

MOORLAND ROAD COMMUNITY LIBRARY

Financial Management and Controls Policy



1. Introduction

This is the Financial Management and Controls Policy for Moorland Road Community Library (the Organisation). The Expenses Claim Form may be found in the Appendix.

1.1 Financial records will be kept for at least 7 years so that the Organisation can:

- a) meet its legal and other obligations, e.g. Charities Act, Inland Revenue, Customs & Excise, Companies Act and Common Law as appropriate
- b) enable the Trustees to have control of the Organisation's finances
- c) enable the Organisation to meet its contractual obligations and the requirements of funding bodies
- d) be guided by its accountants

1.2 The Organisation will keep proper records of accounts which will include:

- a) cash analysis of all the transactions in the Organisation's bank account(s)
- b) a petty cash analysis if cash purchases are being made

1.3 The financial year for the Organisation will end on 31st March.

1.4 Accounts will be drawn up after each financial year end within 3 months of the end of the year and presented to the next annual general meeting (AGM).

1.5 Before the start of each financial year, the Trustees will approve a budgeted income and expenditure, cash flow and profit and loss accounts for the following year. These will be created by the Treasurer with the assistance of the Chair.

1.6 An analysis comparing actual income and expenditure with the budget will be presented by the Treasurer to the Trustees every 3 months and on a monthly basis to the Chair.

1.7 The AGM will appoint an appropriately qualified accountant to review the accounts for presentation to the next AGM or as otherwise required by the charities commission.

2 Bank

2.1 Moorland Road Community Library (MRCL) will bank with Lloyds Bank plc where the account(s) will be held in the name of MRCL. All accounts opened will be agreed and approved by the Trustees and recorded in minutes. The following accounts may be maintained – current, business, restricted and any other

2.2 In accordance with the wishes of BANES Council, grant funders and individuals pledging cash grants, such monies will be held in a restricted account and only used for the purposes

designated by the fund giver, when formally approved by the Trustees. Such approval or non-approval must be minuted.

2.3 The bank mandate (list of people who can sign cheques on the Organisation's behalf or otherwise authorise payment on the electronic payment system) will always be approved and minuted by the Trustees, as will any changes to it. **A minimum of three Trustees**, subject to any age limit imposed by the bank, shall be authorised to make payments.

2.4 The Treasurer of the Organisation will reconcile the cash record with each bank statement no less than 6 times annually; this record will be signed off by the Treasurer and the Chair at the following Trustees' monthly meeting.

2.5 The Organisation will not use any other bank account or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the Trustees

3 Receipts (Income)

The aim is to demonstrate that the Organisation has received all the incomes to which it is entitled and that it is all reasonably evidenced.

All monies received will be recorded promptly in the cash analysis and banked without delay. The organisation will maintain files of documentation, e.g. letters from funding bodies to back this up.

4 Payments (Expenditure)

4.1. All expenditure **must** be pre-approved. The trustees reserve the right not to reimburse unauthorised expenditure.

4.2. Expenditure can be pre-approved as follows:

- explicitly by the trustees
- by a delegated project team if the item(s) is required for the project and is within the allocated project budget.
- by a delegated event team if the event has been approved by the Trustees and is within the allocated event budget.
- the budget for the support of the volunteers will be approved annually by the Trustees and will be under the control of the Volunteer Coordinators and the Trustee allocated to HR.

5. Reimbursement

5.1 Receipts (physical or email) must be presented

- in a timely manner (ideally within either 2 weeks of expenditure or the end of project)
- expenses form with the event/budget specified must be attached.

5.2. Reimbursement of authorised expenditure will be either in cash or by bank transfer. In both cases, two trustees must approve payment.

5.3 Expenses / Allowances

Out of pocket expenses will be paid to volunteers providing a correctly-completed expense claim sheet is submitted together with the relevant documentation and duly approved for payment

- a) Fares are evidenced by tickets (where possible)
- b) Other expenditure is evidenced by original receipts
- c) Car mileage will be paid at the approved rate per mile

6. Cheque signatures & cash cards

6.1 Each cheque shall be signed by **at least 2** people.

6.2 In order to provide exceptional financial governance and clarity, those signing the cheque must **not** –

- have signed / approved the cheque requisition form
- be the beneficiaries of the payment
- be a family member of the beneficiary of the payment

6.3 Credit cards and debit cards will not be used unless authorised by the Trustees and then up to an approved amount for those transactions where a debit card must be used e.g. on-line transactions.

The Treasurer must ensure that controls around the use of debit and credit cards meet the requirements of the Charity Commission's guidelines (CC8 Internal Financial Controls for Charities).

The Treasurer must ensure that upon a Trustee resigning his / her position with the Charity, debit and credit cards are returned and that the Chair submits the appropriate report to the Charity Commission that the said person is no longer a Trustee.

7. Other undertakings

7.1 The Organisation does not accept liability for any financial commitment instigated by non-Trustees. Any orders placed or undertakings given must be authorised and minuted by the Trustees. This covers such items as food and consumables, new service contracts, office equipment purchase and hire etc.

7.2 All fund raising and grant applications undertaken of behalf of the Organisation will be done in the name of the organisation with prior approval of the Trustees or, in urgent situations, with the approval of the Chair, who will provide full details to the next management committee.

8. Confidentiality

8.1 The confidentiality of volunteers' financial circumstances will be respected at all times.

8.2 Trustees and volunteers will, at all times, act in the best interests of the organisation and if they experience or learn of a conflict of interest they will advise the Volunteer Coordinator, or any other Trustee, but not divulge sensitive information.

9. Other items

9.1 The Trustees will consider the level of reserves that is prudent for the Organisation to have, at its first meeting after the AGM. Consideration will be given to lease agreements and any other significant factors that should be taken into account were the Organisation were to close.

9.2 The Organisation will adhere to good practice and good financial governance in relation to its finances at all times e.g. it will set up and maintain a fixed asset register stating the date of purchase or taking over if inherited from BANES Council, cost, serial numbers and normal location of asset(s). If it holds stocks of goods e.g. books etc. of significant value, it will maintain proper records.

9.3 These controls will be reviewed annually.

This Policy has been approved by the Trustees of Moorland Road Community Library.

Date: 1 September 2021

Review Date: 1 September 2024

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Expenses Claim form

Moorland Road Community Library

Expense Claim

For speedy payment please add your bank details:

Name: _____

Sort code: _____

Date: _____

Account: _____

Date	Expense	Travel	Stamps	Stationery	Printing	Other	Total
							0.00
							0.00
							0.00
							0.00
							0.00
TOTAL		£0.00	0.00	0.00	0.00	0.00	0.00

Your signature: _____

Approved: _____