FINANCIAL CONTROLS POLICY

Creative Makers CIC
Company Limited by Guarantee
Registered in England & Wales

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1. Purpose

The purpose of this policy is to ensure that Creative Makers CIC maintains robust financial management systems, safeguards charitable-style public funds appropriately, and operates with integrity, transparency and accountability.

As a Community Interest Company operating for community benefit and subject to the statutory asset lock, Creative Makers CIC recognises its responsibility to ensure that all income, grants, donations and trading revenue are applied solely in furtherance of its social purpose.

The Board of Directors retains ultimate responsibility for financial governance.

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2. Governance and Accountability

Financial oversight is a collective responsibility of the Board.

While operational financial management may be undertaken by designated directors, no single individual holds unrestricted financial control.

The Board ensures:

- Proper stewardship of funds
- Separation of duties where proportionate
- Oversight of related-party transactions
- Compliance with Companies Act 2006
- Accurate and timely reporting

Financial governance is reviewed quarterly at Board meetings.

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3. Banking Arrangements

Creative Makers CIC maintains a business bank account in the name of the Company.

The following controls apply:

- A minimum of two authorised signatories.
- Signatories must not be related individuals.
- Dual authorisation is required for payments over £500.
- Online banking access is restricted to authorised directors.

Bank mandates are reviewed annually.

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4. Authorisation of Expenditure

Spending authority is structured to ensure appropriate oversight and proportionality.

- Up to £500: Operational authority (within approved budget).
- £500–£2,500: Approval by two directors.
- Over £2,500: Full Board approval, formally minuted.

Any expenditure involving a related party requires approval by non-conflicted directors and must be recorded in the minutes.

No director may approve payment to themselves.

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5. Budgeting and Financial Planning

An annual budget is prepared and approved by the Board prior to the start of each financial year.

The budget includes:

- Projected income (grants, fees, trading)
- Operational expenditure
- Staffing costs
- Premises costs
- Contingency provision

Actual income and expenditure are reviewed quarterly against budget.

Material variances are discussed and recorded.

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6. Accounting Records

Creative Makers CIC maintains accurate and up-to-date financial records, including:

- Income and expenditure logs

- Invoices issued and received
- Bank reconciliation records
- Grant tracking schedules

Financial records are retained in accordance with statutory requirements.

The organisation engages an external accountant to:

- Prepare statutory accounts
- Provide year-end adjustments
- Ensure compliance with reporting requirements

Accounts are filed with Companies House and the CIC Regulator within statutory deadlines.

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7. Grant Management

Where the Company receives grant funding:

- Funds are ringfenced where required.
- Expenditure is tracked against grant conditions.
- Monitoring and reporting deadlines are recorded.
- Grant income is not used for unauthorised purposes.

Any variation from grant conditions requires funder approval.

The Board reviews grant compliance quarterly.

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8. Income Handling

All income received must be:

- Paid directly into the Company bank account.
- Supported by appropriate documentation (invoices, booking forms, grant letters).
- Recorded promptly in financial records.

Cash handling (where applicable) must be documented and counted by two individuals.

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9. Payroll and Payments to Directors

Where a director is remunerated for operational work:

- The arrangement is formally approved by non-conflicted directors.

- Payment terms are clearly defined.
- Payments are processed through appropriate payroll systems or invoicing procedures.
- The arrangement is disclosed in statutory accounts where required.

No director may authorise their own remuneration.

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10. Related-Party Transactions

Creative Makers CIC acknowledges the existence of related-party arrangements.

To manage risk:

- All related-party payments are declared.
- Independent directors approve such arrangements.
- Payments must represent fair market value.
- Benchmarking may be obtained where appropriate.
- All such arrangements are minuted.

Transparency in these matters is essential to maintaining funder confidence.

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11. Financial Risk Management

The Board identifies and monitors financial risks, including:

- Cash flow risk
- Over-reliance on single income streams
- Grant clawback risk
- Reputational risk
- Fraud risk

Mitigation strategies include:

- Maintaining a financial reserve where possible
- Diversifying income
- Regular reconciliation
- Segregation of duties

Financial risk is reviewed quarterly.

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12. Fraud Prevention

Creative Makers CIC adopts a zero-tolerance approach to fraud and financial misconduct.

Controls include:

- Dual authorisation of payments
- Transparent procurement processes
- Clear audit trail of transactions
- Independent oversight by external accountant

Suspected fraud will be investigated by the Board and may be reported to relevant authorities.

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13. Asset Protection

The Company ensures that all assets:

- Are used solely for the Company's purposes
- Are recorded appropriately
- Are protected against misuse

The statutory asset lock provisions are upheld at all times.

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14. Review of Policy

This Financial Controls Policy is reviewed annually by the Board and updated where necessary.

Signed on behalf of the Board: rknee

Chair
Date: _____01.01.2026____