

# Woodbridge Community Hall Management Committee

Registered Charity number 1153286

## Financial management and control policy

### 1 Introduction

The trustees of Woodbridge Community Hall Management Committee share overall responsibility for financial control and safeguarding its funds and ensuring that it operates in accordance with the financial powers stated in its Constitution. This document sets out how this responsibility will be exercised and where functions have been delegated to particular trustees or staff.

### 2 The role of the Treasurer

The treasurer takes the lead on:

- making sure the charity keeps proper accounts.
- reviewing financial performance
- ensuring policies for finance and if relevant investments are regularly reviewed
- ensuring that the charity has robust and effective financial controls in place
- liaising with the Chair about financial matters and with the independent examiner.
- reporting on financial matters at meetings of the committee.

The treasurer will carry out periodic internal checks, for example prior to audit, and a checklist to assist with this will be provided.

### 3 Financial records

Financial records will be kept so that:

- The trust can meet its legal and other obligations, e.g., HM Revenue and Customs, Charities Acts, Common Law.
- The trustees can have control of the organisation's finances.
- The charity can meet contractual obligations and the requirements of funding bodies.

The trust will keep proper books of account using the Xero accounts package and Payroll Manager.. These will include:

- A cash book analysing all transactions
- Sales, purchase and nominal ledgers
- Petty cash records
- Payroll records

Access to Zero is restricted to:

Treasurer, Booking Secretary, Chair and Independent Examiner.

### 4 Budget

The financial year ends on 31st December.

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## Financial Management and Control Policy (cont..)

Before the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.

A treasury report comparing actual income and expenditure with the budget will be presented to the trustees each month.

### **5 Accounts and Independent Examination**

Financial Statements will be drawn up after each financial year within 4 months of the end of the year and presented to the trustees.

The trustees will appoint an appropriately qualified independent examiner to approve the accounts for presentation and will review the appointment of the independent examiner at least every 3 years.

The financial statements and annual return will be submitted by the treasurer to the Charity Commission.

### **6 Best value**

When procuring goods and services it is the charity's aim to achieve best value. For goods and services valued at over £2,000 at least 2 quotes will be obtained. For service contracts such as IT, telephone and refuse collection, organisations will be invited to submit a proposal and these will be considered in relation to specific criteria including price, service requirements and quality. Whenever possible feedback will be obtained from organisations that are currently using the relevant service provider.

Service contracts will be reviewed at least every 3 years.

### **7 Bank**

The charity banks with National Westminster Bank Plc. Any change in accounts held by the Charity must be agreed and approved by the trustees.

The bank mandate (list of those who can sign cheques and instructions) will always be approved and minuted by the trustees as will all changes to it.

The trustees will require the bank to provide current account statements every month. These will be reconciled with the cash book every month by the Treasurer and the chair will sign the monthly reconciliation.

All movements of funds held by the bank will be directly imported by Xero and this will form a significant protection against errors and fraud.

The Trustees will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted.

## **8 Receipts (income)**

The trustees will ensure that all the income to which the charity is entitled is received and that this is evidenced by raising invoices using Xero software, no other form of invoice will be acceptable.

Payees will be actively encouraged to pay by BACS, cheques may be accepted and if so, banked without delay. The Booking Secretary will constantly monitor late payments and report debts exceeding one month at bi-monthly meetings of the trustees.

## **9 Payments (expenditure)**

The preferred method of payment is by bank transfer. Cheques will also be used when bank transfer payment is not possible.

Blank cheques will NEVER be signed.

Whenever possible, the same person should not be responsible for ordering, processing and checking invoices as well as authorising payment.

## **10 Payment Procedures and Documentation**

Every payment from the organisation's bank accounts will be supported by an original invoice (never against a suppliers statement or final demand). The original invoice will be filed and kept for seven years. The person who signs the cheque or authorises the online bank payment should sign and date the invoice or payment request.

## **11 Employees/other staff – Salaries/payments**

All appointments will be authorised by the trustees. Hours paid will be authorised by a trustee.

Trustees will be reimbursed for expenditure made on behalf of the charity, fares, cleaning materials, stationery etc. Claims must be authorised by another trustee.

## **12 Confidentiality**

The confidentiality of trustees, volunteers and employee's financial circumstances will be respected at all times.

Trustees, volunteers and employees will at all times act in the best interest of the charity and if they experience a conflict of interest they will not divulge sensitive information about the charity.

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## Financial Management and Control Policy (cont..)

### **13 Fixed assets and inventory of capital items**

The Treasurer will set up and maintain a fixed assets register stating the date of purchase, cost, serial numbers and normal location of the asset(s). The fixed assets register and inventory will be reviewed by the Trustees regularly.

### **14 Reserves and Investment Policies**

The trustees will consider the level of reserves that is prudent to have when agreeing the annual budget. Consideration will be given to future strategy, potential redundancy liabilities, and any other significant factors that should be taken into account. The specific reserves policy including any designation of reserves for specific purposes will be agreed by trustees on an annual basis.