

# Finance Policy

Updated March 2026  
Next review due March 2027

## 1. Purpose and Scope

This policy covers all financial transactions carried out by, for and on behalf of Kinetika People and Kinetika Design Studio (hereby referred to as the 'organisation') by all/any authorised persons.

This policy covers the organisation's financial affairs including:

- Delegation of Financial Responsibility
- Reserves Policy
- Accounting Records
- Banking
- Income
- Expenditure
- Approval and Budget Monitoring

## 2. Delegation of Financial Responsibility

As Trustees of the Charity Kinetika People, the Board must properly supervise their resources and satisfy themselves that they have:

- Realistic funding plans and strategies.
- Effective management controls and systems.
- Planned for their charity's assets and resources to be used in the best possible way for their beneficiaries.

The Charity Commission's guidance '[The essential trustee](#)' outlines the elements most relevant to financial management, which include:

- Acting in the interests of the charity and its beneficiaries and its charitable aims.
- Managing the charities resources responsibly.
- Acting with reasonable care and skill.
- Ensuring the charity is accountable.

The Board achieve this by:

- Approving an annual budget prior to the start of each financial year.
- Reviewing and discussing the regular financial management reports to the Board with cash flow statements.
- Appointing an external auditor or independent examiner as appropriate.
- Formally agreeing and approving the annual accounts.

- Contributing to the Trustee Annual Report.
- Agreeing and reviewing the Reserves Policy.
- Approving the organisation’s signatories and authorisation limits.

As Directors of the Private Limited Company Kinetika People, the Board are also legally responsible for overseeing the company and ensuring information including the confirmation statement and annual accounts are submitted accurately and on time.

The Artistic Director is responsible for:

- Ensuring the legal responsibilities for the Kinetika Design Studio are met, which includes ensuring the confirmation statement and annual accounts are submitted accurately and on time.
- Ensuring an annual budget is prepared for Kinetika People for approval by the Board.
- Ensuring the Financial Controls policy is adhered to by the team and suggesting improvements as necessary.
- Maintaining a financial oversight of the organisation by working with the Operations Director to review income and expenditure.

The Operations Director is responsible for:

- Ensuring that this policy is reviewed on regular basis to continue to meet the needs of the organisation.
- Ensuring the policy is implemented and improvements made to internal controls as and when necessary.
- Preparing an appropriate budget for submission to the Board for consideration and approval.
- The day-to-day financial management of both companies and working with the Artistic Director and Project Managers to maintain a financial overview.
- Producing and presenting regular financial management reports to the Board with cash flow statements.
- Working with the appointed accountants to arrange the preparation of the organisation’s annual accounts and independent inspection.

Project Managers are responsible for:

- Managing and administering project budgets using the current and given methodology. This includes reporting overall spend, ensuring income is received and proposing revisions to the budgets as necessary in consultation with the Operations Director and Artistic Director.

The organisation’s signatories are:

Position	Name	Kinetika People		Kinetika Design Studio	
		Signatory	Online Access	Signatory	Online Access
Chair of Trustees	Tony Witton	✓			
Artistic Director	Ali Pretty	✓	✓	✓	
Treasurer	Martin Tyson	✓	✓	✓	✓
Operations Director	Donna Plakhtienko	✓	✓	✓	✓

### **3. Reserves Policy**

The Board believe it is prudent to ensure that the organisation maintains sufficient unrestricted funds to protect the charity from future challenges and changes in economic circumstances to ensure a continuity of service to beneficiaries.

We recognise that reserves are a strategic resource to be actively utilised. As the organisation approaches its anniversary year and prepares for the launch of its fellowship programme, a planned and purposeful use of reserves will support these key developments while maintaining financial stability.

A minimum level of unrestricted reserves equivalent to at least three months of operating costs is considered appropriate. This level is reviewed periodically by the Board to ensure it reflects current financial needs and the wider economic climate.

Reserves are held in an account that maximises potential income while ensuring accessibility for their intended purpose, such as the CAF Reserve account.

### **4. Accounting Records**

The organisation's accounting records include:

- The Profit and Loss statement detailing entries showing all money received and expended
- The Balance Sheet demonstrating a record of the assets and liabilities of the company

Accounting records are held at our registered office address and are always open to inspection by the company's officers. Accounting records are held for 6 years in line with the current guidance.

The organisation's financial year is a 12-month period commencing on 1<sup>st</sup> April.

Both Kinetika People and Kinetika Design Studio are private limited companies and therefore accounts are filed at Companies House within 9 months of the financial year end (by 31<sup>st</sup> December).

As a charitable company the accounts for Kinetika People are prepared on an accrual basis and in line with SORP regulations. The accounts are submitted to the Charity Commission within 10 months of the financial year end (by 31<sup>st</sup> January) alongside the trustee's annual report. Current requirements for the preparation of accounts and their examination/audit will be obtained from the Charity Commission website.

An independent examination of the accounts for the organisation is carried out annually. The trustees have appointed Armstrong and Co to undertake this in the current financial year.

The financial records have been digitised since 2023/24. Files relating to years 2019/20 through to 2022/23 are held in storage in 002.

### **Corporation Tax**

The organisation's accountants, Armstrong and Co, undertake responsibility for advising on Corporation Tax matters and the required returns.

## VAT

Both Kinetika People and Kinetika Design Studio are VAT registered. The Operations Director ensures that, where appropriate, VAT is accounted for on income and recovered on purchases.

Quarterly VAT returns are completed by the Operations Director and direct debit arrangements are in place to make payment and recoup VAT as appropriate.

## 5. Banking

Bank accounts will be held in the name of the respective organisations and the following account(s) are currently maintained:

Kinetika People	CAF Cash Account (40-52-40, Acc no. 00033215) CAF Gold Account (40-52-40, Acc no. 00099986)
Kinetika Design Studio	Metro Current Account (23-05-80, Acc no. 19184595) Metro Deposit Account (23-05-80, Acc no. 19184609)

The organisation is committed to ethical financial practices and will prioritise banking with institutions that align with its values of social responsibility and sustainability. Additionally, any investments made by the organisation will be evaluated to ensure they reflect the organisation's mission and do not conflict with its commitment to ethical and socially responsible principles.

Online account access is jointly managed by the Treasurer and Operations Director, ensuring secure and controlled usage. Password sharing is strictly prohibited, and two-factor authentication is required for all logins. Access rights are reviewed and promptly updated when roles change to maintain security and compliance.

The Operations Director reconciles all bank accounts with the organisation's records monthly and reports to the Board quarterly on the status of accounts.

The names of authorised people who can sign cheques or authorise electronic payments on the organisation's behalf are approved by the Board and regularly reviewed.

## 6. Income

All income from grants, contracts and other activities is overseen by the Operations Director who agrees payment arrangements as appropriate.

All invoices raised by the organisation are due within 28 days and late payment will initially be chased once they are 7 days overdue. If payment is not received after this time, the Operations Director will discuss the matter with the Artistic Director and Board to discuss a resolution.

All monies received are recorded in the accounting records and banked without delay. The organisation keeps records of all transactions.

## 7. Expenditure

All expenditure will be an effective use of resources and follow any requirements relating to the funding. To ensure value for money, the following procedures will apply for all purchases of goods made:

<b>Value of Goods</b>	<b>Quotations</b>	<b>Authorisation</b>
Up to £1,000	At least one quote/price comparison will be obtained	Approval by Operations Director
£1,000 - £10,000	Competitive quotes/price comparison will be sought	Requires the dual authorisation of the Operations Director and Artistic Director, or a Board member in their absence.
£10,000 +	Three quotations will be sought	Requires the approval of the Board.

### **Services/Freelancer Engagement**

The provision of services, including freelancer agreements, will be subject to fair and transparent appointment processes when exceeding the value of £5,000. Where a recruitment process is not necessary or appropriate i.e. if a prompt appointment is necessary to deliver on outputs or a previously appointed candidate is deemed suitable for the role, appointment is subject to the discretion of the board and the Artistic Director.

### **Supplier Invoices**

All invoices will be paid within 28 days of receipt. We will endeavour to pay freelancer invoices within 14 days. All invoices must be the original invoice (i.e. not a supplier statement or final demand) and will be retained and filed both electronically in the finance system (Xero) and in hard copy.

### **Payments**

The primary method of making payments is via BACs transfer. In the case of Kinetika People, this process requires dual authorisation for payments to be released.

In the event this method isn't suitable, the following methods are in place:

- We operate PayPal accounts for both Kinetika People and Kinetika Design Studio to receive payments and make online purchases with payment protection.
- A Wise Account is in place to be able to make international payments.
- A CAF Bank Credit Card is issued to the Operations Director to be used in the event the standard purchasing procedure is not possible. A number of monthly subscription payments are linked to this card including payments to Xero, Amazon, MailChimp, Vercel, Vimeo and IONOS.
- Soldo cards have been issued to named freelancers, and the 'Finance Policy for Pre-paid Cards' outlines the use and management of making legitimate business-related purchases.
- We operate a Petty Cash system for reimbursement of small expenses or if a cash advance is necessary. The Operations Director is responsible for managing petty cash, which can be withdrawn directly from the organisation's bank account. Petty cash transactions must be logged with supporting receipts and reconciled monthly in the same manner as other bank accounts, ensuring accurate records and accountability.

- Cheques are very rarely used as a method of payment, but if considered to be the only acceptable form of payment, two signatories will be required. Additional bank charges do now apply for clearance of cheques. The Operations Director keeps the organisation's cheque books and holds these securely.

For all methods of payments, the same record-keeping and reconciliation methods apply.

## **8. Approval and Budget Monitoring**

Each project has its own budget tracker to monitor spending independently from other funds. All committed and actual expenditures are recorded, allowing the Project Manager to oversee daily transactions within the agreed parameters.

Invoices are reviewed and approved by the Project Manager, with appropriate budget codes assigned. This approval is stored electronically alongside the invoice.

Monthly, after bank reconciliations are completed, expenditure reports are generated from the Finance System and shared with Project Managers to compare against their budget trackers.

Management Accounts are produced monthly, and reviewed quarterly by the Board, along with the cash flow. Our Treasurer provides ongoing support for all financial related issues and approves all bank transactions.