

Hadlow Down Village Hall

Financial Policies

The hall committee is subject to general charity law and its requirement for strong financial controls. The aim of our financial policies is to provide this control in the most practical and efficient way.

1. Accounts and Financial Reporting

Under Charity Commission rules we do not have to submit annual audited or examined accounts as our income is below the financial limit at which these apply. We do have to make an annual financial report to the Commission showing the overall profit and loss, opening and closing balances. It is however good practice to have the accounts independently examined, and it is usually required for applications for grant funding.

- 1) Our policy is for the annual accounts to be examined by an independent person, not necessarily a qualified accountant but with appropriate experience, agreed by the committee. The confirmed accounts will be made public by giving a copy to attendees of the AGM and the hall web site.
- 2) At the start of each financial year, the committee will approve income and expenditure budgets for the coming year. Progress against budget will be reported to the committee on a regular basis.
- 3) Throughout the year, the treasurer will issue a financial report to the committee at regular intervals showing detail of all payments and income transactions together with the current balance of all the accounts. Income and expenditure will be cross referenced and reconciled to the bank statements

2. Bank and Petty Cash Accounts

The committee will hold a current account, and if appropriate an associated deposit account, where the majority of our funds will be kept. One person will be authorised to make payments out of these accounts, either by cheque or online transfe, however each payment must be agreed by two of these authorised people.

3. Reserves

It is normal practice for charities to hold an amount in reserve to cover unexpected events, cash flow issues and emergencies. Our current policy is to hold a reserve amount of £4000.00. This will be reviewed annually at the beginning of each financial year.

4. Authorisation of Expenditure

The default position is that expenditure should be agreed in advance by the committee. However, powers are delegated under certain circumstances for practical reasons. In particular:

- I. The treasurer is authorised to make payments for regular items such as utility bills, payments to the cleaner etc. without prior reference to the committee provided the amount is within the normal range.
- II. Members engaged in hall maintenance and housekeeping tasks are permitted to purchase items for this purpose without prior committee approval up to a value of £100 per occasion, subject to confirmation by the treasurer or their authorised deputy, except at times of emergency when no prior approval is necessary. This includes commissioning a contractor from a pre-agreed list of contractors.

5. Payments

- 1) All payments must be supported by appropriate documentation (preferably an original invoice), which the treasurer will make available to the account's examiner at the end of the financial year.

Payments will be made by bank transfer whenever practical, rather than cash, in order to maintain a clear and open audit trail and comply with our policy of payments being countersigned. Cheques will be used if bank details are not available for direct transfer

6. Committee Members' Expenses

It is generally considered good practice by charities for payments to a supplier to be made direct from the charity account rather than by individual committee members. However, for small amounts or payments which must be made online by credit card this is not always practical. In any case, it is essential for good governance that expenditure by committee members is properly documented, recorded and reported.

- 1) Approved expenditure incurred by individual committee members will be reimbursed by the treasurer on presentation of the appropriate paperwork (an invoice or other evidence of the expenditure). Expense payments will be made by direct bank transfer.

These policies will be reviewed annually and may be subject to updates through the year with the agreement of the committee.

This policy agreed by Hadlow Down Village Hall, last amended October 2022