

Alderholt Village Hall

1 Station Road
Alderholt
Dorset
SP6 3RB



Finance Policy

FINANCIAL AND PURCHASE PROCEDURE

Trustees of Alderholt Village Hall must agree the appointment of a Management Committee whose responsibilities include the procedures set out in this policy for management of Alderholt Village Halls funds. The term Trustee as 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 ensure the Trust Property is 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 ensuring that Alderholt Village Hall meets its legal and other obligations under Charity Law, Revenue and Customs and Common Law.
4. The financial year will start on 1st September and end on 31st August, accounts for each financial year will be drawn up and approved by the Trustees and presented at the Annual General Meeting which is held in October.
5. The accounts will be independently examined by an examiner of accounts appointed at the AGM.
6. Financial Accounts will be filed with the Charity Commission at direct.gov by the Treasurer once the Accounts have been discussed and shown on the minutes at the AGM, all Trustees have access to the Charity Commission. There should always be at least 3 Trustees on the Charity Commission along with the Treasurer.
7. The Trustees will approve all intended major expenditure prior to the start of each financial year and will monitor financial performance at every meeting. The Treasurer should be contacted before any purchases are made/ordered so that funds can be made available.
8. The Trustees approve a Reserves Policy and determine the extent and nature of reserves designated as Restricted Funds.
9. All funds will be held in a Charity Bank Account in the name of the Trustees of Alderholt Village Hall on such terms as the Trustees shall decide. All transfers/payments will require the authorisation of two members of the Management Committee, the Treasurer will carry out the

first authorisation and make all payments. The second authorisation will then be done once the Treasurer has contacted the elected person. Trustees have access to the Bank Account, there must always be at least 3 Trustees listed on the Bank Account.

10. 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.

11. All expenditure shall be properly authorised and documented; all income shall be paid into the bank without delay.

12. 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 spreadsheet analysing all the transactions in the Alderholt Village Hall bank account(s).
- b) A petty cash book if cash payments are being made.

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 shall be subject to 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 a written account showing source, date, amount and signature of collector; the cash to be handed to the Treasurer within 3 days of any event, the Treasurer should count the cash in the presence of the collector (or another 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 a copy to the Treasurer who will collect the outstanding balance and account for the income.

4) **Payment Documentation**

a) Every payment out of the bank accounts will be evidenced by an original invoice and paid by Bank Transfer giving all information required so it can be allocated when received. The Treasurer will make and authorise the payment in the first instance and then before the funds can be transferred the payment will require the second person to Authorise the payment again.

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 impress system where by an Officer is entrusted with a float as agreed by the Trustees.

f) Expenses. Alderholt Village Hall will, if asked, reimburse expenditure paid for personally by staff or Trustees on behalf of the Hall, providing receipts and an Expense Form signed and agreed by the Chairman or Treasurer. **Review date: October 2024**

Alderholt Village Hall Reserves Policy

1. **Introduction**

A formal policy on reserves was agreed at the Annual General 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 considers:

- 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**

If use of the Hall declines to a level where income does not cover normal running costs, the trustees will need to decide as to whether the reserves can be used.

5. **Organisational commitments**

Where bookings of the Hall have been made for dates after 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.

This would require the use of reserves, such use of funds which 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

Review Date – July 2025