Rules permit)
- 4.6 Approval of Internal Performance Indicators where appropriate.

**5. Bank Mandate Signatories****• RBS account**

- o Current signatories: Robin Simpson, Lindsey Jackson.

**• Co-operative account**

- o Current signatories: Robin Simpson, Lindsey Jackson, Gareth Coles and Bobsie Robinson



- **COIF account**
  - o Current signatories: Robin Simpson, Lindsey Jackson
- **Bank of Ireland**
  - o Current Signatories: Robin Simpson, Lindsey Jackson, and Tom Doyle.

**Schedule of Items requiring the Chief Executive's Approval****1. Finance**

- 1.1. Approval of all revenue virements of budgeted income and expenditure.
- 1.2. Approval of any expenditure which takes a budget line over or under budget by 5% or £2,000 – whichever is the higher.
- 1.3. Approval of any invoice or other request for payment, whether revenue or capital which is for an amount more than £2,000.
- 1.4. Approval of purchase or lease of office premises.

**2. Personnel and Administration**

- 2.1. Approval of recruitment advertisements
- 2.2. Approval of the appointments or dismissal of staff below Chief Executive level
- 2.3. Approval of expenses and annual leave of all staff directly line-managed by the Chief Executive
- 2.4. Approval of expenses for Board Members and observers at Board Meetings
- 2.5. Signing leases and contracts to purchase/lease office premises
- 2.6. Approving any contract for services or maintenance, where the total cost exceeds £2,000 or the contract extends beyond the current financial year.
- 2.7. Approving any hire purchase or leasing agreements for equipment etc. where the total cost exceeds £2,000 or the contract extends beyond the current financial year.
- 2.8. Approval of temporary staff arrangements to cover for sickness, or other long-term absence.
- 2.9. Approval of all requests for compassionate leave
- 2.10. Approval of all requests for unpaid leave in excess of holiday entitlement
- 2.11. Duties as laid out in Grievance and Disciplinary procedures.

**3. Information Technology**

- 3.1. Approval and signing of any support, service, or maintenance agreement.
- 3.2. Approvals of any purchase, hire purchase or leasing agreement for IT equipment.

**4. General Issues**

- 4.1. Approval of staff membership of external bodies during office time.
- 4.2. Signing under Seal as Company Secretary

**Schedule of Items requiring Budget Holder's Approval****1. Finance**

- 1.1. Monitoring actual income and expenditure against the budget in respect of core and project funding.
- 1.2. Approval of any invoice or other request for payment in respect of expenditure under their control.

**2. Personnel and Administration**

Drawing up recruitment advertisements, job description and personnel specification for their staff in liaison with the Finance & HR Director.



**APPENDIX B: DOCUMENT SPECIMENS**

Expenses claim form <https://bit.ly/2VLkXpl>

Annual Leave Sheet

Toil Sheet [Toil Sheet](#)