



GREAT GLEN VILLAGE HALL

Main Street, Great Glen. LE8 9GG

Registered Charity 243104

Financial Policy

Reviewed at meeting 26/2/24.

1 Principles

- 1.1 The Trustees will manage the assets of the charity in accordance with the Great Glen Village Hall trust deed dated July 1985.
- 1.2 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 sub reviewed at each policy renewal.
- 1.3 Financial records will be kept to ensure that Great Glen Village Hall meets its legal and other obligations under charity law, HM Customs and Revenue and Common Law.
- 1.4 The financial year will end on the 30th of September and accounts for each financial year will be drawn up and approved by the trustees prior to being presented at the annual general meeting held in October.
- 1.5 The accounts will be independently examined by an auditor or examiner of accounts appointed at the AGM.
- 1.6 The Trustees will approve an income and expenditure budget prior to the start of each financial year and monitor financial performance at every meeting.
- 1.7 The Trustees shall approve a reserve policy and determine the extent and nature of reserves designated as restricted funds, and consider opening an account for such funds.

- 1.8 All funds will be held in accounts in the name of Great Glen Village Hall at such banks and on such terms as the Trustee shall decide all cheques and transferred documents shall require the signature of two or three trustees authorised by minute of a Committee Meeting.
- 1.9 The Treasurer shall present a financial report to every meeting of the Trustees: the form and content of the report to be decided by the Trustees.
- 1.10 All expenditure shall be properly authorised and documented; all income shall be paid into the bank without delay.
- 1.11 The Trustees will undertake a financial risk assessment of all Trust activities and review annually.
- 1.12 All trustees must be aware that expenditure is committed when an order is placed on behalf of Great Glen Village Hall, not when the payment is made. Therefore, it is important that all orders are placed properly, and approved by the Trustees if over the value of £1,500.00. The Treasurer must be informed of any orders placed with suppliers for over £500 and a quote (not an estimate) provided. In addition, two quotes should be provided for expenditure over £2,000. Suppliers must be requested to produce invoices. If payment is needed on or before delivery or no credit is given, a 'pro-forma' invoice should be provided. While claims for small items of expenditure may be made via petty cash (see section 1), adequate supporting documentation, preferably receipts, must be obtained. Large items requiring cash payment must be checked with the Treasurer before the arrangement is confirmed.

In the case of an emergency (defined as an event or occurrence which affects the continuity of business) the Treasurer will consult with the Chair or Vice-Chair at the earliest opportunity to agree necessary expenditure. If the Chair or Vice-Chair cannot be contacted the Treasurer may authorise expenditure up to a maximum of £1,500.00, when it is in the interest of the business of the Charity and the building itself and will report such action to the Chair or Vice Chair as soon as possible thereafter.

2. Financial Procedures

The following records will be kept up to date by the treasurer.

- a) A cashbook and/or an Accounts Software Package, analysing all the transactions in the Great Glen Village Hall bank account.
- b) Petty cashbook if small cash payments are being made.

- c) Banking arrangements have changed significantly in recent years, with more transactions being carried out online. As a result of this, the use of cheques is becoming rare. Many businesses prefer to receive payment by electronic means and are now discouraging the payment of invoices by cheques. This has resulted in an application for Internet banking. The Trustees have agreed that bank payments may be set up however authorisation is still required by two of the signatories.
- d) Inland Revenue deduction cards P11 schedule D numbers for freelance workers.

2. Payment Procedures

- a) The Treasurer will be responsible for holding the chequebook (unused and partly used chequebooks) 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 including the initials of the signatories.
- d) No cheques should be signed without original documentation.
- e) Any orders paid by internet banking will require two signatures in line with the current mandate. This authorisation can be completed by computer and/or smart phone.

3. Income Procedures

- 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 paying 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 the collector is 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. All invoices will be given to the hirer with copy to the Treasurer who will collect the outstanding balance and account for the income.

4. Payment Documents

- a) Every payment out of the bank account will be evidenced by an original invoice. The cheque signature should ensure that is referenced with the

cheque number; date cheque drawn; Amount of the cheque and who signed the cheque.

- b) The only exceptions to cheques not being supported by an original invoice would be for such an advised item as advanced booking fees for future courses, 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 showing the authority and reason for EVERY such payment; e.g., a cheque requisition, asking for payment of an employee, HM Custom and 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 levels. 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 whereby the Treasurer 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 the float up 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. Great Glen Village Hall will, if asked, reimburse expenditure paid for personally by staff, Officers 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 HMRC scales; No cheques signatories sign for the payment of expenses to themselves.

This Policy will be reviewed annually.

Adopted	22/1/24
Interim Review	26/2/24
Annual Review	January 2025

Appendix A

Suggested model for reserves policy Great Glen Village Hall reserves policy.

A formal policy of reserves was agreed at the..... meeting of the Trustees.

It states:

The trustees have set a reserve policy which requires reserves to be maintained at a level which ensures that Great Glen Village Halls Charity's core activities could continue during a period of unforeseen difficulty.

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

The calculation of the required level reserved is an integral part of the organisation 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
- Organisations commitment

Information to be developed

- 1** Introductions
- 2** Current policy as outlined above
- 3** Risk assessment against each category income and expenditure
- 4** Future activity level: include requirements on reserves
- 5** Organisational commitments
- 6** Current level reserves