



## **Policies & Procedural Guidelines: Financial Management, Travel & Expenses**

### **1.0 Travel & Expenses**

JF Board Members and volunteers are entitled to claim expenses for costs incurred in performance of JF business in line with JF's Strategy and Work Programme. This can include travel, accommodation, telephone, stationery, entertainment, parking and other costs. Board Members and volunteers can choose not to claim expenses and this in no way reflects negatively on those who do so. Those who do not claim expenses are in effect making a monetary contribution to JF.

#### **1.1 Business Travel and Entertainment**

All expenditure on travel and hotel accommodation to be paid for by JF must have been approved by the JF Board before arrangements are made. The need to travel should be clearly established and cost justified. A clear delineation must be made between travelling on personal business or on JF business. On occasions travel may be made for personal reasons but may include representation of JF. Representation of JF must be approved by the Board in advance. In cases where it is both for personal reasons and to represent JF a contribution towards the expenses may be made and the proportion should be suggested by the person claiming the expenses and approved by the Board. In making the decision, the JF Board must consider whether the representation of JF would have been incurred in any event.

In relation to all travel expenses, other options, such as telephone-conferencing should be considered, where possible.

If any JF Board member and/or volunteer are arranging travel and hotel accommodation they should ensure that they select the most cost-effective method whilst ensuring maximum efficiency.

Reimbursement of travel expenses could be refused if arrangements are made outside of these procedures.

#### **1.2 Air Travel**

One Officer must agree all air travel prior to booking. Telephone-conferencing should be considered wherever possible.

For air travel, the most cost effective quote should be selected, provided that this also ensures maximum efficiency and provides adequate flexibility.

All air travel should be by Economy Class.



### **1.3 Rail Travel**

All rail travel should be by Standard Class.

### **1.4 Car Travel**

Mileage may be claimed for car travel necessary for the performance of JF business other than for JF meetings in Tullamore. This must be authorised in advance by a JF Officer. If more than €50 is to be claimed the trip must be approved by the JF Board. Mileage rates are set at Civil Service Mileage rates.

### **1.5 Hotel Accommodation**

One Officer must agree all hotel accommodation prior to booking.

The most cost effective quote should be selected, provided that this also ensures appropriate safety and comfort and provides adequate flexibility.

All hotel accommodation should be for Standard Rooms.

Board Members and volunteers must settle all accounts at the time of departure. JF will not pay for extra costs such as newspapers, mini bar, movies etc.

### **1.6 Meals**

Board Members and volunteers will be reimbursed for actual and reasonable expenditures for meals while travelling on JF business. Board Members and volunteers are expected to use good judgement when incurring meal expenses while travelling on JF business.

When volunteers are travelling with Board Members a Board member should, where possible, expense the meals.

### **1.7 Telephone**

Telephone calls for JF purposes while travelling are authorised. Personal telephone calls charged to JF are not authorised, except as they pertain to matters of safe arrival, change of travel details or emergencies.

Hotel calls - in no case, due to the service charges imposed by hotels, should calls be charged to the hotel.

### **1.8 Taxis**

Taxi fares will only be reimbursed when incurred for JF purposes. Taxis should be used at a minimum and only where there are no other options.



## **1.9 Hosting and Entertainment**

JF recognises the necessity, on exception, of entertaining key stakeholders. A minimum of two JF Officers, one of whom should be either the Chairperson or Treasurer, must agree any entertainment prior to incurring the expense. This does not apply to amounts under €20. Entertainment expense should only be incurred by Board Members, who are in turn expected to exercise judgement in this regard and incur only reasonable expenses. Board Members must fully document the reason for the expense, this should include all receipts and details of: 'who, why, where and when.'

### **1.10 Expenses Policy**

Out-of-pocket expenses claimed by Board Members and volunteers must be incurred in the performance of JF duties, be within reasonable levels and must be supported by appropriate vouchers/receipts.

Out of Pocket Expenses must be pre-approved by chairperson.

Expenses will only be reimbursed where third party receipts support JF expenses. Credit card slips should be supported with receipts.

It is recommended that credit or debit cards be used for purchases that will be claimed for. This is in case the receipt is lost so that there is another record of the expenditure.

All expense claims should be submitted on a monthly basis and be authorised by a JF Officer.

*JF is only liable for the settlement of debt incurred through JF business.*

### **1.11 Reporting**

Where JF Board Members or volunteers attend meetings, conferences and training courses, where expenses are paid for by JF a report should be given to the Board either orally at a Board Meeting or a written report circulated to Board Members.

## **2.0 Financial Management**

All financial transactions by JF must be in accordance with the following procedures.

### **2.1 Monies Received by JF**

All monies received by JF must be lodged to the appropriate bank account as notified by the Treasurer. Details of all monies received must be kept in the JF



office in "monies received" Accounts, detailing the date received, whether cash or cheque, name and address of donor, the type e.g. donation, membership etc., the amount, the date lodged and the bank account where lodged. A copy of this information should be sent to the Treasurer once a month. The Treasurer should reconcile this with the relevant bank account. Prior to lodgement, all monies must be kept in a locked drawer in the JF office.

All donations should be thanked in writing and receipts given where appropriate.

## **2.2 Payments by JF**

All expenditure over €150 must be approved in advance by the JF Board. Board Members should remember that expenditure is incurred when an order is placed.

Current standing orders by JF for office accommodation services should be checked by office members to ensure that costs for phone, postage, photocopying, meeting room rental etc. are correct and noted accordingly before sending to Treasurer. The Treasurer to ensure that rent charged is in accordance with rates agreed. New standing orders must be approved by the Board before setting up.

## **2.3 Cheque Book**

The JF cheque book should be kept in a locked drawer in the JF office or with the Treasurer. Two signatories are required for each cheque. Blank cheques should never be signed by one or two signatories.

## **2.4 Cheque Signatories**

Cheque signatories should number three people and must include the Treasurer (two of whom are required to sign each cheque). When a cheque signatory leaves the Board the bank should be notified without delay by the Treasurer, or in the case of the Treasurer leaving, by one of the other signatories.

In addition, a signatory cannot sign a cheque made out to themselves in the event that a signatory is claiming an expense or seeking a payment for something.

## **2.5 Books of Account**

The Treasurer should keep proper books of account and report to the Board every month on the financial position of JF. These books should be sent, no later than three months after the year end to a chartered accountant to compile financial statements for presentation to the Board.

The accounts will be presented, with an annual activity report, at each AGM.



## **2.6 Budget**

An annual budget should be set at the beginning of the year after the work programme has been agreed. The Treasurer should prepare a draft annual budget to be submitted to the Board within one month of the agreement of the work programme.

## **2.7 Funding**

A log of restricted funding will be kept. Restricted funding is funding which must be used for a specific purpose, as per the funding application. This log will record all expenditure made in respect of each funding. It must also include any particular terms of the funder that must be met, for example, reporting requirements.

## **2.8 Funding from Timber suppliers**

As JF's funding is limited, JF may receive funding from various companies from time to time. This may be restricted funding or general core funding and will never be restricted to one donor where there are others willing to do so. Acceptance of this funding cannot under any circumstances be construed as JF endorsing that company per se or any particular form of its products/services. The independence of JF is paramount. The donor will have no say in relation to the content of any project for which funding is received or the activities of JF in the case of core funding. This funding will be transparent and both JF and the donor will publicly acknowledge the funding. However the public use of the JF logo by such a donor requires written permission from JF.

## **2.10 Record Keeping & Data Protection**

Financial records should be kept for 7 years and shredded after this time.

## **2.11 Revenue Commissioners**

A letter confirming our charitable status is kept in the Governance Manual folder in the office. Any requirements made by the Revenue Commissioners in order to maintain this status will be supplied.



## 2.12 Appropriate internal financial and management controls.

**Context:** Just Forests is categorised as a Type B Organisation, under The Governance Code – A code of practice for good governance of Community, Voluntary and Charitable Organisations in Ireland – see [www.governancecode.ie](http://www.governancecode.ie). A Type B organisation usually employs a small number of staff and many may have a single member of staff. While the most senior (or only) member of staff may have a title such as manager, coordinator or administrator, the people who sit on the board will still have some management and operations responsibilities as well as their governance/oversight role. Annual income may vary considerably from one organisation to the next in this category and many organisations may receive grants from statutory bodies and/or trusts and foundations. A 'Type B' organisation tends to be incorporated, and may have a CHY number.

**2.12 (a)** Monitor income and expenditure against budget and cash-flow each quarter or more often.

**2.12 (b)** Produce yearly accounts (audited or independently examined as appropriate). Sign off on these.

**2.12 (c)** Agree and put in place appropriate financial management procedures, systems and controls.

**2.12 (d)** Agree spending limits for the manager.

## 2.13 Identifying major risks for Just Forests and deciding ways of managing the risks.

Develop an annual risk management plan for the year. This should identify the plan to deal with each risk identified. Review and update annually.

**Risk Management Process Overview:** Risk management can be viewed as a cyclical process that involves;-

- a. Risk **Identification:** Having prepared Just Forests' annual strategic plan / work program, the Just Forests' board asks '**which risks could prevent us from meeting these objectives**'
- b. Risk **Impact:** Just Forest's board examines the potential consequences to the organisation if the identified risks were realised.
- c. Risk **Mitigation:** Just Forests' board identifies key actions required to mitigate against the risk



**Examples for explanation purposes, for each of Governance and Management, Operational, Environmental, Financial, and Compliance categories:**

	<b>POTENTIAL RISK</b>	<b>POTENTIAL IMPACT</b>	<b>POTENTIAL RISK MITIGATION STEPS</b>
<b>Governance and Management Risk</b>	<b>Organisation lacks direction and forward planning.</b>	<ul style="list-style-type: none"> <li>• Organisation drifts with no clear objectives, priorities or plans</li> <li>• Issues addressed on a piecemeal basis with no strategic reference</li> <li>• Needs of beneficiaries not fully addressed</li> <li>• Financial management difficulties</li> </ul>	<ul style="list-style-type: none"> <li>• Create strategic plan which sets out key aims and objectives</li> <li>• Create work plans with targets drawn from strategic plan</li> <li>• Monitor financial and operational performance</li> <li>• Seek feedback from beneficiaries and funders</li> </ul>
<b>Operational Risk</b>	<b>Fundraising</b>	<ul style="list-style-type: none"> <li>• Unsatisfactory returns</li> <li>• Reputational risk, depending on fundraising methods used</li> <li>• Actions of agents and commercial fundraisers</li> <li>• Compliance with legal regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Have appraisal, budgeting and authorisation procedures in place</li> <li>• Review regulatory compliance</li> <li>• Monitor adequacy of financial returns achieved</li> <li>• Review complaints in relation to fundraising</li> <li>• Report fundraising activities in annual report</li> </ul>
<b>Environmental Risk</b>	<b>Relationship with funders</b>	<ul style="list-style-type: none"> <li>• Deteriorating relationship</li> <li>• Impact on funding and support available</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain regular contact with all funders, especially major funders</li> <li>• Undertake regular and appropriate project reporting</li> <li>• Meet funders terms and conditions</li> </ul>



	POTENTIAL RISK	POTENTIAL IMPACT	POTENTIAL RISK MITIGATION STEPS
<b>Financial Risk</b>	<b>Budgetary control and financial reporting</b>	<ul style="list-style-type: none"> <li>• Budget does not match key objectives and priorities</li> <li>• Decisions made on inaccurate financial projections, costing data or reporting</li> <li>• Inability to meet commitments</li> <li>• Poor credit control</li> <li>• Poor cash flow</li> <li>• Inability to function as a going concern</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure budgets are linked to planned objectives</li> <li>• Ensure timely and accurate monitoring and reporting</li> <li>• Ensure an adequate skills base to produce and interpret financial reports</li> <li>• Have procedures to review and action budget and cash flow variances</li> </ul>
<b>Compliance Risk</b>	<b>Lack of compliance with legislation and regulation (own governing document, employment law, equality law, etc.)</b>	<ul style="list-style-type: none"> <li>• Fines, penalties, censure</li> <li>• Loss of licence to undertake a particular activity</li> <li>• Employee or consumer action for negligence</li> <li>• Risk to reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Identify key legal and regulatory requirements</li> <li>• Allocate responsibility for key compliance procedures</li> <li>• Undertake compliance monitoring and reporting</li> <li>• Prepare for compliance visits</li> <li>• Consider reports from regulators, auditors, and others, such as staff, and action at appropriate level</li> </ul>