



Red Lion House Charity

Charity Number; 1176422

Financial policy

1. INTRODUCTION

The Red Lion House Charity is an unincorporated charitable association with a constitution, managed by a board of elected trustees.

The Trustees are responsible for ensuring that the charity is managed in accordance with current laws and regulations so that the Red Lion House community centre is properly managed, maintained and put to best use.

The Trustees will elect a Treasurer to manage all the financial arrangements of the charity in accordance with this policy.

2. FINANCIAL POLICY.

2.1. Financial records will be kept so that Red Lion House Charity can:

- meet its legal and other obligations eg Charities Act 1992, Inland Revenue, Customs & Excise and common law;
- enable the Trustees to be in proper financial control of the charity;
- enable the charity to meet any contractual obligation, including any requirements of funders.

2.2. To achieve these aims appropriate records will be kept, including:

- an account book or computer spreadsheet recording all the transactions in the bank account(s)
- bank statements
- petty cash book
- details of all income received
- invoices and other receipts for all payments
- PAYE records where applicable

2.3. The charity's financial year ends on 5th April. Accounts will be drawn up after the end of the financial year and a suitably qualified person will be appointed to independently examine them. The accounts will be presented to the Annual General Meeting of the charity held in the last week of November.

2.3. Before the start of the financial year, a budget will be set for the following year.

2.4. A financial statement will be presented to each Trustees' meeting showing cash received, payments and remaining funds. It may also show expected future receipts and payments.

3. BANK ACCOUNTS

- a) A current cheque account is held with Lloyds Bank, 1, Westgate, Huddersfield, HD1 2DN. If more accounts are opened, these will be added to this information.
- b) Any bank transaction will go through the current account. If in future any money is drawn from another account, it shall be first transferred to the current account and withdrawn from there. If money is paid into any other account, it will be as a transfer from the current account. Only the Treasurer will undertake such transfers. Details will be reported to the Trustees as appropriate.
- c) At least three members of the management committee will be signatories to the accounts.
- d) Bank statements will be obtained every month and these will be checked against the account book.

3. INCOME

- a) When cash is received as payment for room hire or other service, a receipt will be issued and a copy kept.
- b) When cash is received at fetes, jumble sales or other events, two people will count up the cash, make a note of the total and sign for it.
- c) When the Treasurer collects cash from anyone a receipt will be issued and details will be recorded in the bank paying-in book and on the accounts income spreadsheet.
- d) All cash received will be banked as soon as possible and not be used for cash payments. A separate petty cash amount will be kept for small purchases.
- e) Cheques received will be recorded in the account book and banked within one month.
- f) The treasurer will keep all relevant paperwork relating to any income.

4. BUYING GOODS AND SERVICES

- a) Where appropriate Trustees will agree any order in advance.
- b) The Treasurer will keep a file of all the paperwork and check invoices before making payments.

5. PAYMENTS BY CHEQUE, DIRECT DEBIT, BANK TRANSFER, ATM CARD

- a) Payments by any method will not be authorised without paperwork to support the payment.
- b) Two signatories will be required on each cheque, of which one will usually be the Treasurer.
- c) A blank cheque will never be signed.
- d) Cheque stubs will be completed at the time of payment, to include payee details, date and signatories
- e) Other payments, for example BACS, debit card payments, standing orders, direct debits and other forms of electronic banking must be signed for in advance on a payment form, which will include the following details: payee, date, amount, type of payment and space for two signatures.
- f) Payment of regular invoices by internet banking (such as utility bills, caretaker's wages etc) will not normally require ratification by a second trustee, but all large or one-off payments will require at least two trustees to agree to the transaction. If doubt exists, the Treasurer will consult with at least one other Trustee and this will be recorded in the regular financial reports.

6. PETTY CASH

- a) A small float of £100 will be kept for small payments. The float will be kept separate from incoming cash and will be drawn from the bank to make up the float.
- b) Cash withdrawals from the bank account by cheque will require 2 signatories. Cash withdrawals by passbook or ATM card will be authorised in advance by 2 signatories.
- c) Payments above £50 will not usually be made by cash.
- d) A record of payments will be kept on a petty cash slip and till receipts etc will be retained.
- e) The amount of cash drawn from the bank and details of payments will be entered in the petty cash book.

7. STAFF WAGES

- a) Records of staff wages will be kept, in accordance with PAYE and National Insurance regulations.
- b) Where casual or part-time staff are paid in cash, the treasurer will make sure that staff sign a wages record sheet.

This policy needs to be read in conjunction with:

Equality and Diversity Policy

Safer Recruitment Policy

Lettings Policy

Agreed by the Red Lion House Charity

Date: May 2021

Review Date: May 2024

Signed *CDean*