



POLICY ON RECEIVING FUNDS

KARE POLICY DOCUMENT				
<i>Policy Owner: Finance Manager</i>				
<i>Rev. No.</i>	<i>Approved by OMT</i>	<i>Approved by KARE Board</i>	<i>Launched Heads of Units</i>	<i>Operational Period</i>
Rev. 1	January 2013	February 2013	February 2013	Feb 2013 – June 2017
Rev. 2	May 2017	June 2017	July 2017	July 2017 -

Section A: Policy

1 Background to this Policy

KARE is committed to securing and managing funds for its operations in the most transparent and efficient way. Financial policies are designed in line with the organisations Strategic Plans to ensure that the amounts of funds secured and expended are for the delivery and development of services and improvements to them.

Funds are received from numerous sources and there is a need for a Policy to outline the basic rules under which it will secure and manage funds.

2 Aim of this Policy

The aim of the policy is to outline the basis under which KARE will manage its incoming funds.

3 Scope of this Policy

This policy relates to the legal entity known as KARE, Promoting Inclusion for people with Intellectual Disabilities (KARE) a company limited by guarantee.

The terms finances and funds relate to all types and sources of income that KARE receives in order to carry out its business of delivering services to people with an Intellectual Disability.

4 Details of this Policy

The Process in section 5 of this document outlines the broad steps involved in receiving funds. This section will list out the main areas of receiving funds and the overarching policies that apply.

4.1 Likely Funding Sources identified through Planning

- 4.1.1 During Organisational Planning sources of funding will be identified, or confirmed if they are existing sources.
- 4.1.2 New activities should have the source of funding clearly identified.
- 4.1.3 Activities should not be included in planning where it cannot be reasonably ascertained that they will be funded adequately.
- 4.1.4 Once identified all funding sources should be budgeted to facilitate completion of the Planning Process
- 4.1.5 All new funding sources should be approved by the Strategic Planning Group and, where appropriate, should be approved by the Board (e.g. charging or requesting contributions from Service Users or their families).
- 4.1.6 An appropriate staff member should be appointed as the responsible person (Owner) for that stream of funding.

4.2 Apply for / Negotiate for each relevant funding source

- 4.2.1 Where funding is in the form of a Grant or Allocation towards the organisations core business, written agreement on the level of funding and the use for the funding must

- be in place. Where practical a Service Level Agreement or Contract should be in place.
- 4.2.2 Funding through charges or contributions should be agreed at Board Level and minuted.
 - 4.2.3 Funding of a Capital nature should have a written agreement in place, clearly stating the amount and the purpose of the funding and identifying any financial charge or mortgage that will apply to the Assets of the organisation and the term of such charge.
 - 4.2.4 Where the funding is from fundraising activities from Branch Funding, it should be minuted at a Board meeting and the level and use of such funding clearly stated.
 - 4.2.5 All applications for funding should be in line with the guidelines laid out by the relevant funder.
 - 4.2.6 There should be clearly defined and documented roles and responsibilities with regard to each source of funding. The “Owner” should agree and follow necessary processes and procedures to ensure management of the funds received.
 - 4.2.7 Up to date copies of all applications should be furnished to the Accounts department for filing.
 - 4.2.8 The funding “Owner” should agree the drawdown rules that apply to the funds being received from the governing body with the Accounts department.
 - 4.2.9 Any changes or alterations to the funding should be notified immediately to the Accounts department and necessary processes/procedures/documentation should be updated and filed.

4.3 Drawing down the Funds

- 4.3.1 A schedule of the expected funding and the relevant entries necessary will be kept by the Accounts department. The “Owner” will inform the Accounts department of any changes to the expected funding.
- 4.3.2 The “Owner” will ensure that all relevant information is furnished to the Accounts department by the agreed deadlines each period.
- 4.3.3 The “Owner” will ensure that the relevant information required for drawing down funds is furnished to the funder in a manner which facilitates timely receipt of outstanding funds.
- 4.3.4 Where discrepancies occur the “Owner” is responsible to work with the Accounts department and the funder to resolve them.
- 4.3.5 Cash received in Units should be lodged to the KARE’s bank account by the unit. The “Owner” should ensure that units are aware of any funding that they will be required to collect/lodge and ensure the units have all relevant details necessary to complete unit lodgements.

4.1 Miscellaneous Funding Policies - Charges/ Contributions

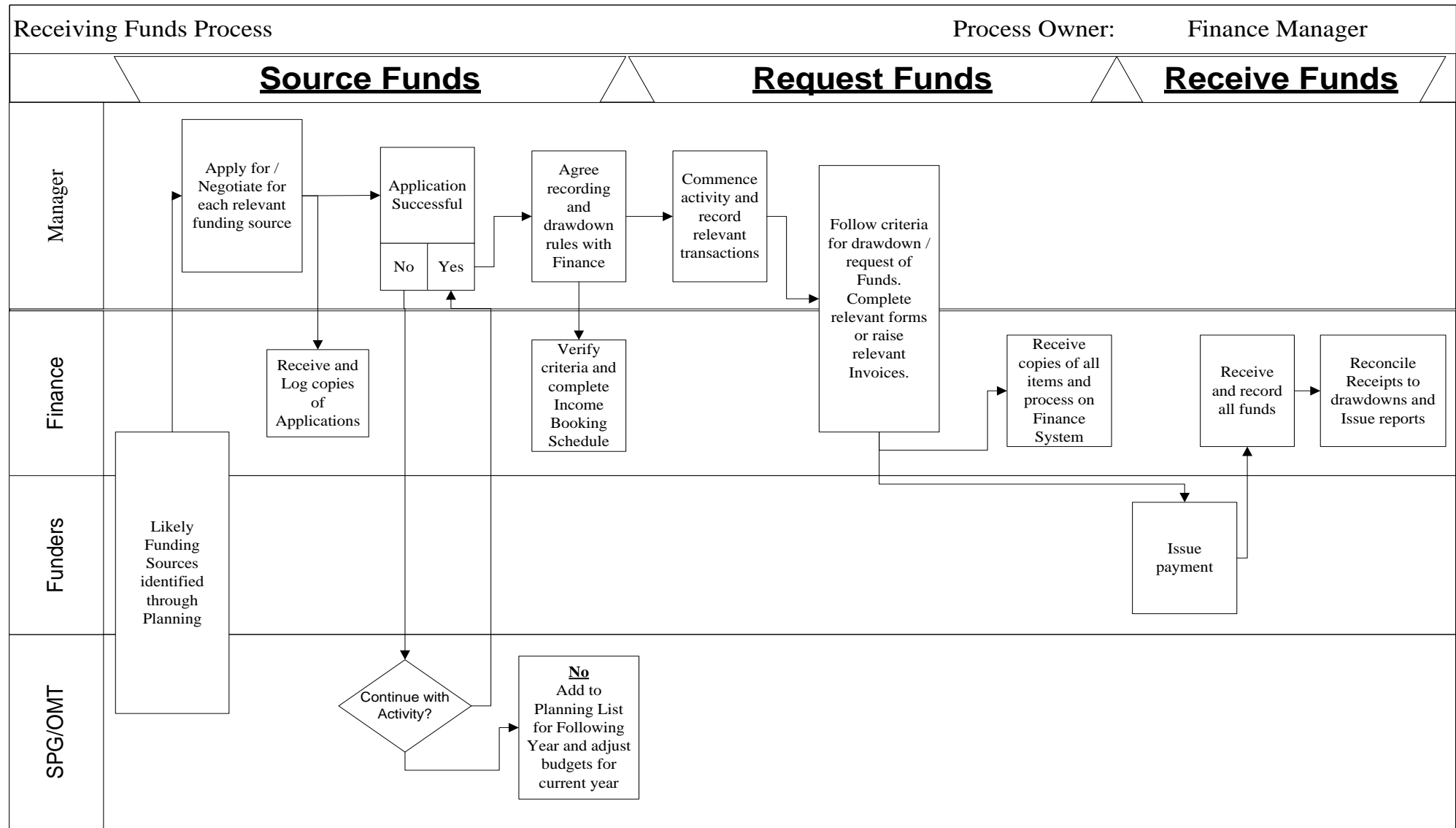
4.1.1 All Service Users impacted by contributions or charges should be informed, through the appropriate method, of the contribution/charge being sought and the amounts so as to ensure everything is fully explained.

Introduction of Residential Support Services Maintenance and Accommodation Contributions (RSSMACs) were signed into law in July 2013 and November 2014 respectively. The regulations applicable to RSSMACs were operationalised on the 1st January 2017.

4.1.2 KARE will operate RSSMACs in line with relevant regulations for those individuals it applies to.

4.1.3 Each KARE location that provides services where RSSMACs are applicable will keep a record of attendance. KARE will then Invoice and collect the relevant amounts from those individuals.

Section B: Process



Section C: Procedure

There are multiple procedures to be followed in order to complete the process of receiving funds. The procedures differ for each type of funding being received so below is a generic procedure to guide you in Receiving Funds.

The Accounts department has more specific procedures for each type of funding and you should liaise with them in order to ensure you follow the correct procedure.

1 Likely Funding Sources identified through Planning

- 1.1 Once existing funding sources are confirmed or new funding sources are identified they should be reviewed during the Planning Process to identify expected Income levels.
- 1.2 At this point an “Owner” should be appointed who is going to be responsible for securing the relevant funding.
- 1.3 In each instance it is important that the expected Income has been identified and that relevant coding and referencing has been agreed, so that the Income stream can be recognised in the accounts.

2 Apply for / Negotiate for each relevant funding source

- 2.1 For different types and levels of funding there are always rules associated with them. Some of these can be less formal than others but in all cases the “Owner” must seek to ensure there are written rules to guide us in the management of that funding stream. Where a complex arrangement is in place the Owner should summarise the key rules for the benefit of other staff including the Accounts department.
- 2.2 Armed with the rules the Owner should initiate negotiations with the funder. The Owner should not wait for the funder to make contact as KARE could end up at a loss if deadlines pass and no discussion takes place.
- 2.3 Notes or minutes should be taken for the benefit of others not directly involved in the negotiation process, in order to ensure that everyone involved is kept up to date.
- 2.4 When agreement is reached this should be documented and signed by both parties. This should be kept on file with a copy on file in the Accounts department.
- 2.5 With more formal SLAs there will be documentation available but not always, so the Owner must ensure that they have organised adequate written confirmation of the agreement.
- 2.6 The Owner should also ensure that there is enough detail available to ensure that the Income can be broken down to the relevant level of accounting (splits, income codes, project codes, Unit Codes, Service Users Codes etc.).
- 2.7 At this point the Owner should identify any potential reporting/control requirements that will be necessary as this could inform how the funds will be collected and reported.
- 2.8 Funding of a Capital nature should have a written agreement in place clearly stating the amount and the purpose of the funding and identifying any financial charge or mortgage that will apply to the Assets of the organisation and the term of such charge.
- 2.9 All applications for funding should be in line with the guidelines laid out by the relevant funder. All “application forms” submitted to funders must be copied to the Accounts department for filing.

- 2.10 Any changes or alterations to the funding should be notified immediately to the Accounts department and necessary processes/procedures/documentation should be updated and filed.

3 Application successful – No

- 3.1 Where the application is unsuccessful the SPG should be informed and they will decide on the following:
 - 3.1.1 Do we continue with the activity in the absence of funding? If the answer is to go ahead then the SPG must minute this decision and it is no longer within the Receiving Funds Process.
 - 3.1.2 Do we seek another source of funding? If the answer is yes then a new source should be sought and then the procedure starts again.
 - 3.1.3 Do we put it back on the planning list for next year? If the answer to this is yes then it should cease now and be put back on the Planning List for the following year. It would be wise to start seeking the alternative source of funds at this stage to give it a good chance of happening the next year.

4 Application successful – Yes

- 4.1 If the Application is successful then the Owner must ensure that all relevant documentation is checked and on file in Accounts to facilitate accurate recording.
- 4.2 The Owner should seek to get the agreement documented and signed to avoid any confusion or difficulties in accessing the Funds.

5 Agree Recording and Drawdown rules with Finance

- 5.1 Any specific needs of the Owner, the Funder or the Accounts department should be agreed now so that record keeping can begin and be kept up to date.
- 5.2 The Owner must make sure that all staff involved are clear on how they will operate the mechanisms necessary for the funding to be received.
- 5.3 Where possible the Accounts department will agree the expected incomes with the Owner and enter onto the Income Booking Schedule. If amounts are not available a reference to how the amounts are arrived at will be entered.
- 5.4 Any new procedures necessary will be produced at this time and the Owner will organise training for the relevant staff with the assistance of the Accounts Department.

6 Commence activity and record relevant transactions

- 6.1 At this point the relevant procedures will diverge depending on the Income Stream amount/level. The detailed procedures should be agreed between the Owner and the Accounts Department.

7 Follow criteria for drawdown /request of Funds

- 7.1 In some of the above procedures we are simply recording what is due to us based on the agreements with the Funder.
- 7.2 The "Owner" must ensure that the relevant information required for drawing down funds is furnished to the Funder in a manner which facilitates timely receipt of outstanding Funds.
- 7.3 In some cases the Accounts department can request the funds directly. In these cases the Owner must ensure that the Accounts department has the relevant information necessary to draw the funds down.
- 7.4 In some cases monies will be handed directly in to a unit in cash. In these cases the Unit Lodgement procedure should be followed and the unit should lodge the cash into KARE's bank Account.

8 Receive copies of all items and process on Finance System

- 8.1 The Accounts department will receive and process each relevant document from each of the procedures in Section 6 above.
- 8.2 Where applicable the Income will be recorded against that Funder as "payable" (i.e. that they owe it to us) based on the information received from the respective owners. This is done in a Debtors Account.

9 Receive and Record all Funds

- 9.1 Monies received as a result of section 7 above will be recorded by the Accounts department against the relevant Debtor and Income Code.

10 Reconcile Receipts to drawdowns and Issue reports

- 10.1 Only when we have actually received the Funds will the Funders Debtor Account be cleared.
- 10.2 The Accounts department will follow up the Funders, where possible, to ensure receipt of outstanding Funds. It remains the Owners responsibility to ensure the Funder pays.
- 10.3 The Accounts Department will reconcile monies received from relevant Funders where applicable with reference to the documentation supplied by the Owner.
- 10.4 Where discrepancies occur the "Owner" is responsible to work with the Accounts department and the Funder to resolve them.