



FINANCIAL AND PURCHASE PROCEDURE

Finance Policy

Note that in the Trustees of Alderholt Village Hall have agreed the appointment of a Management Committee whose responsibilities include the procedures set out in this policy for management of the Hall's funds. The term 'trustees ' below includes the trustees and management committee.

1. The trustees will manage the assets of the charity in accordance with the Alderholt Village Hall Trust Deed dated (latest adopted amendment).
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 shall be reviewed at each policy renewal.
3. Financial records will be kept to ensure that Alderholt Village Hall meets its legal and other obligations under Charity Law, Revenue and Customs and common law.
4. The financial year will end on 31st August and accounts for each financial year will be drawn up and approved by the trustees prior to being presented to the Annual General Meeting held in October.
5. The accounts will be independently examined by an auditor or examiner of accounts appointed by the AGM.
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.
7. The trustees shall approve a Reserves Policy and determine the extent and nature of reserves designated as Restricted Funds.
8. All funds will be held in accounts in the name of the Trustees of Alderholt Village Hall at such banks and on such terms as the trustees shall decide. All cheques and transfer documents shall require the signatures of two members of the Management Committee (normally Treasurer and Chairman) authorised by minute of a Committee Meeting.
9. The treasurer shall present a financial report to every meeting of the trustees: the format and content of the report to be decided by the trustees.
10. All expenditure shall be properly authorised and documented; all income shall be paid into the bank without delay.
11. The trustees will undertake a financial risk assessment of all trust activities and review it annually.

Financial Procedures

- 1) Financial Records
The following records shall be kept up to date by the treasurer:
 - a) A cashbook analysing all the transactions in the Alderholt Village Hall bank account(s).

- b) A petty cash book if cash payments are being made.
- c) Inland Revenue deduction cards P11 and Schedule D numbers for freelance workers.

2) Payment Procedure

- a) The treasurer will be responsible for holding the cheque book (unused and partly used cheque books) 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.
- d) No cheques should be signed without original documentation confirming reason for payment.
- c) Payments made online shall be subject to prior agreement by the committee at meetings or by agreement by emails from a quorum of committee members between meetings if payment is essential for immediate purchase.

3) Income Procedure

- 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 an written account 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 collector not present) and confirm the amount. Any discrepancy should be raised immediately and confirmation of the correct amount agreed.
- c) Hiring agreement forms showing conditions of hire, date, purpose of hire, the rate per hour/session and total due must be signed by the hirer on booking. An invoice will be given to the hirer with copy to treasurer who will collect the outstanding balance and account for the income.
- d) Deposits from hirers shall be retained in the form of a cheque dated at the time of booking. Cheques will be retained and destroyed after the use of the Hall on confirmation that the Hall has been left in accordance with the terms of hire.
- e) Deposit cheques for hire dates beyond 6 months from date of booking will be deposited and a refund made to the hirer after the use of the Hall on confirmation that the Hall has been left in accordance with the terms of hire.

4) Payment Documentation

- a) Every payment out of the bank accounts will be evidenced by an original invoice. The cheque signatory should ensure that it is referenced with the Cheque number; Date cheque drawn; Amount of cheque and who signed the cheque.
- b) Online payments direct from bank accounts will be arranged by the Treasurer and authorised by the co-signatory.
- c) The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees for a future course, 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 to show the authority and reason for EVERY such payment; e.g. a cheque requisition, asking for payment to an employee, the Inland 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 level. 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 where by an Officer 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 up the float 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. Alderholt Village Hall will, if asked, reimburse expenditure paid for personally by staff or trustees on behalf of the Hall, providing:
- Fares are evidenced by tickets;
 - Other expenditure is evidenced by original receipts;
 - Car mileage is based on local authority scales;
 - No cheque signatory signs for the payment of expenses to themselves.

Review date: July 2022

Alderholt Village Hall Reserves Policy

1. Introduction

A formal policy on reserves was agreed at the _____ meeting of the trustees and management committee. It states:

The trustees have set a reserves policy which requires reserves be maintained at a level which ensures that the organisation's core activity could continue during a period of unforeseen difficulty.

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

The calculation of the required level of reserves is an integral part of the organisation's 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
- Organisation's commitments

2. Current policy: as outlined above.

3. Risk assessment

The principal risk would be the necessity to close the Hall to users problems with the building structure or services causing a partial or complete loss of income. It is assumed that there would be ongoing costs to the Hall from contracted provision of utilities and maintenance costs which would have to be funded.

The primary source of funding would be the current bank account assuming funds are sufficient to cover costs.

The reserves account would be used only in emergencies when the current account contains insufficient funds.

4. Future activity level

In the event that use of the Hall declines to a level where income does not cover normal running costs, the trustees will need to make a decision as to whether the reserves can be used.

5. Organisational commitments

Where bookings of the Hall have been made for dates subsequent to any event which creates a need to reduce services or close the Hall, the trustees will undertake all reasonable measures in their power to ensure the continuance of availability of services and keep the Hall available to honour bookings.

Where this would require the use of reserves, such use of funds must be agreed by special meetings of the trustees and management committee.

6. Current reserves level

The current agreed level of reserves is a minimum of £5,000 and not to exceed £10,000.