Clapham-cum-Newby
Village Hall

# Finance and Reserves Policies

## Preamble

Clapham-Cum-Newby Village Hall is a registered charity which was granted to the community, in trust, in 1964. This document sets out the two separate policies of Clapham-cum-Newby Village Hall committee and its officers regarding the management of its finances and its financial reserves.

## Version and modification history

The policies were agreed and adopted at the committee meeting of 27th September 2023 and are due to be reviewed annually thereafter.

## Finance Policy

1. The trustees will manage the assets of the charity in accordance with the Clapham-cum-Newby Village Hall Trust Deed dated 21st August 1964.

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 Clapham-cum-Newby 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 September or as soon as practicable thereafter. A Copy of the accounts is to be sent to Clapham-cum-Newby Parish Council (Clause 18 of the trust deed). A further Copy is also to be lodged with the Charity Commission to form its Annual Return.

5. The accounts will be independently examined by an examiner of accounts appointed by the AGM.

6. The trustees shall approve a Reserves Policy and determine the extent and nature of reserves designated as Restricted Funds.

7. All funds will be held in accounts in the name of Clapham-cum-Newby 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 of three trustees authorised by minute of a Committee Meeting.

8. 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.

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

10. The trustees will undertake a financial risk assessment of all trust activities and review it annually.

## *Financial Procedures*

**Financial Records**

The following records shall be kept up to date by the Treasurer

1. A cashbook in paper or digital format, analysing all the transactions in the Clapham-cum-Newby Village Hall bank account(s)
2. A petty cash book if cash payments are being made.
3. All other records as deemed appropriate by the trustees

**Payment Procedure**

The treasurer will be responsible for holding the cheque book and other payment instruction information securely. Blank cheques will NEVER be signed and cheque book stubs will always be properly completed. All electronic payments will be authorized by a second official. No payments should be made/authorised without original documentation.

**Income Procedure**

All income will be paid into the bank without deduction. Cash is to be counted by the person collecting it, placed in a bag with a slip showing source, date & amount and 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. Hiring agreement forms showing conditions of hire, date, purpose of hire, the rate per hour and total due must be signed by the hirer on booking. An invoice will be given to the hirer with a copy to treasurer who will collect the outstanding balance and account for the income.

**Payment Documentation**

Every payment out of the bank accounts will be evidenced by an original invoice or a request for payment (for items payable in advance). Paid invoices & requests should be referenced with the Cheque number or date of electronic payment.

There will be a clear trail to show the authority and reason for all wages payments. All employees will be paid within the PAYE & National Insurance regulations. 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.

Petty cash will always be maintained on the imprest system whereby 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.

Expenses/allowances. Clapham-cum-Newby Village Hall will, if asked, re imburse expenditure paid for personally by staff or trustees on behalf of the charity, on presentation of the original receipts to the Treasurer. Car mileage is based on local authority scales; No bank signatory can authorise payments of expenses to themselves.

## *Reserves Policy*

1. The trustees of Clapham-cum-Newby Village Hall (“The organisation”) have set a reserves policy which requires
   a. That reserves be maintained at a level which ensures that the organisation’s core activity could continue during a period of unforeseen difficulty, and
   b. That a proportion of reserves be maintained in a readily realisable form.

2. The trustees agree that the amount of reserves held should be based on the total of the last 12 months expenditure plus a capital amount sufficient to provide for any items that may require expenditure over the next two years.

   Currently this would be:

   | | |
   |---|---|
   | Approximate 12 months expenditure | £8,000 |
   | Possible Capital items over next 24 months | £20,000 |

   This would allow the organisation to hold current reserves of £28,000 of which at least 40% be retained in an instant access bank account with the rest being invested for income (clause 16, Trust Deed)

3. The trustees are aware that current balances total more than this reserve due to various capital projects already in the pipeline.

4. The trustees are unaware that there are any restricted funds within the current balances.