

## **Finance Policy**

### **Little Clifton Parish Village Hall**

1. The trustees will manage the assets of the charity in accordance with the Little Clifton Parish Village Hall Trust Deed dated ???.
2. The trustees will insure the Trust Property with a reputable Insurance Company on an 'All Risks' basis for its full rebuild value; the sums insured shall be reviewed at each policy renewal.
3. Financial records will be kept to ensure that Little Clifton Parish Village Hall meets its legal and other obligations under Charity Law, Revenue and Customs and common law.
4. The financial year will end on 31st March and accounts for each financial year will be drawn up and approved by the trustees prior to being presented to the Annual General Meeting held in ???.
5. The accounts will be independently examined by an auditor or examiner of accounts appointed by the AGM.
6. The trustees will approve an income and expenditure budget prior to the start of each financial year and monitor financial performance at every meeting.
7. The trustees shall approve a Reserves Policy and determine the extent and nature of reserves designated as Restricted Funds.
8. All funds will be held in accounts in the name of Little Clifton Parish Village Hall at such banks and on such terms as the trustees shall decide. All cheques and transfer documents shall require the signatures of two of three trustees authorised by minute of a Committee Meeting.
9. The treasurer shall present a financial report to every meeting of the trustees: the format and content of the report to be decided by the trustees.
10. All expenditure shall be properly authorised and documented; all income shall be paid into the bank without delay.
11. The trustees will undertake a financial risk assessment of all trust activities and review it annually.

## **Financial Procedures**

### **1) Financial Records**

The following records shall be kept up to date by the treasurer:

- a) A cashbook analysing all the transactions in the Little Clifton Parish Village Hall bank account(s).
- b) A petty cash book if cash payments are being made.
- c) Inland Revenue deduction cards P11 and Schedule D numbers for freelance workers.

### **2) Payment Procedure**

- a) The treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- b) Blank cheques will NEVER be signed.
- c) The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- d) No cheques should be signed without original documentation

### **3) Income Procedure**

- a) All income will be paid into the bank without deduction
- b) Cash is to be counted by the person collecting it and placed in a bag with a pay-in slip showing source, date, amount and signature of collector; the cash to be handed to the treasurer who should count the cash in the presence of the collector (or other person if collector not present) and confirm the amount.
- c) Hiring agreement forms showing conditions of hire, date, purpose of hire, the rate per hour and total due must be signed by the hirer on booking. An invoice will be given to the hirer with copy to treasurer who will collect the outstanding balance and account for the income.

### **4) Payment Documentation**

- a) Every payment out of the bank accounts will be evidenced by an original invoice. The cheque signatory should ensure that it is referenced with the Cheque number; Date cheque drawn; Amount of cheque and who signed the cheque.
- b) The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.

- c) Wages. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition, asking for payment to an employee, the Inland Revenue, etc. All employees will be paid within the PAYE, National Insurance regulations.
- d) All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the trustees.
- e) Petty cash will always be maintained on the imprest system where by an Officer is entrusted with a float as agreed by the trustees. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.
- f) Expenses/allowances. Little Clifton Parish Village Hall will, if asked, reimburse expenditure paid for personally by staff or trustees on behalf of the charity, providing: Fares are evidenced by tickets; Other expenditure is evidenced by original receipts; Car mileage is based on local authority scales; No cheque signatory signs for the payment of expenses to themselves.

## Reserves Policy

### Little Clifton Parish Village Hall Reserves Policy

A formal policy on reserves was agreed at the 18/8/23 meeting of the executive committee.

It states:

The trustees have set a reserves policy which requires reserves be maintained at a level which ensures that Little Clifton Parish Village Hall organisation's core activity could continue during a period of unforeseen difficulty.

A proportion of reserves be maintained in a readily realisable form.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted
- Planned activity level
- Organisation's commitments

*Insert information relevant to your village hall under the following 6 headings:*

1. Introduction
2. Current policy: as outlined above
3. Risk assessment: against each category of income and expenditure
4. Future activity level: likely requirements on reserves
5. Organisational commitments
6. Current reserves level