

# How we spend from February 1<sup>st</sup>

## Using the Monmouth project as an example

### Step one

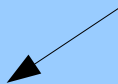
The fundraiser. Targets set , money collected, Direct Debits calculated.

Total arrived at. CK estimates £975k



### Step two

CE takes estimate and draws up draft budget with treasurer based on 2012 activity plan. Presents this to Board.



### Step three

Board debate budget and agree final version with amounts allocated to projects, activities etc and trustee allocated to monitor each area.



### Step Four

CE and Admin work with trustee to divide each of the budget areas into more specific detail e.g. how much of each project budget goes on what with parameters for success.



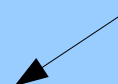
### Step five

The CE with board identifies which pot(s) the Monmouth project comes from and how much in total can be spent. Allocated as per stage four into expected areas for spend. Trustee allocated to oversee project on behalf of board.



### Step six

The office creates codes in accounts for the Monmouth activities. Monitors invoices etc as they come in and keep CE and trustee with overview for Monmouth project informed how the spending is going, warning of overspend if necessary.



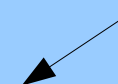
### Step seven

If overspend likely CE reports to Exec with view to allocating more resources or reducing spend.



### Step eight

Office arranges payments of invoices, volunteer expenses etc., with cash allocated locally if necessary to volunteer(s) to pay local expenses. Receipts and records essential.



### Step nine

Event over, the final costs are calculated and reported back to board with overspend to be clawed back from elsewhere or underspend to be re-allocated or left in reserves.

### The trustee role

As trustees you are ultimately responsible for every penny spent. The main task in this is setting a balanced budget and monitoring it. Key trustees, especially the Treasurer, must authorise all spending via cheques or the ebanking system with the advice of the CE..

As trustees you must not be spending money on behalf of the charity yourselves. This protects you and the charity from allegations of financial irregularity.

If at Monmouth a trustee is present and organising payments to volunteers they are doing it as a volunteer themselves as an agent of the office not in their capacity as trustee.

For all but the very smallest charities this separation of trustees from the financial day to day is an absolute expectation. For CC guidance on the broader perspectives

<http://www.charitycommission.gov.uk/publications/cc3.aspx#g1>