



## **Welwick Parish Hall**

North Lane, Welwick, HU12 0SJ

Charity Reg. No.1083040

# **FINANCE POLICY & PROCEDURES**

Written – October 2024

Review – October 2026

## 1. INTRODUCTION

This Policy & Procedures statement has been prepared to guide trustees of the Welwick Village Hall in the effective management of the Village Hall financial affairs. The overriding aim being to ensure that the trustees fully comply with their constitutional obligations regarding the finances and fulfil the legal requirements as set down by the Charity Commissioners.

## 2. AIMS & OBJECTIVES

- 2.1 A daily record of all receipts and payments must be compiled and kept up to date
- 2.2 All expenditure must be validated and covered by receipts that are easily traceable through bank statements.
- 2.3 Well-presented account books and annual accounts must be kept in accordance with The Charity Commissions "Statement of Recommended Practice (SORP)", The Charities Accounting and Reporting Regulations, and The Accounting Standards and Generally Accepted Accounting Principles (UK GAAP).
- 2.4 Appropriate records and analysis mechanisms are in place to produce the Annual Treasurers Report (including "Statements of Receipts and Payments" along with a Statement of Assets and Liabilities).
- 2.5 The Report and Accounts must successfully satisfy Independent Examination prior to the Annual General Meeting.
- 2.6 To effectively support the trustees in its "Duty of Prudence",

*Duty of Prudence being defined as:*

*To ensure the Village Hall remains solvent*

*To expend Village Hall funds reasonably and in the furtherance of the stated constitutional objectives.*

*To avoid undertaking any activities that might place the Village Hall funds, assets or reputation at undue risk.*

### 3. FINANCIAL STRATEGY

The general aim is to manage the revenue budget on a self-financing basis. As a “rule of thumb”, (to use when determining published hire charges,) hire income should cover operating costs. Within this broad remit, a measure of flexibility may be applied to enable high value private functions help keep costs down for the more disadvantaged user groups.

Proceeds from fund raising events will be used for general running costs and for hall improvements. The trustees are well aware that rental income will quickly evaporate if the hall fabric and appearance is not maintained to a high standard.

A sum of £5,000 (nominally 12 months running costs) should be “ring fenced” in the current account as an “Operational Contingency”.

### 4. PROCEDURES

#### 4.1 Authority to commit expenditure:

- The Treasurers agreement must be secured before any expenditure over £20 is committed.
- All expenditure must be covered by formal receipts and payments made by petty cash or cheque from the Village Hall current account.
- Cheques to be signed by two of the four authorised signatories.
- To assist the audit process, operating expenditure should be identifiable on the bank statement and not taken out of other cash receipts.
- Major items of expenditure, (e.g. Capital spend, Hall improvements, Assets appropriate to the Hall Inventory) should be pre-approved and recorded in minutes at a Village Hall trustees meeting.
- The Treasurer has prior approval to promptly pay annual Insurance Premiums, Licence fees, Utility Bills, Routine fire gas & electrical servicing, cleaning charges, and items required to immediately address any unforeseen Health & Safety issues.
- Minor items of routine expenditure, (e.g. stationary, catering or cleaning materials) are permitted by nominated committee members with general prior approval.

## 4.2 INVOICING

The Treasurer is required to maintain an Invoicing Schedule and Register of Invoices.

Under normal circumstances, users will be invoiced on a monthly or termly basis and a receipt given (except for the regular local groups Bowls, Pop-in etc. when an invoice is not necessary). A deposit of £50 will be requested for large parties / weddings etc. and paid in advance.

## 4.3 REPORTING PROCESSES

At each committee meeting the Treasurer will report on:

- The current bank balances, recent income & expenditure, and discuss any late payments if necessary.

On the 31st January the account books will be closed and presented for independent inspection & audit.

The resultant Annual Report and Accounts should then be approved and signed off by the Trustees before they are adopted at the AGM in May.

All Accounts Books and relevant correspondence should be retained and archived (in the filing cabinets in the Village Hall loft) for a period of 7 years.

## 5. FUND RAISING POLICY

Fund raising events should be specifically earmarked for maintaining the upkeep of the hall and for long-term development and sustainability initiatives. Proceeds will only be spent on initiatives for which they were raised.

These funds will be banked in the “working fund Account”. The Treasurer is authorised to move monies between the working fund account and the current account to safeguard positive cash flow and maximise interest receipts.

The gross cash proceeds and payments at each event should be recorded in the “Cash Book”. Costs incurred in staging the event should be covered by local receipts and refunded from the specific event proceeds. In this way the true “profit” from each event will be clearly apparent within the accounts and the annual running costs for the hall will not be wrongly overstated by random fund-raising expenses.

6. MONITORING AND REVIEW

The Welwick Village Hall committee approved this issue of the Finance Policy at the meeting on Wednesday 12th October 2022.

Compliance to the Policy will be reviewed 2 yearly and any changes or updates presented at a trustee meeting for approval.

Signed ..... Chair

Signed ..... Treasurer

Signed ..... Secretary

Date .....