

D7: Financial Management Policy

1. Introduction

This Financial Management Policy has been prepared to document the internal accounting procedures for the charity Laxfield Village Hall. Its purpose is to ensure that assets are safeguarded, that financial statements are in conformity with accepted accounting principles, and that finances are managed with responsible stewardship.

The Board of Trustees and members of the Management Committee with a role in the management of the financial operations are expected to uphold the procedures in this policy.

It is the intention of the Trustees and The Management Committee that this Financial Policy serve as our commitment to proper, correct fiscal management and reporting.

2. Policy Objectives

The purpose of this policy is to guarantee the protection of assets and compliance with standard financial and accounting principles. To document how The Board of Trustees recommends that financial managements activities be conducted.

The recommendations include procedures to document:

- Petty Cash
- Financial Event Protection
- Delegated limits of expenditure
- Purchases
- Expense reimbursement
- Financial Reporting/Fund balance/Income/Expenditure/Reconciliations
- Grant Compliance
- Computer System Backup Procedure
- Asset management.
- Annual Meeting Checklist

The procedures for each of these elements of the policy are documented below.

3. Petty Cash

The petty cash fund should never exceed £300.00 The petty cash box is to be locked and kept in a locked file cabinet/safe. Information about items which are purchased using petty cash must be submitted to the Treasurer on the Management Committee with an accurate receipt (a VAT receipt where appropriate). Petty cash is managed by the Treasurer and recorded in the Laxfield Village Hall Accounting System.

4. Event Procedure

The counting of monies taken at the end of the event should be undertaken by two people at least one of whom should be a member of the Management Committee. This procedure will provide financial protection for the charity. The money should be kept secure and locked in a cabinet/safe until it can be banked. Assistance should be available to a person carrying the monies to ensure their safety, for example if they will be walking home at night with the takings from an event.

5. Delegated limits of expenditure

The Management Committee may approve the purchase of equipment or services up to a limit of £1,000 for any one item. Expenditure above this limit must be approved by the Trustees of the Charity.

6. Purchases

All purchases of equipment, services or items for the use at Laxfield Village Hall costing more than £20 must be agreed with the Management Committee prior to purchase. All purchases below the £20 limit must be reported to the Treasurer before the next Management Committee meeting.

7. Expense Reimbursement

Management Committee members claiming expenses must send an expense claim form to The Parish Clerk, with copy to the Treasurer on the Village Hall Management Committee. The claim must itemise each expenditure and separate the VAT element from the cost of each item. Each item purchased must have a receipt or proof of purchase included with the expense claim.

8. Financial Reporting

The monthly meeting of the Management Committee to include a financial report of the bank balance(s) and petty cash to be documented in the minutes of the meeting. Any funding reserves or ring-fenced finances should be discussed at the monthly meeting. Reporting should cover:

- Income: the amounts charged to the various cash accounts should be reconciled with invoices and payments.
- Cash: the balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.
- Petty Cash: the balance in this account should always equal the maximum amount of all petty cash funds.
- Expenditure: all expenditure to documented on the Accounting System (Excel Spreadsheet) and made available for The Management Committee every month.

- Reconciliation: the accounts are reconciled every month and included in the report presented at the monthly Management Committee meeting.

Grant Compliance

When a new grant is received or renewed a copy of the grant to be forwarded to the Senior Contact (a Trustee on the Board). The main contact for the grant to keep in contact with the awarding fund to update when and where necessary.

9. Adopting this policy

Formally adopting this financial policy provides guidance for managing the resources of the Charity Laxfield Village Hall.

10. Computer System Backup Procedure

Procedure to be agreed between the Treasurer on the Village Hall Management Committee and the Laxfield Parish Clerk.

11. Asset management

A designated member of the Management Committee will have responsibility for maintaining an asset register of all assets of the hall. This register is to include, where appropriate, the serial numbers of equipment.

12. Annual Meeting Checklist

The Laxfield Parish Clerk will be provided with information required by the Trustees at the annual meeting of the charity.

Signatures of the Trustee Board

Trustee Name:

Signed and dated.....

Trustee Name.....

Signed and dated.....

Trustee Name:

Signed and dated.....

Next scheduled review date: September 2024