



Ripley Recreation Ground Charity – Registered Charity Number 520502

Financial Controls Policy

Financial Records and Accounts

1) Financial records must be kept so that:

The organisation meets its legal and other statutory obligations, such as Charity Acts, HM Revenue & Customs and common law.

The trustees have proper financial control of the organisation.

The organisation meets the contractual obligations and requirements of funders.

2) The books of accounts must include:

A cashbook analysing all the transactions appearing on the bank accounts.

3) Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next Annual General Meeting.

4) Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.

5) A report comparing actual income and expenditure with the budget should be presented to the trustees every three months or whenever meetings take place.

6) The AGM will appoint an appropriately qualified auditor/ independent examiner to audit or examine the accounts before presentation to the next AGM.

Banking

1) The Charity will bank with Cooperative Bank at its Skelmersdale Branch and accounts will be held in the name of the Small Charity. The following accounts will be maintained:

Charity Current Account

2) The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the trustees as will any changes to it.

3) The charity will require the bank to provide statements every month and these will be reconciled with the cash book at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly.

4) The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.

Income

All monies received will be recorded promptly and banked without delay. The Charity will maintain files of documentation to back this up.

Payments (expenditure)

2) The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it.

3) The Secretary will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key.

4) Blank cheques will NEVER be signed.

5) The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.

6) No cheques should be signed without original documentation (see below).

Payment documentation

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). That original invoice will be retained by the Charity and filed. The normal method of payment will be Bank Transfer. When a cheque is necessary the cheque signatory should ensure that it is referenced with:

Cheque number

Date cheque drawn

Amount of cheque

Payments will usually be made by Bank Transfer.

2) The only exceptions to cheques/bank transfers not being supported by an original invoice are items such 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.

3) Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment, e.g. a requisition form asking for payment to an employee, HMRC etc. All employees will be paid within the PAYE and National Insurance regulations.

4) 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.

5) Petty cash will not be used.

6) Expenses / allowances. The Small Charity will, if asked, reimburse expenditure paid for personally by staff, providing:

Fares are evidenced by tickets.

Other expenditure is evidenced by original receipts.

Car mileage is based on local authority scales.

No bank signatory signs for the payment of expenses to themselves.

Cheque Signatures

1) Where necessary each cheque will be signed by at least two people. 2) A cheque must not be signed by the person to whom it is payable (you will have to ensure that you have enough signatories on your bank mandate)

Other rules 1) The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Charity in excess of above £500 must be authorised and minuted by the trustees.

2) In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the trustees. (This covers such items as the new service contracts, office equipment, purchase and hire).

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.

4) The Charity will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, the Charity will maintain a property record of items of significant value, with an appropriate record of their use.