North Cadbury Village Hall and Recreation Ground

Registered Charity No 304592

**Finance Policy**

**Financial Records and Accounts**

1 - Financial records must be kept so that:

The charity meets its legal and other statutory obligations, such as Charity Acts and common law.

The trustees have proper financial control of the organisation.

The organisation meets the contractual obligations and requirements of funders.

2 - The books of accounts must include:

A cashbook analysing all the transactions appearing on the bank accounts.

A petty cash book if cash payments are being made.

3 - Accounts must be drawn up at the end of each financial year within 6 months of the financial year end. These will be examined by an appropriately qualified auditor/independent examiner and then presented to the next Annual General Meeting.

4 - A report comparing actual income and expenditure with the comparative figures should be presented to the trustees every two months or whenever meetings take place.

5 – At the AGM a suitably qualified auditor/independent examiner will be appointed and will responsible for examining the financial statements for the following year.

**Banking**

1 - The Charity will bank with Barclays Bank and accounts will be held in the name of the charity. The following accounts will be maintained:

Current account

Cottage account

Reserve account

2 - The bank mandate will always be approved and minuted by the trustees as will any changes to it.

3 - The charity will require the bank to provide statements every month and these will be reconciled with the cash book at least every three months.

4 - The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.

**Income and expenditure**

1 - All monies received will be recorded promptly in the cash analysis book and banked without delay. The treasurer will maintain files of documentation to back this up.

2 - The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated.

3 - The Treasurer will be responsible for holding the cheque books (including unused and partly used cheque books) and paying in books which should be kept securely.

4 - Blank cheques will never be signed.

5 - No payment will be made without original documentation (see below).

**Payment documentation**

1 - Every payment out of the charity's bank accounts will be evidenced by an original invoice. That original invoice will be referenced and retained by the treasurer and filed (either as hard copy or online).

2 - A petty cash book will be maintained to document all income and expenditure in cash. The petty cash tins will be reconciled with the petty cash book at least every 3 months.

3 - Expenses / allowances. The charity will, if asked, reimburse expenditure paid for personally by trustees, providing:

Fares are evidenced by tickets.

Other expenditure is evidenced by original receipts.

Car mileage is based on local authority scales.

**Payment authorisations**

1 - Each payment will be authorised by at least two people.

2 - A payment must not be authorised by the person to whom it is payable.

**Other rules**

1 - The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Charity in excess of £500 must be authorised and minuted by the trustees.

2 - In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the trustees. (This covers such items as the new service contracts, office equipment, purchase and hire).

3 - All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the Charity with the prior approval of the trustees or in urgent situations the approval of the Chairperson who will provide full details to the next trustee's meeting.

4 - The Charity will always adhere to good practice in relation to its finances, e.g., when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, the Charity will maintain a property record of items of significant value, with an appropriate record of their use.