



YMCA **Wales** Community College



Financial Policy





YMCA Wales Community College's (the College) financial policy focuses on the following:

Financial Planning

The College's Strategic, Operational and Programme Development Plans relate clearly to the financial forecasts and commentary.

Financial planning is fully integrated within the College's planning cycle as indicated in the Planning Framework Policy and Financial Monitoring Control and Procurement Policy

Financial Reporting

All reports are produced to ensure effective monitoring and control of all aspects of the College's finances and reflect the requirements of the Financial Monitoring Control and Procurement Policy.

Three year financial forecasts are produced annually and presented to the Governing Body for approval prior to submission to the Welsh Assembly Government (WAG).

A mid-year financial return is produced giving an update forecast of the current year and presented to the Governing Body for approval prior to submission to WAG.

An end of year financial return is produced and presented to the Governing Body for approval prior to submission to WAG.

A 12 month forecast cashflow statement is produced as part of the annual budgeting process.

Monthly cashflow statements are produced alongside a rolling 12 month cashflow forecast. These are reviewed by the Head of College monthly and by the Governing Body termly.

Annual accounts are prepared by an external accountant and presented to the Governing Body at the Annual General Meeting.

Diversification of Funding Streams

The College acknowledges its high dependency on government funding.

The College seeks to raise the level of non-government funding by 1% per year through contracts with small organisations to manage their accreditation processes.

Cash Management Processes

The College operates a sweep system between its Current Account and its Business Premium Account ensuring that opportunities to earn interest are maximised.

At the end of each academic year any surplus above 5% of annual operating costs is transferred into the College's reserves.

Investment and borrowing

The College invests its reserves in bank deposit accounts over the short term negotiating the best market return rate.

The College currently has no borrowing requirements, however, should the need arise the Governing Body will determine a course of action.

Reserves Strategy

The College has identified a year's annual running costs as an appropriate minimum reserve.

Any surplus accrued on a year will be used to build/maintain the minimum reserve.

Any reserves above the defined minimum will be used to support the development of new projects.

The value of the reserve does not include the College's fixed Assets i.e. the building (Unit 6 Cleeve House), any motor vehicles owned by the College and any other fixed assets such as furniture and I.T. equipment;

The reserve policy takes note of the pension liability which will require repayment if a buy out situation occurs.

Therefore, the reserve is set at the current annual running costs plus the pension

The College should therefore endeavour to increase its reserve by 5% a year until the required reserve is reached.

The Reserves Policy will be reviewed annually.

Value for Money Strategies

The College operates a Procurement Strategy which ensures that all procurement activities follow appropriate value for money practices, including use of the Welsh Further Education Procurement Consortium.

Performance Indicators

The following performance indicators are used to measure the College's efficiency :

- To pay all creditors within 14 days of receipt of invoices.
- To process all pay claims by 26th of each month.
- To work within the financial forecasts.
- To maintain an overall reserve of one year's operating costs.
- To receive a clean financial audit report.

Self Assessment of Financial Health

The College annually carries out a self assessment of its financial health.

Contingency Planning

The College has a Risk Register incorporating plans for maintaining financial viability.

The College's reserve is a buffer to minimise the impact of economic downturns.

The College works collaboratively in all areas of activity to maximise value for money.

*Adopted March 2006
Amended May 2010
Review August 2011*