



British Kashmiri Medical Association (BKMA) Financial Policy

Charity No: 1202724

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1. Introduction

The British Kashmiri Medical Association (BKMA) is a Charitable Incorporated Organisation (CIO) under Charity No. 1202724, overseen by its board of trustees. The trustees ensure financial accountability and transparency in alignment with Charity Commission standards. This policy provides guidelines for financial transactions, authorizations, and record-keeping to support BKMA's charitable goals.

2. Purpose and Scope

This policy defines financial responsibilities, approval processes, and transaction authorizations essential for managing BKMA's finances. It applies to all members handling finances within BKMA and ensures compliance with Charity Commission regulations.

3. Roles and Responsibilities

- **Board of Trustees:** Oversee all financial decisions, ensuring funds are used in accordance with BKMA's mission and reviewing financial performance.
- **Treasurer:** Manages day-to-day financial administration, presents financial reports, authorizes transactions within delegation limits, and ensures policy compliance.
- **President:** Authorizes and approves financial transactions within delegation limits.
- **Nominated Non-Executive Trustee:** Provides transaction approvals within set limits.
- **Accountant:** Conducts an independent financial review in line with accounting standards and help to prepare financial report for Charity Commission.

4. Financial Responsibilities, Bank Accounts, and Signatories

4.1 Bank Accounts All funds should be held in an account with a regulated bank.

4.2. Bank Accounts

- A main bank account should be maintained for operational transactions. A separate savings or reserve account should be established.
- Bank accounts must be managed with a dual-authorization requirement for transactions, ensuring that no single Trustee, office bearer or an executive member has sole control over funds.

4.3 Online Transactions

Dual authorization required for all online transactions.

1. **Transactions up to £5,000:** Dual authorization by both the President and Treasurer.
2. **Transactions above £5,000:** Email confirmation from the nominated non-executive trustee, with dual authorization by the President and Treasurer.

4.4 Cheques

1. **Transactions up to £500:** Authorized solely by the Treasurer.
2. **Transactions from £500 to £5,000:** Authorized by both the President and Treasurer.
3. **Transactions above £5,000:** Pre-approved by the nominated non-executive trustee and authorized by the President and Treasurer, with email confirmation from the nominated trustee.

4.5 Cash Handling and Petty Cash

- **Petty Cash Transactions:** Limited to essential small expenses, capped at £100, with all transactions documented and authorized by the Treasurer.
- Cash handling should be minimized, with a preference for digital payments.

5. Income Management

All income, including donations, must be securely documented, and used solely to advance BKMA's objectives.

5.1 Donation Handling

- **Receipt of Funds:** All funds should be recorded in BKMA's financial system, specifying the source and purpose.
- **Acknowledgment:** Donations over £500 should be acknowledged with a receipt or thank-you letter.
- **Gift Aid:** Eligible donations should be recorded for Gift Aid claims.

6. Financial Record-Keeping and Reporting

BKMA should maintain detailed records for all transactions, in compliance with Charity Commission standards, for audit and review purposes.

Annual accounts will be prepared according to the Charity Commission's requirements and will be independently audited if the income exceeds the audit threshold.

The Treasurer and President should ensure the report meets CIO standards and will present it to the board of trustees for approval and the AGM for transparency.

7. Reserves Policy

BKMA aims to maintain a reserve fund equivalent to 6 months of operational costs (approximately £3000). This reserve will provide a buffer to ensure continuity in case of income shortfalls or unforeseen expenses. The reserve target and level should be reviewed every 3 years by the trustees. Any decision to use the reserve must be approved by board of trustees and documented with a plan for replenishment.

8. Compliance and Renewal

This policy is mandatory for all financial activities and will be reviewed every 3 years. Any non-compliance will be addressed by the Board of Trustees.

9. Anti-Fraud and Financial Controls

BKMA is dedicated to preventing fraud and protecting its assets.

9.1 Controls and Segregation of Duties

Financial duties must be divided to ensure no single individual has control over all aspects of a transaction. Regular checks will be performed to detect any anomalies.

9.2 Whistleblower Policy

BKMA encourages the reporting of any financial misconduct to a nominated trustee or external auditor without fear of retaliation. The trustee responsible for approval of transactions will not handle misconduct reports.

10. Review and Amendments

The Board of Trustees will review this policy every 3 years or as needed due to changes in charity law or organizational requirements. Amendments must be approved and documented by the board.