

Dawber Community Garden Trust 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, Her Majesty's 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 accounts must include an explanation of all the transactions appearing on the bank accounts

A petty cash book if cash payments are being made.

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) 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 Nat West Bank plc at its Louth Branch and accounts will be held in the name of the Dawber Community Garden Trust. The following accounts will be maintained:

Charity Current Account

Charity Investment Account

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

3) Bank statements will be reconciled with cash payments receipts and invoices every three months and the treasurer will check that this reconciliation has been done.

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

Income

1) All cash received will be recorded promptly and banked without delay, all bank receipts will be explained and reconciled. The Trust 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 cheque and bank account signatories have the authority to spend up to the budgeted expenditure, not beyond it.

As follows

- Individual payments or purchases by debit card up to £100, with a maximum of £300 in any calendar month. Debit cards will be held by the Treasurer and Chair
- Purchase of goods up to £500 will require the email agreement of two of the signatories up to a maximum of £500 in any one calendar month
- Purchase of goods and services or entering into contracts over £1,000 will require prior authorisation by the board of trustees and shall be minuted.

3) The Treasurer and Chair 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 documentation.

Payment documentation

1) Every payment out of the Charity's bank accounts will be evidenced by an original invoice or receipt. All paperwork will be retained by the Treasurer and filed. The cheque signatory should ensure that it is referenced with:

Cheque number

Date cheque drawn

Amount of cheque

2) The only exceptions to cheques 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 written cheque requisition will be used and a photocopy of the cheque kept.

3) Petty cash may be maintained on the 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, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.

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

Fares are evidenced 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.

Cheque Signatures

- 1) 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

Other rules

- 1) The Dawber Garden Community Trust does not accept liability for any financial commitment unless properly authorised.
- 2) In exceptional circumstances, e.g. to prevent damage or loss, undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the trustees.
- 3) All fundraising and grant applications undertaken on behalf of the Trust will be done in the name of the Trust with the prior approval of the trustees or in urgent situations, or for amount up to £500 with the approval of the Chairperson who will provide full details to the next trustee's meeting.
- 4) The Trust 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 Trust will maintain a property record of items of significant value, with an appropriate record of their use.

Matt Corrigan, July 2023

The above information was adapted from an article published by CASH on their website: see www.cash-online.org.uk