



Farningham Village Hall

Finance Policy

v4. of 27.02.23

1. The trustees will manage the assets of the charity in accordance with the Farningham Village Hall Deed of Management dated 27th September 1938.
2. The trustees will insure the Trust Property with a reputable Insurance Company on an 'All Risks' basis for its full rebuild value; the sums insured shall be reviewed at each policy renewal.
3. Financial records will be kept to ensure that Farningham Village Hall meets its legal and other obligations under Charity Law, Revenue and Customs and common law.
4. The financial year will end on 31st December and accounts for each financial year will be drawn up and approved by the trustees prior to being presented to the Annual General Meeting usually held in February.
5. The accounts will be independently examined by an auditor or examiner of accounts appointed by the AGM.
6. The trustees will approve an income and expenditure budget for the new financial year after close of accounts for the one just ended, and prior to the Annual General Meeting. They will review the budget and adjust targets as necessary at every meeting.
7. The treasurer shall present a financial report to every meeting of the trustees: the format and content of the report to be decided by the trustees.
8. The trustees shall approve a Reserves Policy and determine the extent and nature of reserves designated as Restricted Funds. This is maintained as a separate document to the Finance Policy.
9. All funds will be held in accounts in the name of Farningham Village Hall at such banks and on such terms as the trustees shall decide.
10. All expenditure shall be properly authorised and documented; cheques and transfer documents shall require the signatures of two of at least three trustees authorised by minute of a Committee Meeting. All income shall be paid into the bank without delay.
11. The trustees will undertake a financial risk assessment of all trust activities and review it annually.

Farningham Village Hall

Financial Procedures

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1. Business Credit Card

Background

- A business credit card exists to allow purchases to be made for the hall without using petty cash, and which provides an online audit trail. The card is treated as a 'charge card', meaning that a direct debit is set up against the Village Hall current account to ensure that payment is made in full on a monthly basis.
- Two 'versions' of the credit card exist; that for the primary cardholder (the Treasurer) and that for an additional cardholder buying day to day supplies. The primary cardholder has a 'Business Credit Limit' of £1,000 and is designated as an online administrator for the account. This allows the credit limit for the additional cardholder to be set (currently £100) and for the ability to withdraw cash to be controlled (currently disallowed).
- It is unlikely that the primary card will be used very often, maybe for large equipment purchases.
- Further transactions cannot be prevented once the Business Credit Limit has been exceeded. If this happens an over credit limit fee is charged each offending month. However, this is managed by:-
 - Setting a realistic credit limit for the additional cardholder
 - The additional cardholder being vigilant
 - The Treasurer monitoring spend online

- If it looks like the credit limit will be breached extra repayments can be manually made at any time

Card Management

- The Treasurer will monitor spend against the cards on a weekly basis, at the same time as the weekly review of current account transactions. Appropriate action will be taken if it looks like the credit limit is likely to be breached, although this is unlikely to be triggered by the additional cardholder.
- As with any transaction, the monthly payments (and exceptionally any additional ones) will be recorded in the accounts under expenses, identified as a credit card direct debit, and the spend allocated to the appropriate heading. For example, for a given month a total debit of £35 might be attributed as £10 Cleaning & Materials, and £25 Repairs & Maintenance. This will give the correct line total but allow the correct allocation of the expenditure.
- The additional cardholder must obtain receipts for each card transaction, and supply these to the Treasurer each month. This will allow the correct allocation of expenditure mentioned above, and provide proper documentary support for the transactions. These receipts (and any obtained by the primary cardholder) will be affixed to the monthly statement to which they refer (paper statements are provided).

2. Cash and Cheque Handling Procedures

The Booking Secretary

- A carbonised and numbered duplicate book will be used to list and accompany cheques being handed over to the Treasurer, and to provide receipts for cash payments. It is expected that in these days of online banking, cheque payments will be the exception, and cash payments even more so. (Hirers are also encouraged to send cheques direct to the Treasurer). A separate cheque may be provided for the amount of the security deposit; these will be listed in the duplicate book in the same way.
 - The listing should show the date the page was completed (which should be the date of handover to the Treasurer), and for each cheque a) the hirer name (which may not be the same as the name on the cheque), b) the hire date, c) the amount, and d) the date upon which the cheque was received. Handover to the Treasurer should take place within 5 days of receipt of any cheque.
 - Any cash payment tendered by a hall hirer must be counted in their presence and acknowledged there and then by a receipt from the duplicate book. No cash should be accepted if this is not possible. The person taking the cash can then make an online payment for the same amount to the Village Hall current account, with the payment reference containing the hire date and as much of the hirer name as is possible, to allow the transaction

to be reconciled. This should be done within 5 days of receipt. An email should be sent to the Treasurer to alert them to the incoming payment, with a scanned copy of the receipt.

- An example of both a cheque listing and a receipt for cash is shown at Appendix A. If there is any likelihood that the handover to the Treasurer cannot take place within 5 days, then the Treasurer should be notified, and, in exceptional circumstances, will personally come and collect the cheques and duplicate book listing. It is recognised that from time to time situations may arise where prompt handover is not possible, where for example cheques are put through a letterbox the night before departure on, or during, a holiday. Again, this will be the exception.

The Treasurer

- The Treasurer will bank cheques within 5 working days of receipt (except cheques provided solely for the amount of the security deposit). The Treasurer will ensure that all cheques and cash payments can be correctly attributed to a booking.
- Security deposit cheques will be retained, and either returned to the hirer or shredded (whichever they prefer) once the event is over and it is clear that there is no need for any retention/deduction of costs.

3. Current Account

Background

- The Village Hall current account is used to receive moneys paid in by hirers and to allow the payment of bills and expenses. It is expected that most transactions will be made using online banking, although the Treasurer holds cheque and paying in books. The former should be kept under lock and key.
- All income will be paid into the bank without deduction.
- The Treasurer will keep a cashbook analysing all the transactions in the bank account up to date

Payment Authorisation

There are at least three authorised signatories to the account. For any payment to be made, two of these people must participate in the online banking transaction, or sign the cheque book. Each authorised signatory will have a debit card and card reader.

- Before a payment can be made, an invoice/claim must be presented. This must be checked by the person initiating the transaction. They will check that
 - the description of work carried out or services provided reflects what was requested, and that it was completed satisfactorily.

- the invoice/claim has been completed accurately and that the payee details match what is expected.
- The payment can then be set up. Once this has been done, a second signatory will be asked to authorise the online payment or sign the cheque book. The second signatory must be passed/shown a copy of the invoice/claim, and they will independently check the details of the payment before authorisation.
- Blank cheques will never be signed in advance of payment.
- Where the payment is for services provided by, or expenses claimed by one of the signatories, that person must not participate in the transaction. They will pass the invoice/claim to the other signatories for action as above.

4. Contract Bookings

The Booking Secretary will:-

- Send out renewal letters to contract hirers the first week in September, setting out the anticipated hire dates and charges for the following year, and liaise with them over any changes required.
- Keep accurate records of all contract booking details in accordance with the hire agreement and any changes agreed thereto.
- Provide the Treasurer with a spreadsheet of all contract hire bookings to be invoiced for the quarter just ended, in the first week of January, April, July and October.

The Treasurer will:-

- Send out quarterly invoices to contract hirers as soon as possible after receipt of the spreadsheet from the Booking Secretary.
- Monitor incoming payments, chase any late payers and account for the income received from contract hirers.

5. Non Contract Bookings

The Booking Secretary will:-

- Provide a booking form showing conditions of hire, date, purpose of hire, the rate per hour and total due to the hirer, who will sign it upon confirmation of booking.
- Pass a copy of the booking form to the Treasurer as soon as possible after signature.

- Let the Treasurer know of any changes to the hire fees.
- Keep accurate records of all non contract booking details in accordance with the hire agreement and subsequent payments as shown against the bank account, or notified by the Treasurer where the Booking Secretary does not have online access to the account.
- Use these details to ensure that the hirer pays the initial amount due and any subsequent balance in accordance with the dates shown on the booking form.
- Request refund of any security deposit (or overpayment) to be repaid following the booking, when happy that the charges have been paid in full (and taking into account any costs that need to be deducted).

The Treasurer will:-

- Check the amounts shown on the booking form.
- Monitor incoming payments and account for the income received from non contract hirers.
- Process any security deposit (or overpayment) refunds in conjunction with the other authorised signatories. It may or may not be the Treasurer who sets up the online payment (or prepares a cheque), but before this is done the Treasurer must provide a 'certificate' (this may be sent by email) to support the refund. The refund must not be processed unless this certificate has been provided. Examples of certificates are shown below; depending upon the circumstances, slight changes may be required to the wording.

- Example Email 1 – The security deposit has been banked

The amount due for this hire comes to £266.00, including £20 rubbish removal, plus £250 security deposit, a total of £516. We have had the following payments:-

14/06/2019	19.50
30/04/2019	123.25
20/05/2019	123.25
20/05/2019	250.00
Total	516.00

The requested amount of £250 for the security deposit should therefore be refunded.

- Example Email 2 – The security deposit cheque has been retained (email for information only)

The amount due for this hire comes to £266.00, including £20 rubbish removal, plus £250 security deposit, a total of £516. We have had the following payments:-

14/06/201	19.50
9	
30/04/201	123.25

9	
20/05/201	123.25
9	
20/05/201	* 250.00
9	
Total	516.00

** This was paid by way of a cheque against the security deposit, which has been retained. I shall therefore contact the hirer to see if they wish me to shred the cheque or return it to them.*

- Where the Booking Secretary does not have online access to the bank account, check the bank account every Monday (or as near to this as possible) and provide the Booking Secretary with details of all payments received in respect of non contract hirers.

6. Expenses Claim

- From time to time members of the Committee may personally incur expenses in connection with the running of the Hall, and will claim reimbursement of these expenses using the form shown at Appendix B.
- Receipts must be produced for every item in the claim and attached to the form. They should be numbered with the corresponding line item number on the form to make it easy to match them up.
- When all the items have been entered on the form, the person making the claim will complete the declaration at the bottom and submit the claim to the Treasurer.
- The form at Appendix B has been completed to show a typical claim. Completed text is shown in red for clarity.
- The claim should be made within two or three months of the expenses being incurred, and in any case before the end of December. This allows all expense claims to be accounted for in the year in which they were paid.

7. Retention of Records

The Booking Secretary

- The Booking Secretary must keep records relating to both contract and non contract bookings for 6 years, in accordance with the legal obligations of the charity.

The Treasurer

- The Treasurer must keep all financial records relating to Farningham Village Hall for 6 years, in accordance with the legal obligations of the charity.

8. Obtaining Quotes

Where the cost of a job is likely to be above £3,000, three quotes must be obtained for the work.

Amendment History

Date	Version	Amendment
04/07/2019	Original	
22/07/2020	Ver 2	New Section "Obtaining Quotes"
		Changed to allow for Booking Secretary being a fourth authorised signatory
		Sections ordered more logically

Appendix A

Cheque Listing

3/7/2019

22

1) Hirer J. Smith

Hire date 22/09/2019

£266

Cheque received 30/06/2019

2) Hirer D. Jones

Hire date 10/08/2019

£52

Cheque received 29/06/2019

Appendix A

Receipt for Cash

Received from J Smith the
sum of £100 in cash, for the
booking on 22 September 2019.

Signed A Booking Secretary
3rd July 2019

Appe

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Farningham Village Hall

Expenses Claim Form

Date	Item*	To	Reason	Amount
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28/3/2018	1	Wilko	Bucket and mop	6.20
4/4/2018	2	Lidl	Air Fresheners	3.30
7/6/2018	3	Homebase	Paint tester pots	5.37
21/6/2018	4	Timpsons	Keys cut	24.00
	5			
	6			
	7			
	8			
	9			
	10			
Total				38.87

I would like to claim the total sum shown above in respect of expenses incurred by me

* Receipts should be attached to this form and numbered to match the corresponding line item

Name (print) XXXXXXXX

Signature XXXXXXXX

Date 22/06/2018

Paid On

Signed (Treasurer)