# OAKE AND DISTRICT VILLAGE HALL AND RECREATION GROUND

# CHARITY NO 205829

# HALL MANAGEMENT COMMITTEE

# POLICY ON FINANCIAL CONTROL

**Introduction**

1. This policy sets out the approach to be taken by the Hall Management Committee in relation to control of the resources of the charity in order to ensure that;

- The organisation meet its legal and other statutory obligations including the Charities Act 1993 (amended 2006), Her Majesty's Revenue Inspectorate and common law.
- The Trustees have proper financial control of the organisation.
- The organisation meets the contractual obligations and requirements of its scheme.
- The organisation meets the contractual obligations and requirements of funders.

**Managing the Accounts**

2. Accounts must be kept of all transactions in a manner consistent with good financial practice for small charities. Books of accounts must include:

- A cash book analysing all the transactions appearing on the bank accounts.
- A petty cash book showing where and to whom cash payments are being made.
- HMRI deduction cards P11 if registered for PAYE.

3. Accounts must be drawn up at the end of each financial year within six months of the end of the year and presented to the next Annual General Meeting. The approved accounts together with a statement by an authorised person/organisation attesting to their accuracy must be submitted to the Charity Commission as part of the Annual Return.

**Budget Setting and Monitoring of Expenditure**

4. The Trustees will approve an indicative budget for the year showing anticipated areas of expenditure at the first Management Meeting of the Hall Committee after the Annual General Meeting..

5. A report comparing actual income and expenditure with the budget should be presented to the Trustees at every meeting of the Hall Management Committee. If there is a significant adverse difference between income and expenditure at any

point in time, it is the responsibility of the Trustees, both in relation to their duties under the scheme and in their broader responsibilities under the Charities Act, to take the necessary actions to bring expenditure back under control.

**Banking Arrangements**

6. The Charity will ensure that it has the appropriate arrangements in place for banking into financial assets and should establish and manage separate accounts ( or sub accounts of a main account) for operational expenditure, investments (capital) and any other special requirements including endowments, legacies and donations. The charity will not use any other bank or financial institution or use overdraft facilities or loans without the prior approval of Trustees or in a way which is outwith the requirements of the scheme.

7. The bank mandate (list of people who can sign cheques on behalf of a charity) will be approved and minuted by the Trustees, together with any changes to the list or the mandate. There should be a minimum of three signatories (Treasurer plus two other Trustees).

8. The charity will require the bank to provide statements on a quarterly basis (or other agreed frequency) and these will be reconciled with the cash book at least every three months with the Treasurer presenting the current position to the next Committee meeting.

**Payments and Receipts**

9. All monies received will be recorded in the cash analysis book and banked in accordance with normal arrangements. The charity will maintain files of documentation to back up all receipts. All expenditure must be on charity business and should be properly authorised to agreed levels (see below). The Treasurer will be responsible for the safekeeping of all cheque books and will ensure that all cheques are only signed by authorised signatories with the original payees name on the cheque stub which itself should be properly completed. No cheques should be signed without original documentation (for exceptions see below).

10. All original documentation including invoices should be retained. The only exception to signing cheques or committing resources without originating documentation will be examples such as advanced booking fees, deposits, VAT etc. In relation to staff payments there should be a clear audit trail to show the authority and purpose of every such payment. All staff appointments/departures must be authorised by the Trustees and formally minuted. This includes any change in employment status or conditions which impact on the financial position of the organisation.

**Authorisation of Expenditure**

11. A petty cash float to the value of £500 will be maintained and managed by the Treasurer. Authorisation to use the float is vested in the Treasurer (for levels see below). The purposes for which the petty cash float is used include club prize money, regular incidental expenses, wages and one off payments including honoraria. The float is also used to "hold" cash income received from hall users until funds can be banked. The Treasurer has authority from the Management Committee to make all necessary payments from petty cash up to the value of the float ie £500.

12. All financial transactions beyond those which are normally funded from petty cash, should be formally agreed at Management Committee meetings. Provided that the proposed expenditure is within the available income of the charity and/or has been budgeted for within the annual budget, approval will be by the majority of Trustees present in accordance with the rules on quorum.

13. Where delegated authority to commit expenditure is required/requested, then that authority will be vested in the Chairman supported by two other Trustees. The Chairman will not be allowed to commit more than £1500 in any single transaction without the full approval of the Hall Management Committee.

14. In either of the circumstances set out in paragraphs 12 and 13 above, neither the Hall Management Committee or the Chairman/Trustees will have the authority to commit resources of the Charity if, in so doing, they exceed the funding available to the Charity and place the organisation in deficit. Failure to abide by this provision will result in the individual (s.) being asked to stand down and the matter being reported to the relevant authorities (police, HMRI, Charity Commission).

**Other Considerations**

15. The Charity must not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which do not meet the requirements of paragraphs 12 to 14 above will be in breach of the charity scheme and this policy and the appropriate action taken. Where the Chairman has been given delegated authority to proceed with committing resources in line with paragraph 13 above, he/she must report full details to the next meeting of the Hall Management Committee.

16. All fund raising and grant applications undertaken on behalf of the organisation must be done in the name of the Charity and with the prior approval of the Trustees in line with the arrangements set out in this policy. All individuals/organisations undertaking such work must receive prior written approval to use the name of the Charity in relation to any fund raising activities or when making formal applications for grants. Failure to do so (acknowledging the need to ensure that all individuals/organisations should be informed that this requirement in the first instance) will result in the Charity publicly withdrawing any support for such

activities and may result in other sanctions e.g. notification to appropriate authorities, being taken.

17. The Charity will maintain an asset register with details of all capital items (purchase date, cost, serial numbers and location) including any property and buildings including the status e.g. owned, leased or rented.

**Obtaining Quotations and Award of Tenders**

18. The Management Committee will ensure that for any single item of work/equipment that has a value in excess of £500 but less than £1500 (including VAT), it will obtain at least three competitive quotations from prospective suppliers to ensure that the preferred option demonstrates value for money and is in line with Hall requirements. Where a transaction is likely to exceed £1500 (including VAT), then a formal tender is required with at least three expressions of interest being sought. The criteria for selection of the preferred provider should be identified as part of the tendering process and will not necessarily be based solely on price. The decision to award any tender must be made by the Chairman in conjunction with at least two other Trustees and the outcome reported to the next meeting of the Management Committee.

**Appointment of Auditors**

19. The Management Committee must ensure that it has formal arrangements in place for the audit of its accounts. The appointment of auditors must be agreed at the Annual General Meeting together with the fees to be paid in respect of the work to be undertaken.

**Review**

20. This policy will be reviewed and updated on a biannual basis or more frequently if circumstances require. The Committee Secretary will be responsible to ensuring that this occurs.

## Addendum for Oake Hall Financial Policy

21 No money belonging to the Village Hall should be stored in the hall overnight.

Signed:..... Chairman

Date:.....26/6/15.

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**ADDENDUM TO OAKE HALL FINANCIAL POLICY**

22. A sum equal to one year's income should be kept in reserve for contingencies.

Signed ..... Chairman (VICE)

Date:.....21st July 2015

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## Addendum for Oake Hall Financial Policy

23 It was agreed that dual authentication of payments should be removed, thus allowing the treasurer to make BACS payments. However any significant invoices should be checked and authorised by another committee member.

Signed..... Chairman

Date:.....16/3/2022

Policy reviewed March 2023