



Naphill Village Hall & Playing Fields Council

## **Financial Regulations**

### **1.0 Purpose**

The purpose of this document is to agree the management rules that will be applied to the financial affairs of the registered charity for Naphill Village Hall and Playing Fields Council ("the Council").

These rules are necessary to:

- a) Protect the Council's assets for the benefit of the whole community
- b) Identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud
- c) Ensure financial reporting is robust and sufficiently detailed to enable sound decision making when applying funds
- d) Enable the charity trustees to comply with the law

### **2.0 Financial Year**

2.1 The financial year runs from 1<sup>st</sup> January to 31<sup>st</sup> December.

### **3.0 Conflicts of Interest**

3.1 Conflicts of interest can impact on the quality of decision making. All registered trustees ("Trustees") have a responsibility to declare that they have an interest in an item on the agenda or one that is raised during a Council meeting.

3.2 To avoid any conflicts of interest, the Treasurer shall not have a financial role within any other Village organisation. In the event that we are unable to find a Treasurer that meets these criteria then the Treasurer must declare any interests in any other local organisations at every meeting.

### **4.0 Role of the Treasurer**

4.1 The Treasurer is the guardian of the Council's assets and is responsible for:

- a) the day to day management of the Council's financial affairs
- b) maintaining adequate and effective financial controls
- c) recommending the annual budget
- d) providing reports on financial performance for the Council
- e) carrying out a monthly reconciliation of the bank statements
- f) organising the annual independent financial examination
- g) collecting and banking income
- h) paying suppliers
- i) if applicable, paying staff in accordance with PAYE regulations
- j) ensuring the annual accounts are completed as soon as is practical after the end of the financial year and definitely before the AGM in April
- k) lodging a copy of the accounts, together with an up to date list of Trustees, with the Charities Commission
- l) organising suitable insurance cover
- m) taking regular meter readings

### **5.0 Accounting Records and Controls**

5.1 As allowed by the Charities Commission, the Council will use the "receipts and

payments” method of accounting. A record of all receipts and payments will be maintained by the Treasurer.

5.2 A list of debtors will be maintained and reviewed monthly.

5.3 A list of creditors will be maintained and reviewed monthly

5.4 Bank reconciliations will be performed at least once a month

## **6.0 The Annual Budget and Financial Performance Reporting**

6.1 The Treasurer will recommend an outline budget at the November Council meeting and this will be formally agreed by the Council at the December meeting prior to the start of the new financial year.

6.2 Finance will have a separate heading on the agenda of each Council meeting and time will be set aside for discussion of financial matters.

6.3 The Treasurer will prepare a report for each meeting showing income, expenditure and performance against budget. This will be circulated to all Council members and any major discrepancies, either positive or negative, noted in the minutes.

6.4 Details of cash flow and bank balances must also be reported, and minuted, at each meeting.

## **7.0 Bank Accounts**

7.1 Opening and closing bank accounts requires the minuted approval of the Council. All bank accounts set up to handle the Council’s money must be in the Council’s name.

7.2 Bank accounts will be reconciled monthly and any discrepancies brought to the attention of the Council at the next meeting.

7.3 Bank statements for the last 3 months will be brought to the Council meeting and be available for scrutiny. Any Council member may request a copy of a bank statement at any time.

7.4 Two cheque signatories are required for every cheque written. Cheque signatories must be Trustees of the Council.

7.5 The Council must review bank mandates and authority limits annually at the AGM.

7.6 Internet banking will only be permitted if it is possible to apply two levels of authorisation to any internet banking transaction.

7.7 Trustees with access to the Council’s bank accounts must ensure that these are never disclosed to persons unknown, or by email, or in response to unsolicited telephone calls or emails.

7.8 Council’s bank accounts may only be accessed electronically by trustees running suitable firewall and anti-virus software on their computers.

7.9 PIN numbers, user IDs and passwords issued in conjunction with Council’s bank accounts must be kept confidential.

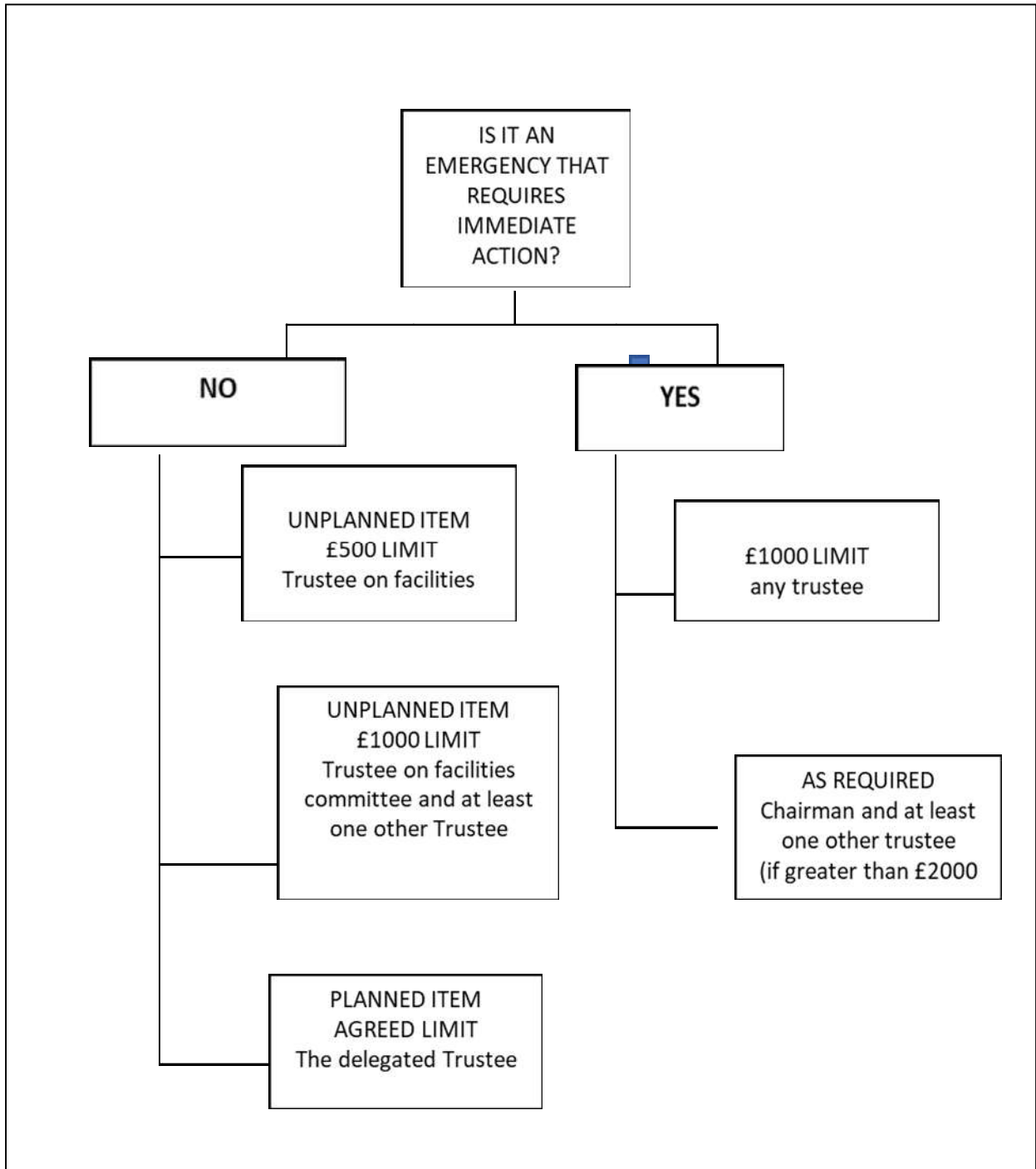
## **8.0 Authority to Incur Expenditure**

### 8.1 Contract expenditure

All contracts need full Village Hall Council approval. The Treasurer is authorised to settle bills in accordance with approved contracts.

### 8.2 Single item expenditure

All expenditure shall be properly authorised and documented. The flow chart details trustees' authority to incur expenditure on behalf of the Village Hall Council.



### 9.0 Major & Capital Works

9.1 For major works (defined as over £2000 in value) three quotes must be obtained and circulated at least a week in advance of the meeting at which the final decision is made to give all Trustees time to investigate and reflect on the expenditure and come to the meeting ready to make an informed decision.

9.2 The decision will be taken based on best value for money and need not necessarily be the cheapest.

9.3 The decision of the Council, based on its normal majority vote of those present, will be final and irreversible and gives an individual Trustee full authority to commit the expenditure on behalf of the whole Council.

## **10.0 Lettings**

10.1 Lettings rates will be agreed in advance for the coming financial year and will only be varied with the prior permission of the Council.

10.2 Any letting of the Village Hall or Playing Fields will be in accordance with the Council's Lettings Policy.

## **11.0 Cash/Cheque Handling**

11.1 The Treasurer is responsible for defining adequate procedures and controls over cash at Council events and for advising volunteers of the rules that are in place to protect cash.

11.2 Cash and cheques should be held in a locked cash box in a secure location.

11.3 Cheques and cash must be banked regularly and promptly. Any outstanding banking in excess of £200 should be reported at the Council meeting.

11.4 Cheque books must be kept securely.

11.5 It is forbidden to sign blank cheques or to post-date cheques.

11.6 Payments and reimbursements will only be paid in cash up to the value of £50. Supporting documentation is required for all reimbursements.

11.7 Personal cheques shall not be cashed out of money held on behalf of the Council.

## **12.0 Independent Examination**

12.1 The independent financial examiner will be appointed by the Council and the appointment minuted accordingly.

12.2 The financial records will be examined annually and the results of the examination made available to all trustees and displayed in the Village Hall and on the Village web site.

## **13.0 Reserves**

13.1 Trustees have a duty to apply the charity's income for the benefit of its beneficiaries. This means that income generated should be spent for the furtherance of the charity and not accrued or invested.

13.2 However the Trustees have deemed it prudent to keep some funds for unseen difficulties. The Reserve Policy shall be approved annually and determine the extent and nature of the

reserve. This reserve will be held in a secure bank account in the name of the Council which provides a competitive rate of interest.

#### **14.0 Risk Management**

14.1 It is important that we have a high level of public trust and confidence in our work as the future of the Village Hall and playing fields depends on the support from local people and on volunteers from the community.

14.2 If the Village Hall falls victim to financial crime resulting from Trustees not putting adequate financial controls in place, then the Trustees will have failed to meet their legal duties to the charity.

14.3 The Council will therefore maintain and review a financial risk register detailing any major risks to the financial position of the charity, methods of mitigation and probability.

14.4 As a policy, any instances where it is suspected that the charity is a victim of financial crime will always be reported to the police and to the Charity Commission following an initial investigation by more than one trustee of the Council.

#### **15.0 Donations**

15.1 The Council are aware of the growing trend for “tainted” charity donations and will refuse or return any donations where they feel this may be a risk.

#### **16.0 Data Protection and Data Monitoring**

16.1 Any paper copy records of the charity’s business should be stored appropriately and all archives must be stored in the Village Hall. Financial information must be kept for a minimum of 7 years.

16.2 Where charity information is produced by computer it should be running anti-virus and anti-spyware software and care should be taken to protect other members from inappropriate use.

16.3 Key charity documents should be backed up in the Village Hall Dropbox account. All Trustees should have access to these, however where they contain personal information, they should not be disclosed outside of the Council members.

16.4 The Trustees will ensure that the charity is registered under the Data Protection Act and that this registration is renewed annually.

#### **17.0 Loans**

17.1 The Council will aim to cover all expenses by fundraising and will not commit the Council to expenditure that it is unable to fund from its own reserves.

17.2 However in the unlikely event that the Council requires taking out a loan this must be agreed by a majority of the Council members and the decision minuted accordingly. Any resulting loans will be in the name of the Council.

#### **18.0 Stores and Equipment**

18.1 Delivery notes, Invoices or receipts must be obtained in respect of all goods received and goods must be checked as regard quality at the time delivery is made.

18.2 Any stock should be kept to a minimum and maintained at the level consistent with operational requirements.

### **19.0 Insurance**

19.1 The Treasurer is responsible for organising suitable insurance cover for the Council's assets including the Village Hall and any public liability insurance.

19.2 Copies of insurance certificates will be circulated to the Council.

19.3 The Treasurer will negotiate insurance claims on the Council's behalf

### **20.0 Review**

20.1 These financial standing orders will be reviewed annually at the AGM.

### **Approval**

These Financial Regulations were approved at the Naphill Village Hall and Playing Field Council 's Annual General Meeting on 8th April 2024

**Date for next review: March 2025**