



## **Financial Control Policy**

This policy has been adopted to safeguard the assets of Friends of Church Stretton Library (FOCSL) so far as possible and to provide clear procedures for controlling the finances of the organisation.

The Trustee Board are responsible for implementing this policy and the sound management of the organisation's assets as a whole. The Treasurer is delegated the task of reporting to the Trustee Board every month on income and expenditure and on the financial position of the organisation every three months and also any issues relating to this policy. All Trustees and volunteers are required to abide by these policies and procedures. Where specific responsibilities are allocated, these are stated within the policies and procedures.

These financial controls will be reviewed annually.

### **Bank account and processes**

- A current bank account will be administered in 'Friends of Church Stretton Library' name at a bank chosen by the Trustee Board. This is currently Lloyds Bank. It cannot be changed without consent of the Trustee Board.
- All cheques will require the signature of two Trustees and blank cheques will never be signed. The Board of Trustees are responsible for authorising who can act as signatories.
- Our bank account is set up so that online payments have to be authorised online by two Trustees. The Treasurer has to be notified of any such payments.
- No payment should be authorised until the signatory is satisfied, through sight of a receipt, invoice, or similar written evidence, of the validity of the payment.
- A debit card will be held by a named Trustee, approved by the board, for the purposes of replenishing the petty cash float.
- Authorisation for a trustee to access online banking to download bank statements will need to be authorised by the Board of Trustees. Online banking should only be carried out on computers with up to date software and anti virus protection, using a secure WiFi connection.
- A savings account may also be administered in Friends of Church Stretton Library name for the purpose of accruing interest from reserves. All transfer of money into or out of reserves to be approved by the Board of Trustees.
- Friends of Church Stretton Library will not use any other bank, or use overdraft facilities or take out a loan without approval by the Board of Trustees.

### **Authorisation of expenditure**

- Authorisation for any expenditure greater than £30.00 must first be approved by the Trustee Board.
- Claims for payments of expenses by cheque should include receipts/invoices and signed expenses form.
- Trustees can use their own credit cards to make **authorised** online purchases in the name of FOCSL and claim this money back as expenses.



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## Cash

- All cash and cheques paid in will be logged in the paying in book.
- A petty cash float for the use of Friends of Church Stretton Library of up to £50 will be held by a Trustee, normally the Treasurer.
- Payments from petty cash should not normally be made in excess of £20.
- Payments of expenses from petty cash will require a receipt(s) for the amount being paid and details must be entered in the petty cash book. In exceptional circumstances, if no receipt or invoice is available, a petty cash slip should be made out and countersigned.
- When the petty cash box is topped up, an entry will be made in the petty cash account book.
- Payments or donations received in cash will be kept in a separate cash box to that used for petty cash.
- Details where donations boxes are situated, when last emptied will be logged and total amount found and details entered in cash book.
- Additionally a cash float of up to £20.00 can be provided to volunteers who regularly run fund raising events e.g. winter talks, book sales. This to be first approved by the Board.

## Ticketed events

Tickets will be sold in advance at various venues in Church Stretton for some fund raising events.. These tickets will be numbered and unsold tickets will be counted to check totals match the income received on ticket sales.

## Christmas goods e.g. cards, calendar

A record will be kept of the number goods on sale at venues around town. All unsold goods will be returned to Friends of Church Stretton Library to be reconciled against the amount of cash received.

## Banking cheques and cash

- Cash receipts will be entered into the cash book intact. Receipts will be issued on request.
- Cash receipts should be paid in monthly (or sooner if the total amount exceeds £50).
- Cheque receipts will be banked weekly (or sooner for large receipts).

## Records

- Careful records will be kept of all income and expenditure, using a system and books approved from time to time by the Treasurer.
- Transactions will be reconciled against bank statements monthly by the Finance Officer.
- All Friends of Church Stretton Library financial records will be kept for seven years in accordance with the Charity Act 2011.



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## Processing of donations and Gift Aid

- Donations can be made by cash, online banking and regular standing orders.
- All donors will be encouraged to complete a form giving us their contact details, amount donated and to sign if they are willing for us to claim Gift Aid on the donation. This information will be added to our contact database and the forms will be filed and kept safe in a locked file.
- The Treasurer, or volunteer trained to carry out this task, will check our bank statement for donations received each month and send out acknowledgements.(only the first time for donors setting up regular standing orders).
- If a regular standing order ceases we will contact the donor to check whether this was intentional. This is to check that this is not a banking error and will need to be handled sensitively.
- Details of donations will be added to our database each month, and checking carried out to make sure totals consolidate with Cash Book entries. A report is generated from our database to match donations received against donors signed up to Gift Aid to generate the spreadsheet entries required to claim Gift Aid from HMRC. This will be carried out at least twice each financial year, to allow us to also claim through the Gift Aid Small Donations Scheme.
- An audit will be carried out by an independent examiner appointed each year by the Trustees, in accordance with the requirements of the Charities Act and Companies Act.
- The auditor's report will be discussed and approved by the Trustee Board prior to the end of year accounts being presented to members at the AGM.

## Handling of suspect donations

The Trustees will carry out due diligence on any unusually large donation from an unknown source or any donation with conditions attached, to check they are not the proceeds of crime or money laundering. Suspect donations will be reported to the appropriate authorities as well as the Charity Commission.

## Budgeting and monitoring

- Prior to the start of the financial year, or as close to the start as possible, estimates of quarterly income and expenditures will be proposed to the Trustee Board for their approval, by the Treasurer in consultation with the Chair.
- Every three months, the Treasurer will present quarterly reports to the Trustees, setting out actual income and expenditure compared to the budget.
- Accounts will be drawn up at the end of each financial year and within three months of the end of the financial year.

A total budget of expenditure for each fund-raising event will also be agreed by the Board.



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## Claims for expenses and allowances

Friends of Church Stretton library will reimburse expenses incurred by volunteers carrying out their work for us provided that

- Any travel expense greater than £10.00 has been approved in advance by the Board.
- Any other expense greater than £30.00 has been approved in advance by the Board.
- All expenditure is listed as a separate item on the appropriate signed expense form (attached at end).
- The total amount of money being claimed for any one event is covered by that events budget.
- Fares are evidenced by tickets and other expenses evidenced by original receipts.
- Car mileage is based on agreed and reasonable mileage rates in line with those recommended by the National Joint Council with local authorities.

Total amount of expenses claimed will be monitored by the Board as part of their three monthly monitoring of finances.

## Inventories

An inventory shall be maintained of all equipment worth in excess of £50.00. This will include a description of the equipment, where purchased, length of guarantee, cost of purchase and where it is stored.

## Insurance

The Board of Trustees will authorise insurance cover if needed at a sufficient level to cover assets and possible liabilities.

## Fixed assets

Fixed Assets will be capitalised (above a level of £200) and written off over their useful lives on a straight line basis. The useful lives are estimated to be:

Computer & Office Equipment          2 years

**Approved by Trustees:    11/11/2020**

**Review date:                    01/11/2021**