



# **Kirkcaldy Foodbank**

## **Finance Strategy and Governance**

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## **OSCR Governance**

The Office of the Scottish Charity Register (OSCR) details the guidance and law to follow when administering the finances in any registered charity. The Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 along with the Statement of Recommended Practice, set out in detail the charity financial reporting required for charitable companies.

Charities must prepare accounts in one of two ways depending on several factors; either Receipts and Payments accounts or a Fully Accrued method, the method is determined by the annual income in any given year. The limit currently stands at income of £250,000 or more in any given year. Kirkcaldy Foodbank current uses the Receipts and Payments method.

The accounts should be externally scrutinised by an independent body with no connection to the charity. The current auditor is John Bulloch.

The 2005 Act specifies that the charity must retain up to date records for at least 6 years from the end of the current financial year, charities may need to retain records longer depending on terms of grants received.

The records held by Kirkcaldy Foodbank comply with the 2005 Act, a computerised spreadsheet of all transactions is retained showing the day-to-day income and expenditure. The current year spreadsheet is held on the treasurer's device with a copy held on a memory stick as back up. The previous years working spreadsheets are held on the foodbank drive.

All invoices and receipts are held as supporting evidence of income and expenditure

Annual accounts are approved by the board prior to the AGM, they are then reported to AGM, they are lodged with OSCR as per the regulations.

The board must prepare annual accounts, complying with all relevant statutory requirements, if an audit is required under any statutory provisions (or if the board consider that an audit would be appropriate for some other reason), the board should ensure that an audit of the accounts is carried out by a qualified auditor.

## **Financial Governance**

All trustees on the board must ensure that proper accounting records are kept in accordance with all applicable statutory requirements. The board are responsible for ensuring there are sufficient funds to carry out our purposes.

The board delegate oversight and the day to day management to the Finance team and the Treasurer.

The aim of the Finance team is to ensure that funds are available to support those individuals in food poverty and to safeguard the finances held by the Charity.

The organisation has a funding strategy, (wip) this is managed by the fundraising team and a newly appointed fundraising position which will help the charity to meet the level of funding required to sustain the aims of the charity.

A bi-monthly finance report is submitted to the board and subject to scrutiny by board members at each board meeting.

Cash flow and closing balances are reported to the Board.

Budgeting and forecasting are readily available to determine the sustainability of the ongoing expenditure

### **Reserves Policy**

OSCR state reserves are part of the charity's unreserved funds that is freely available to spend on any of the charity's purposes. Although having a reserves policy is not a legal requirement, it helps the foodbank meet its legal responsibilities and fulfil the charity trustee duties. It ensures the charity continues to be financially sustainable and provides assurance to donors and funders that the finances are managed and planned.

Reserves are specific to each charity and should consider the level of operational costs specific to the organisation.

The current policy is to retain 3 months' worth of expenditure.

The Kirkcaldy Foodbank retain 3 bank accounts:

Barclays Business account - day-to-day expenditure and regular donations.

Barclays Savings account – currently holds a reserve of 45 days expenditure.

Royal Bank of Scotland account – used for can collections and fundraisers.

Money is transferred between the current accounts to keep balances below the bank protection limit of £85,000 to mitigate any risks in the banking sector.

The board will be alerted when the reserves are reaching the 3 months limit to allow for remedial action to be taken.

Food accounts for 90% of all expenditure, there are no salary or pension impacts to be factored into any reserved monies, there are no large creditors.

### **Banking Arrangements**

The day-to-day activity is operated within the Barclay's Business Account, any payments made by through the bank account are subject to dual authorisation. Payments are made by the Treasurer of the organisation, in addition 2 officials of the board make card payments. This is a requirement of the constitution.

All payments are checked against the relevant invoices.

Gift cards are held in the safe and all monies spent against the gift cards are reconciled to receipts held in the folders attached to the gift card.

Bank reconciliations are carried out monthly, a finance report is submitted to each board meeting.

Any income received into the foodbank is noted on the donation sheets and signed by 2 individuals, these are usually front-line volunteers. This is then held in the safe until it is banked by one of the finance team. The amount banked is reconciled to the donation sheet. Banking is carried out on a regularly by a member of the Finance Team. The safe is held in the Viewforth premises, individuals who can access the safe have no access to the building requirements 2 individuals to be present at all times.

All cash tin collections are counted by 2 volunteers, the amount is noted and then banked. Payin slips are sent into the treasurer to confirm the amount collected and deposited in bank.

Donations sheets are held on the Foodbank Google Drive linked to the email address [kdyfbank@gmail.com](mailto:kdyfbank@gmail.com)

### **Gift Aid**

Regular donors are asked, where appropriate, if they would like to contribute using gift aid which increase the donation to the foodbank,

Regular chase up activity is made to ensure we are obtaining gift aid wherever possible.

### **Just Giving**

Donations are received through the Foodbank just giving page directly into the bank account.