

ERAUK

(A company limited by guarantee)

INTERNAL POLICIES, GUIDELINES AND PROCEDURES

The Board of Trustees has agreed and approved the internal policies, practices and procedures. This internal document will be used in conjunction with the Memorandum and Articles of Association, which will guide operations and lay out how the organisation uses and manages all of its operations, including management and control of its funds, grants and accounts. These internal operational policies and procedures bring all the documents together and will be reviewed as regularly as appropriate. It aims to establish management and control systems within the organisation that ensure accuracy, efficiency, transparency and accountability.

The Eritrean Relief Association in the United Kingdom (ERAUK) has been registered as a UK charity and constituted as a company, limited by guarantee, since 1988. ERAUK has been operating and providing services as an unincorporated association since 1982, when it was founded. It is governed by a Memorandum of Articles of Association, and the Board of Trustees is responsible for setting the strategic direction of the organisation for establishing policy. The Trustees are appointed by the Board on the recommendation of other Directors.

ERAUK remains committed to working to meet the needs of vulnerable sectors of our society in Eritrea in compliance with its mandate to alleviate poverty and increase education. 95% of all funds raised go directly to target projects.

ERAUK is developing its community support work here in the UK. It will build on the support provided to students and community members to progress their careers and provide the opportunity for employment and further education. We aim to start a capacity-building programme for our volunteers and supporters.

THE BOARD OF TRUSTEES AND MANAGEMENT COMMITTEE

The Governing body of ERAUK is the “Board of Trustees” or sometimes also referred to as the “Management Committee”. The Board is responsible for ALL activities and day-to-day running of the charity, including the management and control of finance and that the company maintains proper accounting records and prepares accounts which give a true and fair view and have been prepared in accordance with the Act.

Directors and Trustees are also responsible for determining whether, in respect of the year, the company needs the conditions for exemption from an audit of the accounts set out in section 249A of the Act, and for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in section 249B.

The Board appoints and delegates the day-to-day running of the charity to the Executive Committee comprising Chairperson, Secretary and Honorary Treasurer.

Role of Board of Trustees/Directors

The management committee or the board is responsible for:

- Approving the budget for the year.
- Approving signatories to the bank accounts including on-line banking.
- Receiving reports from the Executive Committee on areas of concern.
- Approving exceptional items of expenditure.
- Monitoring the financial position based on monthly reports, with advice from the Honorary Treasurer.
- Approving the annual accounts, reports and appointment of reporting accountant.

Role of the Honorary Treasurer (HT)

The Honorary Treasurer works in close co-operation with, and provides support and advice to, the Chairperson. Specific responsibilities include:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of the organisation's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of the organisation meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able to assure the Board of the organisation's financial integrity.
- Ensure that the accounts are properly assessed/examined by the appointed reporting accountant, that accepted recommendations of the accountant are implemented, and meet the external reporting accountant at least once a year.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor charity's investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities.

Role and Responsibilities of Reporting Accountant

The Reporting Accountant shall plan his work on the basis that a report for the purpose(s) of section 249A(2) is required for the year, unless informed in writing that either:

- the company requires an audit of the accounts; or
- the company requires neither an audit nor such a report.

As Reporting Accountant, he has a statutory responsibility to report to the Board or Management Committee whether in his opinion:

- the account is in agreement with the accounting records kept by the company under section 221 of the Act; and
- having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, so far as they are applicable to the company.

The Reporting Accountant also has a statutory responsibility to state that, having regard only to, and on the basis of, the information contained in the accounting records kept by the company under section 221, in our opinion the company satisfied the conditions for exemption from an audit of the accounts specified in section 249A(4) of the Act and did not, at any time within the year, fall within any of the categories, specified in section 249B(1), of companies not entitled to the exemption.

FINANCIAL AND MANAGEMENT CONTROLS

ERA UK endeavours to be an effective charity accountable to the public and others with an interest in the charity (stakeholders) in a way that is transparent and understandable. It has the financial and other resources needed to deliver its purposes and mission, and controls and uses them to achieve its full potential. It is, thus, fit for purpose.

In order to demonstrate this, ERAUK:

- complies with its legal obligations (and best practice), as set out in the Statement of Recommended Practice (SORP), to produce annual accounts and a report which includes an explanation of what the charity has done for the public benefit during the year;
- explains in its Annual Report the extent to which it has achieved its charitable purpose(s) in a way that people with an interest in the charity can understand;
- has well-publicised, effective and timely procedures for dealing with complaints about the charity and its activities. These should explain how complaints and appeals can be made, and give details of the process and likely timescales of outcome.
- can show how it involves partners, volunteers, community groups and service users in the development and improvement of its services; the contribution may have been by way of the appointment of supporters and volunteers as trustees or their involvement through discussion, consultation or support group input;
- has a communications plan which ensures that accurate and timely information is given to everyone with an interest in its charity work, including the community, groups and individual donors, partners and supporters.
- has policies to control and manage its resources, funds and reserves, taking professional advice where needed
- integrates financial planning with wider organisational planning and management, ensuring that funds are available when the charity needs them and are used most effectively to the benefit of the charity
- ensures financial sustainability by managing cash flow and monitoring and reviewing financial performance during the year, taking timely corrective action where needed
- considers the sources of its income and has a strategy in place to raise the funds it needs - diversifying its sources of income as far as possible;
- reviews its fundraising strategies and activities to ensure that they comply with good-practice standards, taking account of any relevant ethical issues;
- is aware of the financial risks involved with existing and new ventures and manages the risk of loss, waste and fraud by having robust financial controls and procedures in place
- structures the charity's activities in a tax-efficient way and maximises its resources by claiming and publicising the advantages of Gift Aid and other benefits from trading activities

This internal guideline, procedure and standing orders should be reviewed annually 06.12.2011
updated 12/09/2025

- prepares its Annual Report and accounts in accordance with good practice requirements, and fulfils the legal requirements for filing in a timely fashion.

ACCOUNTING POLICIES AND PROCEDURES

a) Basis of accounting

The annual accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities (the Charities SORP) as revised in October 2000

b) Grants

Grants are recognised in the Statement of Financial Activities (SOFA) on an accruals basis following the satisfaction of any preconditions

c) Donations, fundraising and gifts

Donations, gifts and fundraising are recognised in the accounts on a received basis. Gifts in kind are valued at their value to the charitable company

d) Other income

Sundry income is recognised in the financial statements when receivable

e) Expenditure

Expenditure on Overseas projects is recognised at the time of payment
All other expenditure is recognised on an accruals basis

f) Taxation

No provision for taxation is included in the accounts as the charitable company is entitled to exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988, fittings which exceed £100 are capitalised

g) Cashflow

The charitable company qualifies as a small company and, therefore in accordance with FRS1, no cashflow statement is required

h) Restricted fund

The restricted fund of the charitable company was income from a sponsorship run and other specific fundraising events. The funds are being used to support the HIV and children programme, including children with learning disability such as autism spectrum, and include the provision of infant and toddler powdered milk, videos and easy-read books

i) Reserve policy

The Trustees/Directors agree to designate a specific amount of funds every year for projects that meet its objectives from its unrestricted funds. It will also make sure that it only spends the funds which have been raised for a specific purpose and classified as restricted funds. The designated funds and restricted funds will be published in its annual report.

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j) Risk Management

The Trustees regularly review the risks which their charity organisation could be subjected to and take the necessary steps to mitigate such eventualities.

Ordering supplies and services

Lead directors or fund holders should be aware that expenditure is committed when an order is placed on behalf of the ORGANISATION, not when the cheque is requested. Therefore, it is important that all orders are placed properly and are within agreed budgets and delegated powers.

Budget holders can place orders for goods or services within their budget areas, subject only to cash-flow restraints. All orders of £1,000 or more must be authorised by the budget holder, except for specific areas of expenditure where written procedures have been agreed (e.g. book printing). Under £1,000, the budget holder may delegate all ordering as appropriate. Budget holders will discuss with the Honorary Treasurer appropriate parameters, plus maximum allowed deviations, before the budget holder or lead director is brought in, which will be documented.

Orders of £1,000 or more must be placed in writing. Orders under £1,000 but over £100 should be in writing where practical. Each Department will devise appropriate ways of keeping records of such orders, which will be contained in an Appendix. Suppliers must be requested to produce invoices. If payment is needed on or before delivery or no credit is given, a 'pro-forma' should be provided.

While claims for small items of expenditure may be made via petty cash (see section below), adequate supporting documentation, preferably receipts, must be obtained. Large items requiring cash payment must be checked with HT before the arrangement is confirmed.

Payment authorisation and Purchase Ledger

All invoices must be authorised for payment by the budget holder or project lead director, although the actual checking of details may be delegated. The authorising officer is responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, that the services or goods have been received, and following up any problems. Honorary Treasurer must be informed if there are queries delaying authorisation or if payment is to be withheld for any reason.

A Purchase Ledger is operated by the Treasurer. All incoming invoices are to be passed to Treasurer as soon as they arrive. Invoices will be recorded on to the Purchase Ledger within two days, unless there are coding problems. They are then passed on to budget holders/chairperson for authorisation. Once authorised as above, suppliers will be paid within the appropriate timescale. This is generally 14 days of invoice date for NICE PEOPLE, 30 days for others, unless there are exceptional cash-flow difficulties or specific supplier arrangements. The latter must be communicated by budget holders to Treasurer, who will inform them of any difficulties in meeting these.

Payments and on-line/telephone banking

Two signatories will be drawn from Executive Officers of the Board of Trustees, namely Chair or Company Secretary and Honorary Treasurer, and any new signatory must be approved by the Trustees before the bank is notified. All cheques require two signatories. Cheque signatories should check that the expenditure has been authorised by the appropriate project lead director or budget holder before signing the cheque.

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Signatories will not sign cheques which are payable to themselves, or blank cheques. Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed.

The day-to-day limit on encashment of cheques is £250. However, where a larger cash float is required (for a major event for example) this may be approved by the Honorary Treasurer with the lead Director.

The Honorary Treasurer and Chairperson are authorised by the Board to process on-line and telephone banking. The lead project officer or budget holder will request payment. On line payment will only be authorised if the providers of services or goods ask for very urgent payment and don't accept cheque payment. The payment will be authorised by the Chairperson and processed by the Honorary Treasurer.

An automatic sweep arrangement between current and reserve accounts is operated. These arrangements are subject to review, in the light of what is most advantageous in terms of cost and service. All changes are to be authorised by the Trustees.

All income will be paid into the current accounts as soon as possible, not less than once a week. The makeup of each banking will be clearly recorded, for later computer entry.

Handling of cash

Petty cash will be topped up on the QuickBooks system, where the amount spent is reimbursed. It is intended for small items, up to £20. Anything over this should be paid by cheque where possible. The cash book has a balance limit of £50. The petty cash balance will be reconciled when re-storing the quick book balance, or monthly if this is more frequent.

All cash collected from shops and tins will be signed for, and receipts will be issued for all cash returned. The person signing for the float is responsible for ensuring cash and receipts are returned as soon as possible after the event etc. No further floats may be issued to that person, unless the previous float has been accounted for.

Any cash income will be banked, and must not be used for petty cash expenditure. Such cash will be passed to Treasurer:

Cash will be kept in locked metal cabinets wherever possible. Appropriate arrangements will be made for full security.

Books of account and records

Proper accounting records will be kept. The accounts system is based around computer facilities, using QuickBooks and Excel, but manual/paper records will also be used if appropriate.

At a minimum, the following records will be kept:

- Appropriate control accounts (i.e. bank control, petty cash control).
- Monthly trial balances.

Petty cash and bank accounts will be reconciled at least monthly, Gift Aid claim returns to HMRC should be produced on the required quarterly or annual cycle.

All vouchers entered into the computer system will be clearly initialled by the person entering it, along with date and accounts reference. All income/expenditure information will

be recorded within three days. All corrections and adjustments will be clearly noted in written 'Journal' giving reasons for them, with supporting documentation where available. Purchase Ledger, other cheque payments and banking sheets will be filed in the appropriate reference order, with any supporting documentation. All petty cash vouchers, cheque stubs etc. will be retained for audit and for statutory purposes thereafter. All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the trustees) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal.

Budget setting

Annual income and expenditure budgets will be prepared in time for final approval by the Board of Trustees in December, before the start of the financial year under consideration. Project budgets are prepared by the lead directors, working with the HT. Contingency and Administrative budgets are prepared by the HT in consultation with the Directors. The Honorary Treasurer will prepare and present recommendation of designated funds from unrestricted funds to the Board of Trustees for approval. The approved budget will be used as a base to construct a cash-flow forecast for the year, which will be updated quarterly.

Credit Cards

One member of the Executive Committee will hold a "corporate" credit card. The card can then be used by the holder for buying books, travel expenses, office or other supplies, in a way which avoids putting them on their own cards and claiming. The registered address for the credit card should be ERAUK Office.

The Treasurer should receive the monthly statements. The maximum credit limit should not be more than £1500.

EQUALITY & DIVERSITY

The management committee/board ensures that it upholds and applies the principles of equality and diversity and that the organisation is fair and open to all sections of the community in all of its activities.

This means in practice that the management committee needs to ensure that equal opportunities and diversity principles are applied in all areas of the organisations work. The only variation to this principle may be where an organisation is set up to serve one particular section of the community e.g. women or young people. In these contexts an approach based wholly on equal opportunities and diversity may not be possible. The principles may need to be adapted to ensure the service is provided appropriately and as far as possible within the context of equal opportunities and diversity. In general, management committees need to ensure that equal opportunities and diversity are promoted and upheld in all aspects of the organisation's work. The management committee is also responsible for ensuring that the organisation complies with all relevant legislation in relation to employment or the provision of goods and services.

Key areas for consideration are:

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- The identification and assessment of needs to be met;
- allocation of resources, making of grants and provision of services;
- membership of the Board and any sub-committees reflect the gender, ethnicity and disability of the community we serve
- volunteer recruitment, selection, training and conditions of service;
- communication with stakeholders and the public;
- accessibility of meetings and communications; and
- the buying of goods and services.

(Taken from Good Governance: a Code for the Voluntary and Community Sector in England and Wales)

Health and Safety Regulations

ERAUK does not have full time employees but have volunteers and Directors/Trustees. However, the Board makes sure that the workplace is safe and suitable for the tasks being carried out there, and that it does not present risks to volunteers, visitors and others.

These cover all aspects of the working environment, including:

- maintenance of the workplace, equipment, devices and systems
- ventilation
- temperature in indoor workplaces
- lighting
- cleanliness and waste materials
- room dimensions and space
- work stations and seating
- condition of floors and traffic routes
- falls or falling objects
- windows and transparent or translucent doors, gates and walls
- windows, skylights and ventilators

ERAUK
Board of Trustees and Directors
06/12/2011 (approved)
12/09/2025 (updated)