

## **Alpha 1 UK Financial Policy**

### **1. Introduction**

Alpha 1 UK charity is committed to managing its finances with transparency, accountability, and integrity to ensure the effective use of resources in support of its charitable activities. This Financial Policy outlines the principles and practices that guide the charity's financial operations, including budgeting, accounting, fundraising, and financial reporting.

### **2. Objectives**

The objectives of this Financial Policy are to:

- Ensure sound financial management and stewardship of the charity's funds.
- Comply with relevant financial regulations and laws.
- Provide clear guidelines for financial decision-making and responsibilities.
- Promote transparency and accountability in financial reporting.
- Safeguard the charity's financial resources against fraud or misuse.

### **3. Financial Responsibilities**

#### **3.1 Board of Trustees**

The Board of Trustees is ultimately responsible for the charity's financial oversight. Their responsibilities include:

- Approving the annual budget and ensuring that the charity operates within its financial means.
- Ensuring that the charity complies with all legal, regulatory, and financial requirements.
- Monitoring the charity's financial performance and ensuring that financial controls are in place to prevent fraud and misuse of funds.
- Reviewing financial statements, reports, and budgets on a regular basis.

#### **3.2 Treasurer**

The Treasurer or designated Finance Manager is responsible for the day-to-day financial management of the charity, including:

- Developing and implementing financial policies and procedures.
- Overseeing accounting, financial reporting, and budgeting.
- Ensuring the charity's financial activities comply with relevant laws and regulations.
- Reporting on the financial health of the charity to the Board of Trustees on a regular basis.

### **3.3 Employees and Volunteers**

All employees and volunteers who handle financial transactions or donations are expected to:

- Follow the charity's financial policies and procedures.
- Ensure all financial transactions are accurately recorded and supported by appropriate documentation.
- Report any discrepancies, financial concerns, or potential fraud to the CEO or Finance Manager.

## **4. Financial Management Practices**

### **4.1 Budgeting**

An annual budget will be prepared and approved by the Board of Trustees prior to the start of each financial year. The budget will outline expected income, expenditure, and cash flow projections. The Treasurer or Finance Manager will monitor actual performance against the budget throughout the year and report any significant variances to the Board.

### **4.2 Financial Record Keeping**

The charity will maintain accurate and up-to-date financial records, which will include:

- All sources of income, including donations, grants, and fundraising proceeds.
- All expenditures, including staff salaries, operational costs, and program-related expenses.
- Supporting documentation for all transactions, such as invoices, receipts, and contracts.

These records will be maintained in accordance with accounting best practices and legal requirements.

### **4.3 Accounting System**

The charity will use Xero to maintain financial records and produce financial statements. The accounting system will provide accurate and timely information on the charity's financial position, ensuring transparency and accountability.

### **4.4 Cash Management and Payments**

The charity will ensure that all financial transactions, including payments and receipts, are processed through the appropriate bank accounts. Cash handling will be kept to a minimum, and all cash transactions must be supported by receipts and entered into the financial system.

Payments will be made in accordance with the charity's budget and financial policies. All payments must be authorised by at least two members authorised Trustees or Committee members.

## **5. Fundraising and Donations**

### **5.1 Fundraising Policy**

The charity will follow ethical and legal guidelines for all fundraising activities, ensuring that all funds raised are used for the charity's intended purpose. Fundraising activities will be transparent and conducted with the highest level of integrity.

### **5.2 Donation Handling**

Donations, including both one-time and recurring contributions, will be handled securely and processed promptly. Donors will be thanked for their contributions, and appropriate receipts will be provided, where necessary.

All donations will be recorded and tracked in the charity's financial system. The charity will comply with all relevant data protection laws when handling donor information.

## **6. Financial Reporting**

### **6.1 Annual Financial Statements**

The charity will prepare annual financial statements in accordance with UK Generally Accepted Accounting Principles (GAAP), a competent person will carry out an independent examination of the charities accounts. Should our turnover increase to the point where an audit is required, this will be carried out by a qualified and eligible person or accountancy firm.

The annual financial statements will be made available to the Board of Trustees and, where required, to the charity's stakeholders, including donors, funders, and the public.

### **6.2 Regular Financial Reporting**

The Treasurer or Finance Manager will provide regular financial reports to the Board of Trustees, including quarterly updates on income, expenditures, and cash flow. These reports will be used to monitor the charity's financial health and make any necessary adjustments to the budget.

## **7. Fraud Prevention and Financial Controls**

### **7.1 Financial Controls**

The charity will implement strong financial controls to minimize the risk of fraud or misuse of funds. These controls will include:

- Separation of duties: Different individuals will be responsible for authorising payments, processing transactions, and reconciling bank accounts.
- Regular bank account reconciliations and audits.
- Secure handling of sensitive financial information, including passwords, banking details, and donor information.

### **7.2 Fraud Reporting**

Any suspected fraud or financial misconduct should be reported immediately to the Treasurer or Board of Trustees. The charity will investigate all allegations of fraud and take appropriate action to address any issues identified.

## **8. Financial Review and Audit**

The charity's financial policies and practices will be reviewed annually by the Board of Trustees to ensure they are in line with best practices and legal requirements. An independent audit of the charity's financial statements will be conducted annually to provide transparency and accountability to stakeholders.

## **9. Conclusion**

Alpha 1 UK is committed to managing its financial resources in a transparent, accountable, and responsible manner. All individuals involved in the charity's financial operations must adhere to the principles outlined in this Financial Policy to ensure the charity remains financially sound and can continue to deliver its mission.

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This Financial Policy is approved by:

**Tanya Jones**

**Vice Chair**

**1 February 2026**

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