



Mental Health Ireland

FINANCE POLICY

1.0 Introduction

Mental Health Ireland is a national voluntary organisation which was established in 1966 as the Mental Health Association of Ireland. Mental Health Ireland promotes positive mental health and wellbeing to all individuals and communities, and through its network of Mental Health Associations, we support people who experience mental health difficulties on their journey of recovery.

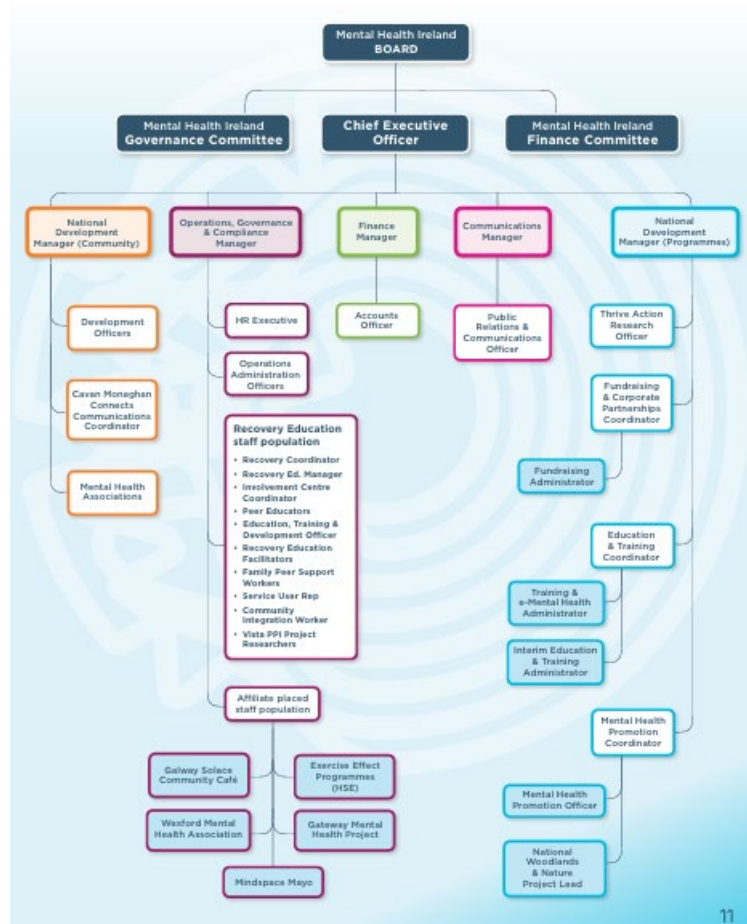
This policy has been prepared to document the financial governance procedures which have been developed to enable the efficient, transparent and accountable running of Mental Health Ireland and to monitor and protect its financial health. Its purpose is to ensure that Mental Health Ireland's assets are safeguarded, that the financial statements meet the requirements of the Companies Act 2014 and comply with the Charities SORP (Statement of Recommended Practice – FRS102).

All personnel with a role in the management of Mental Health Ireland's financial operations are expected to uphold the policies in this manual. It is the intention of Mental Health Ireland that this accounting manual serve as our commitment to proper, accurate financial management and reporting.

2.0 MENTAL HEALTH IRELAND STRUCTURE

Mental Health Ireland's structure exists of a Board of Directors, Governance Committee, Audit & Finance Committee, CEO and Deputy CEO. An Executive Management Committee reports directly to the CEO and / or Deputy CEO. Each executive manager fulfils line management function for their respective work streams.

Mental Health Ireland Organisational Chart



3.0 Organisational Responsibilities

Board:

- Review and approval of all financial reports.
- Review and approval of annual budget (and any variances to the agreed budget).
- Review and approval of financial policies and procedures.

Finance Committee:

- Review and report on all financial reports to the Board (for approval).
- Review and report on annual budget to the Board (for approval).
- Review and recommend financial policies and procedures to the Board (for approval)

Finance Manager:

- Prepare annual budget, with appropriate input and consultation.
- Prepare monthly management accounts for Mental Health Ireland.
- Prepare monthly or quarterly accounts for individual projects, as required.

- Operation of accounting and payroll packages – implementation, report design, review.
- Prepare year-end financial statements.
- Liaison with auditors, tax advisors and lawyers, as required.
- Authorised signatory on bank account.
- Review and authorisation of payroll (including associated journals).
- Review and authorisation of purchase ledger payment.
- Debtor Management (with Accounts Officer).
- Drafting HSE SLAs (financial input).
- Drafting Finance Policies and Procedures.
- Supervision, training and support of/to Accounts Officer in all areas of finance.
- Approval of invoices/expenses for which Finance Manager has budgetary responsibility.

Accounts Officer:

- Process Sales Ledger transactions.
- Process Purchase Ledger Transactions.
- Set up new suppliers on on-line banking system.
- Preparation of online payments for authorisation.
- Reconciliation of bank accounts weekly.
- Reconciliation credit card accounts monthly.
- Reconciliation petty cash monthly.
- Process monthly payroll, including PAYE/PRSI returns and pension payments.
- Process year-end payroll reports.
- Management of ROS (Revenue system).
- Process travel and subsistence claims monthly.
- Debtor management.

CHIEF EXECUTIVE OFFICER (CEO):

- Authorised signatory on bank account.
- Input/oversight on preparation of annual budget.
- Review of monthly management accounts.
- Approval of invoices / expenses for which CEO has budgetary responsibility

Deputy CEO:

- Authorised signatory on bank account.
- Input into relevant areas of annual budget.
- Approval of invoices/expenses for which Deputy CEO has budgetary responsibility.

Operations Manager:

- Authorised signatory on bank account.
- Input into relevant areas of annual budget.
- Approval of invoices/expenses for which Operations Manager has budgetary responsibility.

HR Executive

All Human Resources, including notification of:

- New Starters
- Leavers
- Contract Renewals
- Increments
- Re-gradings
- Absences (sick leave, maternity leave, carers' leave etc.).
- Advise re. Health & Safety, Social Welfare Entitlements etc.
- Implementation and Management of HR System
- Approval of invoices/expenses for which HR Executive has budgetary responsibility.

Other Employees

- Input into relevant areas of annual budget.
- Approval of invoices/expenses for which employee has budgetary responsibility.

4.0 INCOME / SALES PROCESS

Mental Health Ireland's main source of income is grant income from the HSE. Most HSE income is paid under the terms of a Service Level Agreement (SLA) which stipulates the conditions under which the funds are paid and the activities which are to be carried out. The SLA stipulates the timing of the payment of the Grant. The Accounts Officer prepares an annual schedule of income due under all the SLAs and invoices the HSE one month before the due date of the relevant instalment.

Additional income is generated through membership fees, training and fundraising. Ad-hoc invoices will be raised by the Finance Department as and when instructed.

Occasionally cheques will be received to settle outstanding invoices. All incoming post is opened and logged in the incoming post register. Any cheques are to be passed to the Accounts Officer who will record the receipt into the accounting system (Sage). Cheques will be paid into the bank account as soon as possible and will be reconciled monthly.

Most sales invoices will be paid by electronic funds transfer. These receipts will be reconciled, generally weekly and then at month end by the Accounts Officer.

Each month the Finance Manager and the Accounts Officer will review the list of aged debtors and follow-up on invoices which have been outstanding for longer than one month.

5.0 CASH INCOME/HANDLING

Any cash collected at Mental Health Ireland events must be collected in sealed and numbered collection boxes. Two unrelated members of staff must open and count the contents of the box. A receipt confirming the cash amount and date should be signed by both staff members. The cash collected should be recorded on the accounting system and remitted to the bank as soon as possible.

6.0 EXPENDITURE/PURCHASE PROCESS

6.1 PURCHASE INVOICES

- Incoming invoices are received by post (and logged by Reception/Admin staff before being forwarded to the Accounts Officer) or by email direct to the Accounts Department.
- The Accounts Officer will forward the invoice to the responsible employee for his/her approval and indication of budget heading for coding purposes.
- The employee responsible for ordering the product or service will check the validity of the invoice against budgets/quotes/proposals etc. and work accomplished/delivered and authorise the invoice for payment, noting the budget code to which the item should be charged. Once approved, the Accounts Officer will input invoices into the accounting system (ensuring that the nominal code and date of input are noted on the invoice).
- The Accounts Officer will prepare a payment run of all relevant approved purchase invoices on the 30th of each month. The Accounts Officer will prepare the online payment for all approved invoices. A summary of payments being made is to be prepared and presented, with the original purchase invoices, to the Finance Manager for approval.
- After checking the supporting paperwork and original invoices, the Finance Manager and one other Signatory will authorise the payment of pre-approved invoices/expenses (via on-line banking).
- Invoices/expense claims are to be filed in the Purchase Invoice files in alphabetical and date order (most recent on top).
- Accounts Officer to check the Creditor Statements upon receipt against the accounting system to ensure there are no discrepancies. If Creditor Statements are not received regularly, the Accounts Officer should request these at the Company year-end date.

6.2 BOARD/COMMITTEE EXPENSES

Mental Health Ireland values the people who volunteer to come onto its Board and Committees and believes strongly that Board/Committee Members should not be out-of-pocket as a result of this contribution. It therefore offers to reimburse any legitimate expenses incurred as a direct result of being a Board Member of Mental Health Ireland.

6.2.1 The following expenses may be claimed by Board/Committee members:

- a. Travel undertaken in the course of board duties e.g. to/from board or Committee meetings.
- b. Subsistence and accommodation costs on such trips (subject to limits, see below)
- c. Communication costs incurred for and on behalf of Mental Health Ireland (phone, postage, etc.)
- d. Any other expenditure incurred for and on behalf of Mental Health Ireland in relation to board duties and responsibilities that have been approved in advance by the Board.

6.2.2 The following are allowable travel costs:

- a. Public transport: e.g., rail, bus, dart, luas - actual cost of any economy fares
- b. Car: Actual mileage - see employee expense section for appropriate rates
- c. Taxi: actual cost incurred
- d. Parking costs/Tolls

6.2.3 Allowable Meal Costs

Meal costs will only be reimbursed where a Board/Committee member has to stay overnight as a result of Company business (see overnight accommodation below). The maximum rate reimbursed will be €30. Alcohol costs will not be reimbursed as part of meal costs.

6.2.4 Overnight Accommodation

Board members will be reimbursed for the overnight accommodation costs in the following circumstances:

- a) Where a Board Member has to leave their home before 7.00am in order to attend a meeting in relation to Board business
- b) Where a Board Member will not arrive home until after 10.00pm as a result of a meeting in relation to Board Business

All accommodation will be booked by Mental Health Ireland head office.

6.2.5 Procedure for Claiming expenses.

- a) Expenses must be claimed on appropriate expense form and receipts (actual vendor receipt and not just credit card receipt) must be attached to the form.
- b) Details of any journeys for which mileage is claimed must be listed.
- c) Up to date and relevant expense forms can be obtained from the Accounts Department.
- d) The appropriate expenses claim form must be completed with receipts attached and submitted to Mental Health Ireland office for the approval of the CEO.
- e) All expenses should be claimed within 3 months of being incurred.

- f) The Accounts Officer will prepare a payment run of all relevant approved travel and subsistence claims on the 10th of each month.

7.0 EMPLOYEE EXPENSES

It is Mental Health Irelands policy to reimburse any legitimate expenses incurred by employees whilst carrying out work duties.

7.1.1 The following expenses can be claimed by employees:

- Travel undertaken in the course of work duties e.g. to/from meetings Public transport: e.g. rail, bus, dart, luas - actual cost of any economy fares
- Subsistence and accommodation costs on such trips (subject to limits, see below)
- Communication costs incurred for and on behalf of Mental Health Ireland (phone, postage, etc.)
- Any other expenditure incurred for and on behalf of Mental Health Ireland in relation to work duties that has been approved in advance by appropriate line Manager/CEO.

7.1.2 The following are allowable travel costs:

- Public transport: e.g. rail, bus, dart, luas - actual cost of any economy fares
- Car: Actual mileage - see below for approved mileage rates
- Taxi: actual cost incurred
- Parking costs/Tolls

Employees should use public transport wherever practicable/possible. As per Revenue guidelines, mileage should be claimed at the lesser of the following:

- (I) the journey between home and the temporary place of work **OR**
(II) The journey between the normal place of work and the temporary work location

Distance band	Engine capacity up to 1200cc	Engine capacity 1201cc - 1500cc	Engine capacity 1501cc and over
Up to 1,500 km (Band 1)	37.95 cent	39.86 cent	44.79 cent
1,501 - 5,500 km (Band 2)	70.00 cent	73.21 cent	83.53 cent

5,501 - 25,000 km (Band 3)	27.55 cent	29.03 cent	32.21 cent
25,001 km and over (Band 4)	21.36 cent	22.23 cent	25.85 cent

7.1.3 Allowable Meal Costs

Meal/refreshment costs will only be reimbursed where an employee is required to work away from their usual place of business. The maximum rate reimbursed will be €30. Alcohol costs will not be reimbursed under any circumstances.

7.1.4 Overnight Accommodation

Employees will be reimbursed for accommodation costs if the requirement to stay overnight has been agreed in advance by their Manager or the CEO. Ideally, all accommodation will be booked by Mental Health Ireland head office.

7.1.5 Procedure for Claiming expenses

- Expenses must be claimed on appropriate expense form and receipts (actual vendor receipt and not just credit card receipt) must be attached to the form. Details of any journeys for which mileage is claimed must be listed. Up to date and relevant expense forms can be obtained from the Accounts Department.
- The appropriate expenses claim form must be completed with receipts attached and submitted to Mental Health Ireland office by the 7th of each month for the approval of the employee's Manager or the CEO.
- All expenses should be claimed within 3 months of being incurred.
- The Accounts Officer will prepare a payment run and summary of all approved travel and subsistence claims on the 10th of each month, for the approval of the Finance Manager.
- Any amounts which employees are due to reimburse the Company for personal expenses e.g. telephone, are to be deducted from expenses payments before they are made.

7.2 Exclusions / Personal expenses.

The use of Company property by employees for personal is prohibited e.g. postage, stationery etc.

8.0 COMPANY TELEPHONES

The Company will provide a mobile telephone to employees who require the same for work purposes. The Company will provide an inclusive package to cover all call and data services.

All employees are responsible for any personal charges which are incurred on the telephone.

The Accounts Officer will review the mobile telephone invoices every month and if charges have been incurred in excess of the standard package details will be sent to the employee concerned to indicate if these additional charges are a business or personal expense. All personal usage will be recovered, unless the amount concerned is so insignificant as to make the time spent recovering it uneconomic).

9.0 BANKING - AUTHORISATIONS

Each bank account shall have 6 authorised signatories as follows:

- 1.1 Chairperson of Board
- 1.2 Chairperson of Finance Committee
- 1.3 CEO
- 1.4 Deputy CEO
- 1.5 Finance Manager
- 1.6 Chief Operating Officer

Each **written** instruction or cheque on the Company's bank account shall be signed by any two of the six authorised signatories listed above.

Payments via the online banking system operated by the Company are to be approved by any two of the following Executive authorised signatories:

- CEO
- Deputy CEO
- Finance Manager
- Chief Operating Officer

The Finance Manager is to be the administrator of the online banking system, with authority to set up authorised users, amend user profiles and reset passwords etc.

The Accounts Officer is authorised to set suppliers and payments up on the online banking system.

Changes to the authorised signatories on the bank account must be agreed by the Board.

10.0 BANKING – RECONCILIATIONS – Procedures.

Below are the procedures for banking reconciliations

1. Accounts Officer to input receipts and payments on a weekly basis into the accounting system (using data from on-line banking).
2. Accounts Officer to reconcile bank account weekly and at month end. Finance manager to review and sign off on bank reconciliation.

3. Accounts Officer to set-up suppliers on on-line banking system (any requests for a change in bank account details are to be verified by calling the Supplier concerned on original landline provided – VERY IMPORTANT to combat potential online fraud). The Finance Manager is to authorise any change to bank details.
4. Incoming cheques to be input into the accounting system upon receipt (and reconcile once cleared through bank account).
5. Accounts Officer to reconcile petty cash account at month end. Accounts Manager to sign off on reconciliation.
6. Under no circumstances are blank cheques to be signed.
7. The Finance Manager will keep the cash at bank under review and, if appropriate, make recommendations on deposit accounts.

11.0 PETTY CASH

1. The petty cash fund should ideally not exceed €300.
2. The Accounts Officer is the custodian of the petty cash fund.
3. Petty cash is normally utilised for minor sundry payments which would usually be less than €50.
4. Request for petty cash reimbursement are made to the Accounts Officer. A description of the item charged should be recorded together with the amount. A vendor receipt (not a credit card receipt) must be received by the Accounts Officer for the amount of the request in order for the request to be approved.
5. The petty cash box is to be locked at all times when the Accounts Officer is not disbursing or replenishing the fund. The locked petty cash box is to be kept in a locked filing cabinet within the finance office.
6. The Accounts Officer is to enter the petty cash transactions onto the accounting system on a monthly basis.
7. The Finance Manager will review the petty cash expenditure on a monthly basis and verify the balance.

12.0 CREDIT CARDS

1. Only the CEO, Finance Manager or Operations Manager are issued corporate credit cards in his or her name. The purchase of airline tickets and other authorised business expenditure may be made by other employees or board members using a corporate credit card. In every case of credit card usage, the individual charging the credit card will be held personally responsible in the event that the charge is deemed personal or unauthorised.
2. Authorised uses of the credit card include, but not limited to:
 - a. Airline or rail tickets (at economy class or lower) for business trips. The nature of the business to be transacted is to be specified.

- b. Accommodation and meal charges that are deemed to be necessary for business purposes for persons traveling on official Company business (reasonable levels of expenditure, hotel to be of no higher than 4 star).
 - c. Car rental charges (for mid-size or smaller vehicles) for business trips
 - d. Properly authorised expenditures for which a credit card is the only allowed method of payment (such as training course attendance, hotels etc.).
3. Unauthorised use of the credit card includes:
- a. Personal or non-business expenditures of any kind.
 - b. Expenditure which has not been properly authorized.
 - c. Meals, entertainment, gifts or other expenditures which are prohibited by:
 - (i) the Company's budget and/or policies
 - (ii) National or local laws or regulations
 - d. Any expenditure which would breach the grant conditions or policies of the entities from which the Company receives funds.
4. Receipts should be attached to the credit card statement and submitted together with reasons for expense and, if applicable, reason for travel/expense and the expense code to which costs should be charged. The Finance Manager and Operations Manager credit card statement is to be approved by the CEO. The CEO's credit card is to be approved by the Chairperson of Mental Health Ireland. Receipts must include the vendor's actual receipt for the services/goods provided. The Credit Card machine receipt is insufficient. Failure to provide proper receipts may lead to non-reimbursement of expenses.
5. The Accounts Officer is to enter the credit card transactions onto the accounting system on a monthly basis and reconcile the credit card account. The Finance Manager will sign off on the credit card reconciliation.

13.0 FIXED ASSETS

A "Fixed Asset" is defined as an asset that: (1) has an economic useful life that extends beyond 12 months; and (2) was acquired for a cost of €10,000 or more. Fixed Assets must be capitalised and depreciated for financial statement (or bookkeeping) purposes.

Mental Health Ireland agreed €10,000 as the threshold amount for minimum capitalisation. Any items costing below this amount should be expensed in the financial statements for the relevant financial year.

All Fixed Assets are to be recorded at historical cost as of the date acquired. An up-to-date fixed asset register shall be maintained at all times by the Finance Manager.

Any assets with an economic useful life of 12 months or less are to be expensed for financial statement purposes, regardless of the acquisition or production cost.

Depreciation for fixtures and fittings and office equipment shall be charged at 20% per annum on a straight-line basis. The Finance Manager will calculate the depreciation due every month.

Variance of this fixed assets policy is at the discretion of the Board.

14.0 PAYROLL

1. Changes in pay and/or conditions are to be notified in writing to the Accounts Officer by the HR Executive by the 20th of each month latest (or such earlier date as agreed).
2. The Accounts Officer will check and download RPNs (Revenue Payroll Notifications) from ROS prior to running payroll each month.
3. The Accounts Officer will prepare the payroll by the 20th of each month (for payment on the 25th day of each month or the earliest working day if the 25th is a weekend or a bank holiday). The Finance Manager will assist with any non-standard calculations of salaries, if required.
4. The Accounts Officer will prepare a file summarising gross to net pay, including details of all employee and employer deductions.
5. The Accounts Officer will prepare the pensions summary statement, detailing the employee standard contribution, employee AVC contribution and the employer contribution.
6. The Finance Manager will prepare the bulk salaries transfer file for submission via the online banking system. The bulk salaries transfer will be authorised through the online banking system by the Finance Manager and one other authorised signatory.
7. The Finance Manager will prepare and upload the salaries journal file onto the Sage system.
8. The Accounts Officer will email pay slips to staff in advance of pay day.
9. The Accounts Officer will file and upload returns to Revenue in respect of tax, USC and PRSI due.

15.0 BUDGET

1. The Finance Manager will begin the budgeting process for the following financial year in October of each year.
2. The Finance Manager will seek input from the relevant managers (both internal and external Programme) for their requirements for the financial period in question.
3. The CEO and Finance Manager will agree the final draft budget to be circulated to the Finance Committee and the Board (no later than the end of November each year).
4. The Finance Committee will review the budget, recommend changes if necessary, and present a final draft budget to the Board for consideration.
5. Once approved, changes will only be made to the budget with Board approval.

16.0 MANAGEMENT ACCOUNTS/REPORTS

1. Upon completion of the sales, purchase and banking activities every month by the Accounts Officer, the Finance Manager will calculate and input journals relating to accruals, pre-payments, deferred income, sundry debtors, depreciation, salaries, payroll taxes and any other nominal entries required.
2. The Finance Manager will prepare the monthly management reports. The reports will include a budget vs. actual income and expenditure account, a Balance Sheet and, if applicable, department project reports (all consistent with SORP).
3. In addition, to the monthly reports for the Executive Management Team, management accounts will be circulated for the consideration of the Finance Committee at all of their meetings (usually 6 times per year). These management accounts will also be submitted to the full board for their review and acceptance at the board meeting following the Finance Committee meeting.
4. The Finance Manager will review the aged debtors every month and agree an action plan for prompt recovery with the Accounts Officer.
5. The Finance Manager will review the management accounts with the CEO, highlighting any areas where income and expenditure are varying significantly from budget (with a view to taking action, if possible, to bring such income or expenditure back in line with budget).

17.0 YEAR-END FINANCIAL REPORTING/AUDIT

At financial year-end, the Finance Manager will prepare the 31 December Financial Statements. This will include reports on income and expenditure, balance sheets, project accounts and all supporting schedules necessary to enable the Company's auditors to review and audit the Financial Statements in line with SORP. The Audit will usually take place in January or February following the year end.

Following conclusion of the audit, the auditors will meet with the Finance Manager, the CEO and Chair of the Finance Committee to discuss the audit process and their findings.

The draft Audited Financial Statements will be circulated to the Finance Committee for review and comment. Upon satisfactory review by the Finance Committee, the Financial Statements will be presented to the Board for review and approval.

The approved Audited Financial Statements will be presented to the members at the AGM every year for acceptance.

The auditors will be invited to attend the Company's AGM every year.

18.0 SLA's

When a new SLA is agreed or an existing one is renewed, a copy of the SLA should be filed with the Finance Department.

The Accounts Officer, under the direction of the Finance Manager, should review the SLA and extract any fiscal items which must be complied with by the Company. Dates for the issue of invoices should be recorded and diarised.

It is a policy of the Company to adhere to any restrictions imposed by its funders, both governmental and private. Therefore, the Company's employees are expected to bring to the attention of management, any instances of non-compliance.

19.0 Record Keeping & GDPR

Mental Health Ireland are bound for audit purposes to retain individual records in relation to financial interactions and transactions.

Any platform / software used by Mental Health Ireland to manage financial data complies with European GDPR legislation.

Key principles of Data Protection Rules are that data is:

1. Obtained and processed fairly.
2. Kept only for one or more specified, explicit and lawful purposes.
3. Used and disclosed only in ways compatible with these purposes.
4. Kept safe and secure.
5. Kept accurate complete and up to date.
6. Adequate, relevant and not excessive.
7. Retained for no longer than is necessary for the purpose or purposes for which it was collected.
8. Provided to data subjects on request. Provide/give a copy of his or her personal data to any individual on request.

For personal data to be processed lawfully, certain conditions will be met. These include, among other things.

- Requirements that the data subject has consented to the processing.
- That the processing is necessary for the legitimate interest of the data controller or the party to whom the data is disclosed.

- Where there is sensitive personal data being processed, the data subject's explicit consent to the processing of such data will be acquired.

For more information, please see the Mental Health Ireland Data Protection Policy, via the Staff & Volunteer Policy Hub or by emailing info@mentalhealthireland.ie.

20.0 Who and how to contact.

For information on Mental Health Ireland Financial Compliance and / or this policy, please contact the Finance Manager by email: info@mentalhealthireland.ie.

Communication by post / phone or via the main office email are also accepted.

Mental Health Ireland Head Office

- Address: 2nd Floor Marina House, 11-13 Clarence Street, Dun Laoghaire, Co. Dublin. A96 E289
- Website: www.mentalhealthireland.ie
- Mental Health Ireland Head Office, Phone No: **(01) 284 1166**
- info@mentalhealthireland.ie