# Guiding Principles

The aims of the Finance Policy are to enable the Needham Village Hall Committee to operate Needham Village Hall in accordance with the Needham Village Hall Trust Deed and Charity Commission legal requirements. As a small charity we operate a simple financial system adequate to protect the assets of the charity. The day-to-day accounting records are overseen by the Treasurer with the year-end accounts prepared on a receipts and payments basis.

# Financial Management

a) The Needham Village Hall Committee will manage the assets of the charity in accordance with the Needham Village Hall Governing Document contained within The Conveyance dated 22nd June 1960. .

b) The Committee will ensure the Trust Property with a reputable Insurance Company on an 'All Risks' basis for full rebuild/replacement value. Sums insured shall be reviewed at each policy renewal.

c) Financial records will be kept ensuring that Needham Village Hall meets its legal and other obligations under Charity Law, Revenue and Customs, and common law.

d) The financial year will end on the last day of March, and accounts for each financial year will be drawn up and approved by the Committee prior to being presented at the Annual General Meeting (AGM).

e) The accounts will be examined independently by a competent person appointed by the Committee on an Annual Basis, within six months of the Financial Year end.

f) Once the accounts have been independently examined the Committee will act on any recommendations and report the outcome at the next AGM.

g) The Committee will agree an income and expenditure budget with the Trustees before the start of each financial year and the Committee will monitor financial performance at least quarterly at a Committee meeting.

h) The Committee shall agree a Reserves Policy each year with the Trustees defining the extent and nature of reserves, designated and restricted Funds. The Policy will include a financial risk assessment of all trust activities.

i) The Committee will maintain a Petty Cash/Cash Float balance of no more than £600 to support events and ad-hoc payments within the constraints of Payment Authorisations below.

j) All funds, apart from Petty Cash as above, will be held in accounts in the name of Needham Village Hall at such banks and on such terms as the Committee shall decide.

k) All cheques, bank transfer and Petty Cash payments shall be authorised in accordance with the Payment Methods defined below.

l) The Treasurer shall present a financial report at every Committee meeting, with the format and content determined by the Committee.

m) The income of the Charity is to be paid into a Trust account. It is to be applied as the Management Committee decides to insure, maintain and repair the property, furniture and effects, to pay rates and taxes as required and to pay other expenses to further the object of the Charity. Surplus cash may be invested.

n) The charity Trustees will review adherence to this policy and the financial management of the charity at least three times per year.

# Financial Procedures

## Financial Records

The Treasurer will ensure the following records are kept up to date, review and report them:

a) A cashbook/computer-based record analysing all the transactions in the Needham Village Hall bank account(s).

b) A petty cash book/computer-based record of cash payments being made.

## Expenditure Approval

All Expenditure must be approved as follows:

a) Regular expenditure required for the routine operation of the hall will be defined in the Annual Budget (insurances, licenses, safety checks, water, electric and consumables et.al.), will be reviewed and pre-approved for payment.

b) Budgeted irregular expenditure for repairs etc. will be authorised up to a value of £100 as part of approving the Budget.

c) Other expenditure, budgeted or un-budgeted, must be approved before any orders are placed as follows:

   a. Up to £500 – by the Treasurer and Chairman

   b. £500.01 to £1000 – by a quorate Committee meeting, evidenced in minutes

   c. £1000.01 and more – by a quorate Committee meeting **and** separately by a quorate Board of Trustees meeting, both evidenced in minutes.

d) If necessary, an approval decision may be made via email initially, but the decision must be recorded in the minutes of the following meeting.

e) Details of any unscheduled urgent expenditure must be presented at the next Committee meeting.

## Payment Authorisation

f) All payments require authorisation by two signatories.

g) The Committee will appoint at least three signatories from their members.

h) All payments may be authorised only against an Approved Expenditure, evidenced in accordance with the 'Expenditure Approval' procedure detailed above. The payment record should be created referencing directly the expenditure approval.

## Payment Methods

a) Payments are made by BACS transfer, Direct Debit, cheque or by cash against invoices.

b) Payments from the bank account

   a. Any approved signatory should be able to initiate payments from the bank account, in full accordance with this Policy, however the Treasurer would normally do this.

   b. Approved signatories should not initiate or approve payments in their favour.

   c. BACS payments should be created with Payee and Reference details that link them uniquely to the item being paid for.

   d. Cheque Payment

i. The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) securely.
ii. Blank cheques will NEVER be signed.
iii. The relevant payee's name will always be inserted on the cheque before signature, and the cheque stub will always be properly completed.
iv. No cheques shall be signed without supporting documentation.

c) Payments from Petty Cash/Cash Float
d) Cash payments under £50 within the approved budget can be authorised by the Petty Cash/Float manager without a second signature but must be reported at the next Committee Meeting.
    a. All Cash payments must be documented using a Petty Cash slip, which must be signed by the cash recipient if appropriate to record the payment.

## Income Procedure

a) Cash:
    a. Cash is to be counted by the person collecting it and placed in a bag with details showing source, date, amount and signature of collector.
    b. The cash is to be handed to the Petty Cash/Float Manager who should count the cash in the presence of the collector (or other person if collector not present) and confirm the amount.
    c. The Petty Cash Manager will bank any cash in excess of the agreed float.
b) Hall Hire:
    a. Hiring agreement forms showing conditions of hire, date, purpose of hire, the rate per session and total due must be signed by the hirer on booking.
    b. An invoice will be given to the hirer with copy to treasurer who will collect the outstanding balance and account for the income.
        i. Regular bookings are invoiced monthly in arrears and payment is requested within 14 days.
        ii. A non-refundable deposit is taken for all casual bookings and this is deducted from the hire fee.
c) Donations
    a. Details of the donor, the date, and any stated purpose of the donation should be recorded and handed to the Treasurer.

# POLICY REVIEW

This policy will be reviewed, together with a review of all major risks, annually, before the Annual General Meeting.

# ANNEX – RESPONSIBILITIES

| Responsibility | Trustees<br>Oversight and Accountability | Treasurer<br>Financial Lead | Book-Keeper<br>Manage Data | Authorisers<br>Assure Payment Controls | Committee<br>Check & Balance and Decisions |
|---|---|---|---|---|---|
| Overall Financial Integrity | Responsible | Manage | | | Apply controls |
| Financial Policy | Approve | Propose | | | Review |
| Budgets | Approve | Review & Present to Cttee | Draft | | Propose to Trustees |
| Financial Reserves | Approve | Propose | | | Review |
| Payments | | | | | |
| Approve Expenditure before payment | Trustees, Committee and Individuals as defined in the policy – varies by expenditure amount | | | | |
| Initiate Payments | | Usually | Petty Cash | -Emergency<br>-To Treasurer | |
| Authorise Payments *(checking approval evidenced as per policy, within limits, payee not one of signatories)* | | | | Review and Authorise | |
| Monitoring and Reporting | | | | | |
| Maintain Simple Income and Expense Ledger, Fund allocations | | Review and check to statements | Maintain Ledgers | | |
| Financial Reports for Committee and Trustees<br>- payments, budget status, fund status | Review and action as required | Review & Propose to Committee | Prepare data | | Review and action as required |
| Financial Reports for AGM – for acceptance at the AGM | Approve for Presentation | Review and present to Committee | Prepare | | Review and Propose |
| General Admin Support | | | Y | | |

**Trustees:** Andrew Major, Claire Cropley, Robin Twigge
**Treasurer:** Anna Clampin
**Book-Keeper:** Nick Phillips
**Authorisers**: Anna Clampin, Neil Hopkinson, Nick Phillips

There will also be an informal annual scrutiny of the ledgers and records to evidence compliance. The scrutineer will report to the Trustees. TBC