



MIND IN CROYDON

GUIDELINES FOR STAFF ON THE AUTHORISATION OF EXPENDITURE

1. INTRODUCTION

Overall responsibility for approving and monitoring expenditure by Mind in Croydon lies with the Trustees (Board of Directors) who have delegated some responsibility to the Finance and General Purposes Committee. This is chaired by the Hon. Treasurer who has particular responsibility for all financial matters.

Responsibility for day-to-day expenditure has been delegated to senior staff who are expected to manage the expenditure necessary for the running of Mind's services and administration in accordance with the budgets approved by the trustees.

These Guidelines should enable staff to carry out these functions as effectively as possible while ensuring that the overall control of the trustees is maintained.

2. REVENUE EXPENDITURE

This includes the purchase of single items of equipment which cost less than £1,000 (the level at which Mind's auditors capitalise assets.)

2.1 Expenditure **within budget**: The Trustees' approval of a project budget may be assumed to be the authorisation for expenditure, provided it is within that budget. The staff member responsible for the financial control of a project must monitor expenditure throughout the year and ensure as far as possible that a disproportionate amount of the authorised amount for any budget heading is not spent either too early or too late in the financial year. This may not always be possible, e.g. in the case of essential repairs, the replacement of essential equipment, or fuel bills..

2.2 Expenditure **outside budget**: During the financial year unforeseen contingencies may arise or urgent repairs or purchases of equipment may become necessary which may cost substantially more than remains under the relevant heading in the project budget. Project leaders may also become aware of possible expenditure which is not covered by the budget but which would enhance the functioning of the project. In this case the following guidelines apply:

Non-urgent expenditure more than £250 over budget: Approval for all non-urgent expenditure more than £250 over budget should be sought from the F. and G.P. There is a standing agenda item for expenditure outside budget and from reserves. The Committee may at its discretion refer requests for such expenditure to the Board of Directors and must do so for proposed expenditure of more than £10,000.

Urgent expenditure less than £500 over budget: "Urgent expenditure" includes priority repairs to Mind freehold premises. Known contractors will generally be used and it is not essential to obtain more than one estimate. In these cases, Project Managers will agree this expenditure with the Chief

Executive or the Business Development and Service Delivery Manager. However, staff must use their common sense as regards the validity of any estimate given and must take care to ensure that Mind obtains the best value for money.

Urgent expenditure between £500 and £2,000 over budget: Staff must consult the Treasurer or Chair (or if unavailable another Hon. Officer) before incurring expenditure, and report later to F. & G.P. The Officer consulted will advise on whether several estimates are required, depending upon the likely amount of expenditure and the urgency of the situation. "Urgent expenditure" includes priority repairs to Mind freehold premises. Such expenditure must be brought to the attention of the Trustees through the minutes of the F. and G.P.

Expenditure more than £2,000 over budget: All available members of the F. & G.P. should be consulted. An urgent meeting of the Committee will be held if the members request this. More than one estimate should be obtained unless the majority of the Committee agrees that this is not practical in the circumstances. The expenditure must be reported to the trustees through the F. and G.P. and at the next meeting of the Board of Directors.

NB. The above guidelines do not apply to unexpectedly large bills for fuel and other utilities, which must be paid. If expenditure is monitored throughout the year and bills are calculated on a metered or itemised, rather than an estimated, basis such shocks should not occur. If they do, action will need to be taken after paying the bill.

3. CAPITAL EXPENDITURE

This refers to expenditure on single items which cost or are valued at the time of acquisition at £1,000 or more.

3.1 **Non-urgent capital expenditure:** All proposals for non-urgent capital expenditure must be submitted to the F. and G.P. for approval, under the agenda items on expenditure outside budget or from reserves.

3.2 **Emergency capital expenditure:** If essential equipment has to be replaced urgently, e.g. the Fairfield dishwasher (essential to meet health and safety regulations) or a project computer without which the project's operation is crippled, the authorisation of the Hon. Treasurer or Chair is sufficient. Every effort should be made to obtain more than one quotation for the equipment. The purchase must be reported to the F. and G.P. as soon as possible.