

# BRUSHFORD PARISH HALL

REGISTERED CHARITY NO: 1176214

## Internal Financial Controls Policy and Procedures

***Financial Controls apply to all trustees and volunteers. Trustees are expected to exercise a higher degree of care than they would in managing their own affairs to ensure value for money and adequate records of transactions because they are responsible for spending public money.***

### Financial Governance

1. The trustees will manage the assets of the charity in accordance with the Brushford Parish Hall CIO Constitution.
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 Brushford Parish Hall CIO meets its legal and other obligations under Charity Law, Revenue and Customs and common law.
4. The financial year will end on 30th September 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 January.
5. The accounts will be independently examined by an auditor or examiner of accounts appointed by the AGM.
6. The trustees shall approve an income and expenditure budget prior to the start of each financial year and monitor financial performance at every meeting of the Trustees
7. The trustees shall approve a Reserves and Investments 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 Brushford Parish Hall CIO at such banks and on such terms as the trustees shall decide. At least 3 Trustees should be registered with the Bank as authorised signatories. All bank accounts must require at least 2 signatures to authorise payments or changes to the bank mandate. The bank account may be accessed and transactions carried out on-line.
9. The treasurer must reconcile the bank statements to the cash book regularly and report balances and significant transactions to the Trustees.
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 intact into the bank without delay.
12. The trustees will undertake a financial risk assessment of all trust activities and review it annually.
13. The Brushford Parish Hall Charity No 205542: This charity ceased trading as at 30/09/2018 and its Trustees transferred the property and all other assets and liabilities into Brushford Parish Hall CIO. The Trustees of Brushford Parish Hall CIO shall exercise oversight of the "old charity" which will continue to be registered at the Charity Commission, have 3 named Trustees, and a simple bank account in order that any legacies made in its favour may be received.

## **Financial Procedures**

### **1) Financial Records**

a) The treasurer is responsible for keeping complete, accurate and timely records of the Brushford Parish Hall income and expenditure; for making those records available to the accountant and independent examiner at the year-end; and available to any Trustee who wishes to see them and the supporting documents. Records may be kept electronically or on paper.

b) An electronic cashbook shall be kept up to date by the treasurer analysing all the transactions in the Brushford Parish Hall bank account(s) and transactions using the electronic petty cash cards. The cashbook and bank statements shall be reconciled at least monthly and all reconciling items followed up and resolved.

c) Data and supporting documentation shall be retained by the treasurer either electronically or in hard copy for a minimum of 6 years; indefinitely if it regards capital assets. After that time it may be destroyed in a manner befitting its level of confidentiality.

d) Electronic records and documents must be backed up securely and recovery rehearsed at intervals.

### **2) Purchasing Procedures – credit accounts and direct purchases by the Parish Hall**

a) Where possible Brushford Parish Hall will set up accounts with regular suppliers which have been approved by the Trustees so that the suppliers will invoice the Hall for goods and services.

b) Expenditure over £250 must be approved by the Trustees and Management Committee. Larger and more expensive purchases should be tested in the market with at least 3 suppliers invited to quote in writing or at least 3 price comparisons recorded in writing.

c) Goods and services up to £250 may not be ordered unless they have been previously approved in principle by all the Trustees and unless they fall within amounts budgeted by the Trustees. The Chairman and Treasurer may approve emergency expenditure at their discretion subject to ratification by the whole Committee as soon as possible.

d) A Trustee so authorised by the Trustees may order goods and services. Orders placed should be copied immediately to the Treasurer. Unless the supplier requires a formal Purchase Order, the Trustee may inform the Treasurer by email. By whatever means it is transmitted, the information needed is:

- Name, address, phone and email for supplier
- Date of order
- Date of expected delivery
- Arrangements for receiving the delivery – copying the Purchase Order to those receiving
- Description and number of Goods or services ordered
- Prices agreed.

e) Delivery notes must be obtained from the supplier and the Trustee/Volunteer receiving the goods should check the goods delivered to the purchase order and notify the Purchaser and the Treasurer.

f) Invoices must be sent to the Treasurer for payment. The Treasurer will match them to purchase orders and goods received notes.

### **3) Expenses Claims – when Trustees or volunteers buy goods or services for Brushford Parish Hall themselves and are reimbursed by the Trustees.**

- a) Wherever possible goods and services should be purchased by Brushford Parish Hall directly from the suppliers rather than via expenses.
- b) Holders of prepaid debit cards should use these wherever possible in preference to expense claims. Receipts should be submitted to the Treasurer as soon as possible after the purchase.
- c) Goods and services may not be ordered on expenses unless they have been previously approved in principle by all the Trustees and fall within amounts budgeted by the Trustees. The Chairman and Treasurer may approve emergency expenditure at their discretion subject to ratification by the whole

Committee as soon as possible.

- d) Larger and more expensive purchases should be tested in the market with at least 3 suppliers invited to quote in writing or at least 3 price comparisons sought in writing. Expenditure over £250 must be approved by the Trustees and Management Committee.
- e) Expenses claims should be submitted within one month of purchase using the forms available either electronically or in printed format from the treasurer. Claims made in other formats will not be accepted.
- f) All expenses must be supported by independent documents, normally a receipt issued by the supplier. Expenses claims unsupported by receipts or older than 3 months may not be paid.
- g) Receipts are not needed for: car miles, car parking if a receipt is not issued by the supplier, and any item agreed with the Treasurer BEFORE purchase as not requiring a receipt.
- h) Transport claims will only be accepted if the journey would not have taken place other than to carry out a Brushford Parish Hall activity.
- i) Car mileage claims will be paid at the HMRC approved rate (currently 45p per mile).
- j) Public transport: train fares will be repaid at the standard class rate unless the volunteer has a concessionary railcard when fares will be repaid at the concessionary rate. Either tickets or sales receipts must be used to support expenses claims.

#### **4) Payment Procedures**

- a) Wherever possible payments should be made by electronic transfer under dual authorisation.
- b) 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 (see above).
- e) Volunteers who need to make frequent small purchases will be issued with an electronic petty cash card which will normally be loaded with a maximum of £100. These cards can be used in online as well as physical retailers. All purchases made with the cards must be supported by receipts submitted to the Treasurer either electronically or on paper as soon as possible after the purchase.
- f) When the card amount is more or less expended, the treasurer will transfer sufficient funds to bring up the float to the agreed sum, each item of expenditure being supported by third party receipts and/or invoices. Dual authorisation is required to transfer money from the bank account to a card feeder account.
- g) Volunteers are responsible for the funds advanced on the cards: they should not use the cards for personal expenditure and must keep their pin numbers confidential and the cards safe.

#### **5) Stock**

- a) Where significant amounts of goods are required, purchases should be recorded in stock records and their use charged to cost of sales of subsequent events. Stock should be checked after each event run by the Trustees and Management Committee and before and after any event involving other users.
- b) Where perishable items are kept in stock the stock records must include the use of date and stock should be used on a first in first out basis.
- c) Stock will be valued at historical cost on a first in first out (FIFO) basis.

d) Unsaleable stock will be written down at the earliest opportunity.

## **6) Sales and Income Procedures**

a) Hiring agreement forms showing conditions of hire, date, purpose of hire, and agreed rates must be signed by the hirer on booking. Substantial and non-recurring bookings must be paid for fully or partially in advance for the booking to be valid.

b) The treasurer is responsible for raising invoices for hiring the Hall, working closely with the Bookings officer to ensure correct amounts are charged on a timely basis.

c) Hirers are encouraged to make payments by bank transfer in preference to cheques. Cash payments will not be accepted for hires. The Treasurer will receive cheques (and cash from sales, events and ticketing) and is responsible for the safe-keeping of that money and banking it intact without undue delay.

d) The treasurer is responsible for chasing debtors and late payers. S/he must notify the Bookings Officer of hirers who owe money so that the Bookings Officer can refuse booking requests from hirers who have not paid for previous hires or other services.

e) All income received as cheques or cash must be paid into the bank without deduction. No cash will be kept on the Hall premises.

f) The treasurer is responsible for obtaining and providing cash floats to volunteers as required by the business. The volunteers are responsible for the floats and should sign to say they have received them: they should not use the cash floats nor sales receipts for personal expenses, to refund money spent on purchases for the Hall; or to offset any other costs. Cash and cheques received should be counted up and handed to the Treasurer with a list of the amounts without delay after collection. All monies physically received by the Treasurer must be banked intact without delay.

g) Any other cash or cheques collected on behalf of the Hall should be counted by the person(s) collecting it and a notification completed showing source, date, amount and signature of collector. The cash should be handed to the treasurer for checking.

h) ADDITIONAL CLAUSE TO BE ADDED RE INCOME FROM ONLINE ACTIVITY AND ACCEPTANCE OF DEBIT AND CREDIT CARDS.

POLICY APPROVED BY THE BRUSHFORD PARISH HALL TRUSTEES on 17th February 2022

Date for next review: 16th February 2023