
Arkenstall Village Centre
(Registered Charity No. 300394)
7 Station Road, Haddenham, Ely, Cambs CB6 3XD

Financial Controls Policy

This is a statement of the Finance Policy of the Arkenstall Village Centre. The Charity will follow good practice in all financial matters and this statement is designed to clarify certain areas and set areas of responsibility.

The overall financial control of the Charity rests with the Trustees.

1. Introduction

- 1.1 Financial records will be kept so that the Charity can:
 - (a) Meet its legal and other obligations, e.g. Charities Act 2011, Revenue and Customs and common law.
 - (b) Enable the trustees to be in proper financial control of the Charity.
 - (c) Enable the Charity to meet the contractual obligations and requirements of funders.
- 1.2 Proper books of accounts will be kept by the Treasurer to enable separate funds to be identified, together with the relevant expenditure. Entries will be made on at least as soon as possible.
- 1.3 The financial year will end on the 31st March each year.
- 1.4 Accounts will be drawn up after each financial year within seven months of the end of the year and presented to the next Annual General Meeting. They will be independently examined in accordance with Charity Commission rules.
- 1.5 Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
- 1.6 A report comparing actual income and expenditure with the budget will be presented quarterly at a Trustee meeting.
- 1.7 The AGM will appoint an appropriately qualified examiner to examine the accounts for presentation to the next AGM.

2. Banking

- 2.1 The Charity will bank with Lloyds Bank. Accounts will be held in the name of the Charity. The charity will keep deposits with COIF Charities Deposit Fund and investments with COIF Charities Investment Fund Accumulation and Income Units.
- 2.2 The bank mandate will always be approved and minuted by the trustees as will all the changes to it.
- 2.3 The charity will require the bank to provide statements every month and these will be reconciled with the cash book every month and the treasurer will reconcile these to the accounts.
- 2.4 The charity will not use overdraft facilities or take out a loan without of the agreement of the full trustee board.

3. Investment

- 3.1 The Charity will only place funds in financial institutions after they have been satisfied by the ethical policies of the said institutions.

4. Receipts (income)

- 4.1 All monies received will be handed to the Treasurer as soon as possible and recorded promptly in the accounts and banked without delay but at least weekly.
- 4.2 Records will be maintained to show the source of all income, whether in the form of invoices, receipts or other documentation. Such records must show whether the income is restricted and if so its purpose, or unrestricted.
- 4.3 Hire costs will be reviewed every year following an analysis of the previous year hire income in May.

5. Payments (expenditure)

Payments may only be made in respect of expenses incurred on behalf of the Charity. Payments will normally be made by BACS electronic transfer or Direct Debit.

- 5.1 The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books)
- 5.2 Blank cheques will NEVER be signed.
- 5.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 5.4 No cheques should be signed without original documentation.

6. Payment documentation

- 6.1 Every payment out of the Charity's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). This invoice may be an electronic copy sent direct to the Treasurer. That original invoice will be retained by the Charity and filed. The bank signatory should ensure that it is referenced with the Date paid.
- 6.2 The only exceptions to payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, deposit, etc. or floats issued to committee members for a fundraising event, or direct debits from utilities

7. Wages and salaries

- 7.1 There will be a clear trail to show the authority and reason for every such payment and all payments will be made through the BACS system. Wages will not be paid in cash. All employees will be paid within the PAYE and National Insurance regulations.
- 7.2 All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc., will be authorised by the trustees.
- 7.3 The Charity will contribute to an employee's pension plan according to auto-enrolment rules.

8. Expenses

- 8.1 Expenses incurred wholly and necessarily by staff, volunteers and Trustees in the course of their duties will be reimbursed in as soon as possible. Payments must be made by BACS, not cash.
- 8.2 Receipts must be presented for all items.

9. Cheque Signatures, online authorisations and cash cards

- 9.1 Payments will be made by BACS, and in exceptional circumstances by debit card. Only in extreme circumstances will we pay by cheque and then each cheque will be signed by two signatories.

- 9.2 Any payment in excess of £1000 must be authorised by the Management Committee in advance of payment.
- 9.3 Online authorisation for setting up beneficiaries and payment of funds requires one online signatory.
- 9.4 The Charity will never make use of ATM or similar cash cards.

10. Other undertakings

- 10.1 The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £5,000 must be authorised and minuted by the Management Committee. In exceptional circumstances such undertakings can be made with the Chairperson's approval, who will then provide full details to the next Management meeting.
- 10.2 The Treasurer may authorise the purchase of goods or services up to £1,000 and salaries and heating fuel over this amount, which higher payments will be reported to the Executive Committee after the event.
- 10.3 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.

11. Assets

- 11.1 A register of assets will be maintained and updated whenever assets are acquired or disposed of.
- 11.2 Assets must be disposed of at fair market value or donated to another charity and the proceeds paid into the Charity's bank account.

12. Risks

- 12.1 The Trustees will review the risks to which the charity may be exposed on an annual basis and will take the necessary steps to address all major risks identified.

13. Reserves policy

- 13.1 The Charity will continue to hold sufficient reserves to enable it to meet its commitments should the Charity be required to close. An annual calculation of the amount required to cover redundancy payments to staff and other elements that should be included in the reserve target and approved at a Trustee Board meeting.