



Holding, moving and receiving funds safely in the UK and internationally

Checklist of some key financial controls when using intermediaries

Trustees should consider appropriate financial controls, risk management and assurance procedures, for instance:

- the trustees should be able to demonstrate why using these methods is in the best interests of the charity
- the trustees should be able to demonstrate effective management and conduct when using intermediaries, including proper decision making and the identification and management of any problems
- trustees should document and agree the policy and the circumstances when such methods may be used
- expenditure should be subject to the same authorisation procedures as for bank payments using formal banking
- there is an obligation for charities to keep proper records, so an audit trail must be kept for each transaction in the chain of transactions including payment vouchers (equivalent to cheques) and post transaction documentation (equivalent to bank statements) providing details of the intermediary's name and address, amount and date of payment, and the name of the person making the payment, the fee charged and the payee. The trail should show the funds going to the intermediary from a UK bank account and evidence of collection at the final destination
- transaction records and receipts should be sought from those that business is conducted with and clear accounting records kept of these
- checks should be carried out to confirm that the funds have been received by ultimate recipient and an accounting record kept, such as an email or other notification
- subsequent transfers should, where practical, be avoided until receipt of a previous transfer can be confirmed