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A Financial Health Check For Your Group

Financial Records (including restricted funds) - do you have a system for keeping track of your group's finances including recording receipts, payslips, petty cash transfers, gift aid paperwork and bank statements? Is it up-to-date? Does it give you an 'audit trail' to follow, linking payments and receipts to the bank? Do you keep records for a minimum of 6 years? Is everything clear and transparent? If you have any restricted funds are these being kept separate in your accounts and spent according to what was agreed with your funder?

Bank Account - does your bank help or hinder you? Would you like information on different banks suitable for voluntary groups and charities?

Financial Controls - are there any gaps in security in your group? Things to consider include: Who can authorise payments? Who handles your money? Who pays money into your bank account? Who checks your financial records against your bank statements?

Payroll - is it set up correctly in a robust manner and does it fulfil legal requirements? Would you like more information on outsourcing your payroll? Are you happy with the set-up for self-employed workers within your group?

Gift Aid - if you receive money from UK tax-paying donors are you claiming gift aid on it? Gift aid is currently 28p per £1 donated - so it could really make a difference to your finances.

Financial Efficiency - look at your organisational costs and what other similar organisations do. Can you see any ways of reducing your costs?

Where Are You Now Financially? Where do you want to be financially in 1 year or 2 years? What is your group's vision for the future?

Cashflow and Staying Solvent - look at your cashflow projection for the next 6 months or a year. Do you have a plan of action if you have a shortfall/excess of cash?

Considering Financial Risk - think about your group and what risks are relevant to it.

Savings - are they safe and working hard for you? It may be worth thinking about longer notice period deposit accounts and maybe 6 month or annual bonds if you do not need instant access to all your money. Use your cashflow projection to plan your savings.

Reserves and Reserves Policy - consider what reserves you need, what they're for and how to get funds for these? If you've got reserves what could you spend them on?