# Presteigne Memorial Hall Internal charity financial controls policy and procedures

# 1. Introduction

1.1. Financial records will be kept so that Presteigne Memorial Hall can:

a) Meet its legal and other statutory obligations such as Charity Acts, HMRC and common law.

b) Enable the trustees to be in proper financial control of Presteigne Memorial Hall.

c) Enable Presteigne Memorial Hall to meet the contractual obligations and requirements of funders

1.2. Presteigne Memorial Hall will keep proper books of accounts, which will include:

a) A cashbook analysing all the transactions in Presteigne Memorial Hall’s bank account(s).

b) A petty cash book if cash payments are being made

c) Relevant HMRC taxation records in accordance with current legislation and reporting requirements

1.3. The financial year will end on the [day month] each year.

1.4. Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting.

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

1.6. A report comparing actual income and expenditure with the budget will be presented to the trustees every three months

1.7. The AGM will appoint an appropriate independent examiner to audit/examine the accounts for presentation to the next AGM.

# 2. Banking

2.1. Presteigne Memorial Hall will bank with Lloyds Bank.

Accounts will be held in the name of Presteigne Memorial Hall. The following accounts will be maintained:

Presteigne Memorial Hall Account (Current account)

Presteigne Memorial Hall Investment Account (Deposit account)

2.2. The bank mandate (list of people who can sign cheques on the organisation’s behalf) will always be approved and minuted by the trustees

2.3. The Charity will require the bank to provide statements every month and these will be reconciled with the cash book no less frequently than every three months. The Treasurer will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly

2.4. The charity will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the trustees

# 3. Receipts (income)

3.1. All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). Presteigne Memorial Hall will maintain files documentation to back this up.

4. Payments (expenditure)

The aim is to ensure that all expenditure can be demonstrated to be the charity’s business and is properly authorised. Whilst an approved budget sets out the planned level of expenditure within the year, signatories should not incur expenses which are outside of their authorised expenditure level, as set out in Appendix 1

4.1. The Treasurer will be responsible for holding the associated debit card and cheque book (unused and partly used cheque books) which should be kept under lock and key.

4.2. Blank cheques will NEVER be signed

4.3. The relevant payee’s name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. Supporting documentation will always be presented to the signatory when a request is made to approve a cheque or online transaction.

4.4. No cheques should be signed or online transaction approved without original documentation (see below).

5. Payments documentation

5.1. Every payment from Presteigne Memorial Hall’s bank accounts will be evidenced by an original invoice (never against a supplier’s statement for final demand). That original invoice will be retained by Presteigne Memorial Hall and filed. Where cheques are used, signatory should ensure that it is referenced with:

Cheque number

Date cheque drawn

Amount of cheque

Who signed the cheque

5.2. 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.

5.3. Wages and salaries. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a payment requisition asking for payment to an employee, the Inland Revenue, etc. All employees will be paid within the PAYE National Insurance regulations.

5.4. 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.

5.5. Petty cash will always be maintained as described in the Financial and Reserves Policy

5.6. Expenses/allowances. The Board of the Presteigne Memorial Hall will, if asked, reimburse expenditure paid for personally by staff, providing:

Fares are evidence 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

6. Cheque Signatures

6.1. Each cheque will be signed by at least two people.

6.2. A cheque must not be signed by the person to whom it is payable

# 7. Other undertakings

7.1. Presteigne Memorial Hall does not accept liability for any financial commitment unless properly authorised.

7.2. All fundraising and grant application undertaken on behalf of the organisation will be done in the name of the Presteigne Memorial Hall 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.

8. Other rules

Presteigne Memorial Hall 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. Additionally the Presteigne Memorial Hall Board of Trustees will maintain a property record of items of significant value, with an appropriate record of their use.