



**Community Relations/Cultural Diversity
Grants Scheme**

**FINANCIAL
GUIDELINES**

Please read

CONTENTS

Introduction

1.0 LETTER OF OFFER AND FIRST PAYMENT

- 1.1 Letter of Offer

2.0 CLAIM PROCESS

- 2.1 Completion of Event/Project
- 2.2 Expenditure Claim Form to be completed
- 2.3 Monitoring and Evaluation form
- 2.4 Original Documentation
- 2.5 Balance of Grant Award
- 2.6 Delay in Payment

3.0 GUIDING PRINCIPLES FOR PROJECT MANAGEMENT

- 3.1 Bank Accounts
- 3.2 Cheque Payments
- 3.3 Credit/Debit Card Payments
- 3.4 Cash Payments
- 3.5 Conflict of Interest
- 3.6 Contracts for Consultancy (Service Delivery)
- 3.7 Assets Register and Disposal of equipment
- 3.8 Travel, Subsistence and Other Expenses

4.0 REITERATION OF MAIN POINTS

APPENDICES

- 1. Expenditure Claim Form
- 2. Cheque List
- 3. Required Documentation Checklist
- 4. Travel and Expenses Claims Form
- 5. Cash Withdrawal From Bank
- 6. Credit Cards - Extended Explanation
- 7. Quotes - Extended Explanation

Introduction

We are delighted to have produced a new copy of financial guidelines relating to the Councils Community Relations/Cultural Diversity Grants Scheme. It is hoped that this will provide a step by step guide on how the necessary procedures needed to be adhered to when spending your grant award.

It is vitally important that you take time to read not only these guidelines but also your Letter of Offer before commencing your project.

We would like to point out that these guidelines are complementary to the Letter Of Offer and the requirements as laid out in your Letter of Offer have primacy.

1.0 LETTER OF OFFER AND FIRST PAYMENT

1.0 LETTER OF OFFER

- Your Letter of Offer will state a budget breakdown of the grant award and will include any conditions attached to the offer.

Included with the Letter of Offer will be:

- Agreement Form – two copies
 - Monitoring and Evaluation Form
- All claims/invoices submitted must be in line with the budget as stated in the Letter of Offer.
 - Any alteration to the budget, e.g. re-allocation of monies, must be requested to and approved by (in writing) a Project Officer.
 - **Up to a maximum of 50% of the award will be issued upon the submission of a completed Agreement Form.**

2.0 CLAIM PROCESS

2.1 Upon completion of the project all invoices relating to the event must be paid in full.

2.2 An Expenditure Claim Form must be completed, signed and dated by an authorised person. **(This form should not be signed by anyone who is a cash beneficiary).**

2.3 The Evaluation Form is to be completed when all events/projects relating to the entire grant award have been concluded.

2.4 Send all original invoices/receipts along with an Expenditure Claim Form and Evaluation Form to CRC for vouching.

2.5 The remaining balance of award will be paid as soon as possible after CRC is satisfied that all claims are in order.

2.6 INVOICES

- Verification of expenditure and release of payments will be on the basis of receipt and approval of **original** documentation.
- All invoices should be on headed paper complete with full name and address of supplier and full name and address of customer organisation/group **OR** name and address of person acting on behalf of the organisation/group; the address should be as stated on the initial Application Form.
- Invoices relating to seminars/workshops/trips should include full detail of the event such as contact details, hours worked (where applicable), period covered by invoice, work undertaken – to include participant numbers etc.
- Invoices should be checked to ensure that they are arithmetically correct and that the goods/services charged for are the same as those received.
- As invoices are processed they should be stamped/marked 'PAID' and the cheque number and date should be noted on the invoice to show that it has been paid.

Attaching a copy cheque authorisation/requisition sheet to an invoice is not sufficient. Attached sheets can become separated which could result in the invoice being paid twice by mistake.

- Payments should be made on the basis of original invoices and not copies of invoices, faxes or statements.
- Cross border payments: If an invoice is received from a supplier in a different currency then it is recommended that the amount should be paid via a bank draft (bank details to accompany invoice).
- Any defaced invoices/receipts will not be accepted; this includes any alteration to documentation e.g. by writing on, cutting out part of or attaching to larger pieces of paper by means of glue, sellotape or other.
- Invoices relating to trips which contain more than one charge i.e. bus, boat, and hotel must be complete with times, dates, numbers and be in agreement with quotes already submitted.

Invoices submitted with claims which lack sufficient detail or supporting information/documentation will NOT be accepted and payment will not be made.

3.0 GUIDING PRINCIPLES FOR PROJECT MANAGEMENT

3.1 BANK ACCOUNTS

- **ANY CHANGES** to the bank account details submitted on the Agreement Form must be notified to CRC **immediately** in writing. Failure to do so will result in the unnecessary delay of payment/s.
- Payments will be issued directly to the project's designated bank account. A letter will be issued from CRC detailing the amount being paid.
- Funding received should not be used for any purpose other than that outlined in the Letter of Offer.
- All receipts/invoices must be paid directly from projects bank account.

3.2 CHEQUE PAYMENTS

- All cheques should be crossed 'account payee only' (cheques books with this already marked on them can be requested from the bank).
- All cheques must be authorised by two signatories who must not be direct/indirect service providers or cash beneficiaries.

3.3 CREDIT/DEBIT CARD PAYMENTS

- Payments made with personal credit/debit cards should be avoided.
- Where payment is made by personal credit/debit card, the original statement/bill or an online statement must be provided in support of the expenditure (only details of the transaction/payment along with name and address of card holder need be made visible).
- In instances where the organisation has a credit/debit card the above is also applicable.

More in depth explanation please see Appendix 6 – Credit Cards

3.4 CASH PAYMENTS

- Cash payments are only to be used in exceptional circumstances. If unavoidable ensure that all relevant details are shown on receipt/invoice which should correlate with a Cash Withdrawal from Bank Form (see Appendix 5).
- Some payments may be claimed through expenses by attaching receipts to a Travel and Expenses Claim Form, which must be signed by claimant and countersigned by an authorised person (see Appendix 4)
- Any petty cash kept by organisation should be used for small sundry items and should not amount to over £25.

3.5 CONFLICT OF INTEREST

- Given the importance of ensuring risks of fraud are reduced, organisations in receipt of public funding must ensure that all appropriate precautions are taken and management systems in place to avoid any mismanagement or misappropriation of funds.
- Where a conflict of interest exists, or could be perceived to exist, **it must be declared** and appropriate action taken. No one should use or appear to use their position to further their own (or that of family) private interests. Procurement procedures should be followed at all times and where a decision is made which could be misconstrued as a conflict, should bear the authorisation of the organisation's/group's committee.

3.6 CONTRACTS FOR CONSULTANCY/FACILITATION (Service Delivery)

When contracting a consultant/facilitator/tutor, you should consider:

- the level of expertise/experience needed to undertake the work,
- whether ancillary costs are included (travel, subsistence, report writing, etc.). (see section 3.8 on Travel/Mileage/Other), and
- what you want to get from their involvement.

Projects should ensure that a contract/agreement is in place with all those providing such services. This contract should include the following:

- terms and conditions of appointment
- cost
- procedures for claiming payment, and
- disclaimer stating that HMRC contributions will be met by the individual.

Contracts/agreements should be signed by the supplier of the services and countersigned by a management representative of the project and forwarded to CRC. This contract/agreement will be put on file in support of claimed expenditure.

3.7 PURCHASING/TENDERING

E.g. Trips that involve bus/boat/hotel (combined or single)
Tutor/Counsellor/Consultant/Facilitator
Equipment:

Table 1 Value	Procedure
Up to £1,500	2/3 oral Quotations (fax or email)
>£1,500 <£10,000	4 Selected Tenders /quotes
>£10,000 < £30,000	5 Selected Tenders /quotes
>£30,000 <EU Thresholds	Publicly advertised tender competition

***or one in the event of a bespoke provider or one provider in one location**

For a more in depth explanation please see Appendix 7 – Quotes

3.8 TRAVEL/MILEAGE/OTHER (by employee/volunteer/consultants/facilitators)

- Travel/mileage (and other expenses) should be paid at an agreed rate. A copy of this agreement should be held on file.
- Claims for travel should be submitted on a pro-forma (appendix 4) which details the following:
 - date of journey
 - where to/from (be specific)
 - purpose of journey
 - miles/distance travelled or cost of transport (taxi, bus, train, etc – please note that all taxi receipts must be dated, signed with full travel details
 - rate per mile
- Original receipts for all non-mileage related claims (e.g. car parks) should be attached to this pro-forma which should be signed by the claimant, countersigned and approved by an authorised person acting on behalf of the group/organisation.
- All claimants are expected to have the appropriate car insurance.
- Where travel and other expenses are being claimed by a consultant/facilitator, a Travel and Expenses Claim Form must be submitted. Simply documenting a total amount on an invoice for this cost is inadequate. At the very least invoices should make reference to dates, journeys made, mileage incurred. This also applies to costs incurred for materials, stationery etc.

4. REITERATION OF MAIN POINTS

- Any changes to/re-allocation of budget headings or project timings must be sought from and granted in writing by the project officer dealing with your grant award.
- Where there is an underspend you will be paid the amount of actual spend; where there is an overspend only the budgeted amount will be paid. **Any underspend used to compensate overspend in another budget heading will not be permitted unless agreed with project officer in advance.**
- Always use established traders to ensure you will receive bona-fide invoices/receipts.
- Only original documentation will be accepted.
- When services are being procured from a board member, member of staff, regular client (or a close family member of any of these three classes) that this could give rise to a potential conflict of interest and that this fact must be recorded on the documentation provided to CRC and the rationale as to why it remains appropriate to use that individual should be documented by the group.
- Claims should be submitted using a standard pro-forma; these must be signed and authorised.
- If possible avoid using personal credit cards.
- Cash payments must only be used in exceptional circumstances.

APPENDICES

1. Expenditure Claim Form
2. Cheque List
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REQUIRED DOCUMENTATION CHECKLIST

A mini guide to expenditure and the information required for verification.

Type of Expenditure	Documentation/Information required
Project Costs	<ul style="list-style-type: none"> • Invoices • Quotations (where applicable) • Where facilitators/counsellors/tutors are involved. agreements/CV's • Hospitality – details of event and numbers of attendees
Travel	Claim form containing the following details: <ul style="list-style-type: none"> • Name, address, miles travelled, to/from, purpose of journey, mileage rate, receipts (where applicable) signed by claimant.
Running costs	<ul style="list-style-type: none"> • Invoices/receipts (if applicable)
Cash Payments	<ul style="list-style-type: none"> • Invoices/Receipts/expenses form
	Bank statements will be required to show all claimed expenditure has been paid. If the project has been paid from a non-designated account, then the relevant transaction should be highlighted on the statements. Only expenditure that has cleared the bank statement can be claimed for.
	It is advisable that the use of personal credit cards be avoided. Where project costs have been paid using a personal credit card please be advised that the original credit card statement will be required for verification.
	Invoices will only be accepted if they adhere to the following: <ul style="list-style-type: none"> • Must be original. Under no circumstances can photocopies or faxed copies be accepted. • Contains full contact name, address and contact number of supplier. • Clearly addressed to the project (name and address of group/organisation OR person acting for the group/organisation) as detailed on your application for grant aid. • Clearly detail the goods/services acquired • Invoices are stamped/marked paid, detailing cheque number, date of payment and signed by person authorising same.

TRAVEL AND EXPENSES CLAIM FORM

Name of group: _____ Project reference: _____
 Name of person making claim: _____
 Address of person making claim: _____

Day	Date	Journey From	Made to	Business conducted	No of miles claimed	Details of other outlay: subsistence, transport etc	Other costs (attach receipts)

Total no miles: x pence per mile:
 Total other costs expenditure: £

Declaration:

I declare that the expenses claimed have actually and necessarily been incurred by me in the course of eligible project activities.

Overall total claimed: £

Signed: _____

Countersigned: _____

Signature of certifying officer: _____

CASH WITHDRAWAL FROM BANK

Cash payments are only to be used in exceptional circumstances but where they are unavoidable this form should be used to document the withdrawal and re-lodging of funds from the group’s account.

Group Name: _____

Project Title: _____

Ref No: _____

Withdrawal date: _____

Amount: _____

Supplier: _____

Invoice No: _____

Amount: _____

Date Paid: _____

Signed: _____ **Position:** _____
(person making withdrawal)

Signed: _____ **Position:** _____
(person making payment, if different)

Re-lodgement in bank

Date: _____

Amount: _____

Signed: _____

- **Please attach withdrawal/re-lodgement slips**
- **These must correspond with bank statement showing withdrawal of cash and re-lodgement (if applicable)**
- **A valid receipt or receipted invoice must be attached marked paid and signed by authorised person.**

CREDIT CARDS

Extended explanation

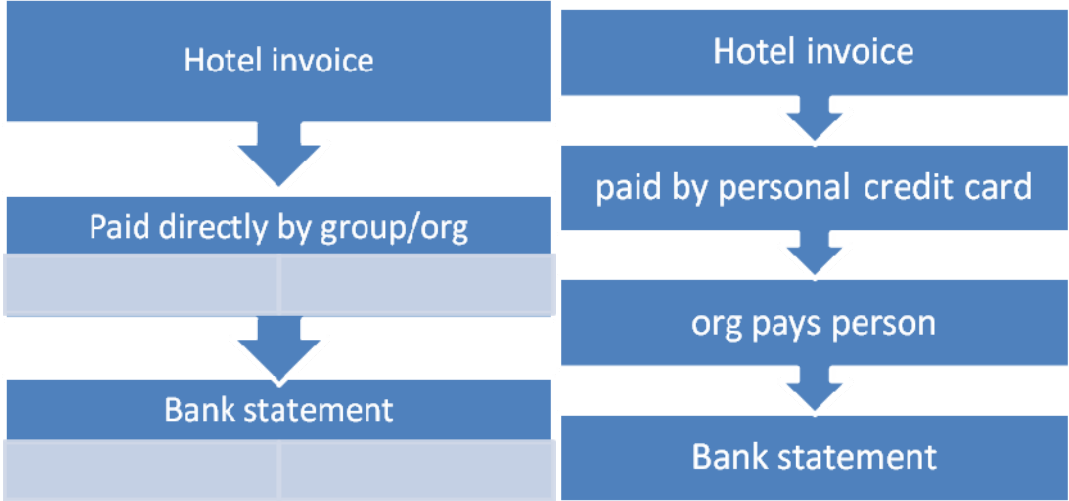
As you will be aware, it is imperative that clear audit trails are established and maintained to monitor and track all project-related expenditure.

In order to do this, a clear audit trail can only exist if the following is available for inspection and conditions are met:

- Original supplier’s invoice, with date paid and cheque number specified;
- Original bank statement, clearly identifying cheque has cleared the bank;
- Claimed expenditure is in line with approved budget.

CRC strongly advises against the use of personal credit/debit cards but understands that in some instances, there may be no viable alternative. Please be aware however, that should a personal credit/debit card be used, proof of payment can only be verified by production of an original credit/debit card statement. Failure to produce this will result in the associated expenditure not being vouched or reimbursed to you. This is the case where a person has used a personal credit card to pay the group’s meal/flight/hotel/etc.

For audit purposes this creates the link between invoice paid by credit card and the reimbursement of monies due, i.e.:



It is recognised that the use of personal credit cards are used for personal expenses, this is acceptable provided the receipt is attached to a personal claim form and spend validated by authorised person within the group/organisation.

QUOTES

Extended explanation

Services under £1500: Two oral quotes are required; (fax or email confirmation should be obtained) this information is to be kept on file by the group/organisation. It must contain the reason for the request, who they were obtained from, for what dates, cost and reason for choice, i.e. best value. (please use initiative - we do not require quotes for a packet of tea/coffee & biscuits however we do expect best price at all times).

Where there is only one choice of supplier: This may be the case, for example if there is only one exhibition venue in one location. In this case it will be impossible to obtain other quotes however you will still need appropriate information for the grant application, i.e. cost of service on appropriate date. If buses will be involved then quotes for costs under the threshold of £1500 must be acquired.

Multiple bookings/cumulative costs: Please note that whereas a venue hire/bus etc. may cost £300 (which is under £1500) if the venue/bus etc. is going to be hired, for example 4 times in the year, this will bring the total to over the threshold of £1500 when 4 written quotes must be sought. Please see point 3.7 on Purchasing/tendering. No section 3.7

All cumulative costs must be supported by quotes. It is important for groups to forward plan their work. **Includes;** venue hire, bus hire, trips, facilitation, tutoring, entertainment, bands, catering etc. This list is not exhaustive but **all must be reputable traders/companies, trained, self employed, etc.**

All quotes must be like for like:

Whereas there may be a valid rationale for using one particular venue, bus hire company, tour organiser, caterer, etc., it must be stressed that the rationale is only the reason behind the choice not the reason for not acquiring quotes. In accordance with the requirements laid out in the Financial Guideline quotes must be sought at all times.

Invoices and receipts: All groups/organisation must ensure they will be issued with a bona-fide invoice/receipt complete with all relevant information. Incomplete documentation **will not** be accepted and will be returned without consideration.

Please note that when your application is verified, quotations will be required to substantiate your claim.