

NEWENT RECREATION GROUND TRUST

(Registered Charity No. 301585)

c/o Newent Town Council
Rear annexe, Newent Community Centre, Ross Road, Newent, GL18 1BD
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Financial management and control policy and procedure

1 Introduction

The trustees of **NEWENT RECREATION GROUND TRUST** share overall responsibility for financial control and safeguarding the funds of **NEWENT RECREATION GROUND TRUST** and ensuring that the organisation operates in accordance with the financial powers stated in its Constitution. This document sets out how this responsibility will be exercised and where functions have been delegated to particular trustees or staff of **NEWENT RECREATION GROUND TRUST**.

2 The role of the Treasurer/Secretary to the Trust

The Secretary to the Trust takes the lead on:

- making sure **NEWENT RECREATION GROUND TRUST** keeps proper accounts
- reviewing financial performance
- ensuring policies for finance and if relevant investment are regularly reviewed
- ensuring that **NEWENT RECREATION GROUND TRUST** has robust and effective financial controls in place
- liaising with the Town Clerk, and Newent Town Council's Responsible Financial Officer about financial matters and with the auditor (or independent examiner)
- reporting on financial matters at the AGM

The treasurer will carry out periodic internal checks, for example prior to audit, and a checklist to assist with this will be provided.

3 Financial records

Financial records will be kept so that:

- **NEWENT RECREATION GROUND TRUST** can meet its legal and other obligations, e.g., HM Revenue and Customs, Charities Acts, Companies Acts, Common Law.
- The **NEWENT RECREATION GROUND TRUST** trustees can have control of the organisations finances.
- The organisation can meet contractual obligations and the requirements of funding bodies.

The organisation will keep proper books of account using the Riatas Financial (or equivalent) accounts package.

These will include:

- A cash book analysing all transactions
- Sales, purchase and nominal ledgers
- Petty cash records
- Payroll records

4 Budget

The financial year for **NEWENT RECREATION GROUND TRUST** will end on 31st March.

Before the start of each financial year, the **NEWENT RECREATION GROUND TRUST** trustees will aim to approve a budgeted income and expenditure account for the following year.

A paper comparing actual income, and expenditure with the budget will be presented to the **NEWENT RECREATION GROUND TRUST** trustees every 3 months

5 Accounts and Audit

Accounts will be drawn up after each financial year within 4 months of the end of the year and presented to the next Annual General Meeting.

The accounts will be submitted by the Company Secretary to the Charity Commission and to Companies House.

6 Best value

When procuring goods and services it is **NEWENT RECREATION GROUND TRUST's** aim to achieve best value.

For goods and services valued at over £5,000 at least 3 quotes will be obtained.

For service contracts such as ICT, telephone and cleaning organisations will be retained by the Secretary to the Trust. Whenever possible feedback will be obtained from organisations that are currently using the relevant service provider.

Service contracts will be reviewed at least every 3 years.

7 Bank

NEWENT RECREATION GROUND TRUST will bank with Lloyds Banking Services where the accounts will be held in the name of **NEWENT RECREATION GROUND TRUST**.

The current account will be held with Lloyds Banking Services.

All bank accounts held by **NEWENT RECREATION GROUND TRUST** must be agreed and approved by the **NEWENT RECREATION GROUND TRUST** trustees.

The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the **NEWENT RECREATION GROUND TRUST** trustees as will all changes to it.

NEWENT RECREATION GROUND TRUST will require the bank to provide current account statements.

These will be reconciled with the cash book by the book keeper and the Secretary to the Trust.

NEWENT RECREATION GROUND TRUST will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the **NEWENT RECREATION GROUND TRUST** trustees.

8 Fundraising, funding bids, tenders, and partnership arrangements

All fund raising, grant applications and tendering undertaken on behalf of **NEWENT RECREATION GROUND TRUST** will be done in the name of the organisation and will generally be based on recovery of the full cost of the proposed work.

If the organisation is to subsidise the cost of any work from reserves or earned income then this must be approved by the trustees.

The Secretary to the Trust must approve bids and tenders to a value up to £15,000.

The trustees who are officers (i.e. chair and treasurer/Secretary to the Trust) of **NEWENT RECREATION GROUND TRUST** must approve bids and tenders to a value of up to £60,000.

Bids and tenders to a value of over £60,000 require the prior approval of the trustee board.

Details of all funding bids and tenders will be provided to the trustee board.

NEWENT RECREATION GROUND TRUST may be the partner in a bid submitted by another organisation only if this is consistent with the objectives of **NEWENT RECREATION GROUND TRUST** as set out in our Constitution.

The partnership arrangements must have the prior approval of the Secretary to the Trust or, in the absence of the Secretary to the Trust a nominee.

All partnership arrangements will be reported to the trustee board.

When **NEWENT RECREATION GROUND TRUST** will receive funding from partnership arrangements and take on financial commitments a written agreement must be in place covering the financial arrangements.

In these circumstances the funding that **NEWENT RECREATION GROUND TRUST** receives should generally be based on recovery of the full cost of the proposed work.

If the organisation is to subsidise the cost of work from reserves or earned income then this must be approved by the trustee board The Secretary to the Trust must approve partnership arrangements to a value up to £15,000.

The trustees who are officers (i.e. chair and treasurer/Secretary to the Trust) of **NEWENT RECREATION GROUND TRUST** must approve arrangements to a value of up to £60,000.

Partnership arrangements to a value of over £60,000 require the prior approval of the trustee board.

When **NEWENT RECREATION GROUND TRUST** submits a funding bid or tender as the accountable body and there are partners to the bid or tender the arrangements must be agreed by the Secretary to the Trust and trustees in accordance with the financial limits set out above.

This includes the composition of the partnership.

Where funds are to be dispersed or remitted to partners the partners must have in place arrangements for accounting for these funds that have been agreed with **NEWENT RECREATION GROUND TRUST** and that are consistent with our audit and reporting requirements.

An agreement must be in place before funds are allocated to partners.

9 Receipts (income)

NEWENT RECREATION GROUND TRUST will ensure that all the income to which it is entitled is received and that this is evidenced.

A schedule of grant and contract income with the method of payment will be maintained and reviewed every 3 months

All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payments for telephone calls, photocopying, small donations from individuals etc.)

The organisation will maintain files of documentation i.e. letters from funding bodies to back this up.

All payments must be made to **NEWENT RECREATION GROUND TRUST** by cheque or BACS.

The Secretary to the Trust will review all debts on a monthly basis and agree follow up action.

When an individual debt exceeds a period of more than 3 months then this will be brought to the attention of trustees and relevant action agreed.

A schedule of charges for services and facilities will be maintained by the Secretary to the Trust.

This schedule will be reviewed at least annually and increases agreed and reported upon.

10 Payments (expenditure)

The preferred method of payment is by bank transfer.

Cheques will also be used when bank transfer payment is not possible. Cheque books (unused and partly used cheque books) must be kept in the safe under lock and key. Only authorised staff and the book keeper will have access to the safe.

Blank cheques will NEVER be signed.

Whenever possible, the same person should not be responsible for ordering, processing and checking invoices as well as raising payment requisitions, signing cheques and authorising payments.

Authorisation of payments which are greater than £2,000.00 must be different to those requesting purchase of items and at least one of those authorising must be an officer of **NEWENT RECREATION GROUND TRUST**.

Payments greater than the value of £10,000 will require the approval of 2 officers of **NEWENT RECREATION GROUND TRUST**.

The relevant payee's name will always be inscribed on cheques before signature. The cheque stub will always be filled in.

No payments will be authorised or cheques signed without original documentation.

Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives in the Constitution.

11 Payment Procedures and Documentation

Every payment from the organisation's bank accounts will be supported by an original invoice (never against a suppliers statement or final demand).

The original invoice will be filed and kept for seven years.

The person who signs the cheque or authorises the online bank payment should ensure that the **NEWENT RECREATION GROUND TRUST** request for payment form is fully completed. This includes the following.

PAYMENT METHOD
DATE OF INVOICE /REQUEST
AMOUNT OF PAYMENT
WHO AUTHORISED THE PAYMENT

The only exceptions to payments not being supported by an original invoice would be for such items as advanced booking fees for a future course, VAT, etc.

Here a payment requisition form (see model form on our web site) will be used. Alternative supporting documentation such as the booking application form must be provided.

Contracts with suppliers can only be set up if authorised by the Secretary to the Trust.

Petty cash will always be maintained on the imprest system.

The Secretary to the Trust will have overall responsibility for this float as agreed by the trustees.

When that is more or less expended, a cheque will be drawn for sufficient bringing up the float to the agreed sum (currently agreed at £100.00), the cheque being supported by a complete set of expenditure vouchers and when possible receipts, totalling the amount spent. The expenditure will be analysed in the petty cash book within Rialtas Software package.

Expenses/Allowances - **NEWENT RECREATION GROUND TRUST** will reimburse expenditure paid for personally by staff that is claimed using the agreed claim form, providing:

Fares are evidenced by proof of purchase.

Other expenditure is evidenced by original receipts.

Car mileage is based on HMRC allowances.

The expenditure has been authorised by a line manager

The claim is submitted within 3 months of expenditure being incurred

Process for authorisation:

Payments shall be authorised on a monthly basis, if not sooner.

Full authorisation shall normally be completed on, and no later than, the Friday following notification by the Secretary to the Trust of payments pending.

Where only one officer is required to authorise, that will normally be the Treasurer.

No signatory should authorise payments to him or herself. It is the responsibility of the other signatory to ensure this does not happen.

12 Salaries

There will be a clear trail to show the authority and reason for payment. Makinson Payroll Accountants will handle payroll administration.

They will provide records of transactions to **NEWENT RECREATION GROUND TRUST**.

All employees will be paid within the PAYE, National Insurance rules. Salaries will be processed using BACS systems. The Secretary to the Trust will sign off the monthly submission to the payroll company.

All staff appointments will be authorised by the Secretary to the Trust in consultation with officers of **NEWENT RECREATION GROUND TRUST**. All appointments will be reported to the trustees.

All contracts with freelance suppliers will be on the basis of **NEWENT RECREATION GROUND TRUST's** standard consultancy agreement or an alternative that covers the main requirements in the standard consultancy agreement and is subject to the agreement of the Officer. Freelance contracts will be subject to the authorisation limits outlined in section 9 above.

13 Credit card payments

The preferred and principal method of payment is either by cheque or internet banking from the current account.

The credit card should only be used in specific circumstances, namely:

- a. When a customer account is unavailable to **NEWENT RECREATION GROUND TRUST**
- b. When a purchase by credit card represents significantly better value than a cash purchase
- c. When card payment is required by a supplier, through the internet
- d. When exceptional circumstances prevent any other method of payment

The card shall never be used for withdrawing cash. Hole in the wall type cash cards will not be used and if issued by the bank will be immediately cut in half.

Cards shall only be used for payment by the named cardholder(s). The named card holder(s) will be:

- Mr E. M. Greenfield. Secretary to the Trust
- The credit card limit will be £3000.

Payments shall only be made on receipt of a 'payment authorisation' form correctly completed according to the authorisation limits as detailed in the procedures (below).

It is the responsibility of the Cardholder to ensure that the credit card is held in a secure place at all times.

Every reasonable effort shall be made by the cardholder to maintain the security of the card details:

- Card details shall not be shared by the cardholder with any other person other than a payee in the process of making a payment.
- Both sides of the credit card should not be photocopied or recorded and stored together in any other way.

Procedure:

- a. A correctly completed payment authorisation and purchase order form is received by the Card Holder (CH)
- b. CH verifies funds are available within budget
- c. CH pays by credit card and acquires receipt
- d. CH signs payment requisition form to indicate payment and attaches receipt
- e. CH files requisition

- f. Monthly statement arrives
- g. CH verifies all items on the statement, with reference to the supporting documentation, and confirms receipt of goods
- h. CH attaches a payment requisition form for each entry on the statement and passes to Bookkeeper within 5 working days of receipt of statement
- i. Bookkeeper enters to purchase ledger and files documentation

Note: It is the cardholder's responsibility to identify, investigate and inform the bookkeeper of irregularities such as non-receipt of goods or incorrect amounts.

14 Other Undertakings

NEWENT RECREATION GROUND TRUST does not accept liability for any financial commitment unless properly authorised.

Any orders placed or undertakings given, with financial consequences must be approved by the Secretary to the Trust up to a value of £2,000.

Those valued at over £2,000 require the approval of Secretary to the Trust of **NEWENT RECREATION GROUND TRUST**.

Those valued at over £10,000 require the approval of 2 trustees and the Secretary to the Trust. (This covers such items as new service contracts, office equipment, purchase and hire).

15 Confidentiality

The confidentiality of employees financial circumstances will be respected at all times.

Trustees, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information about the organisation.

16 Fixed assets and inventory of capital items

NEWENT RECREATION GROUND TRUST will set up and maintain a fixed assets register stating the date of purchase, cost, serial numbers and normal location of the asset(s).

If it holds stocks of goods, e.g. books, etc., of significant value, it will maintain proper records. **NEWENT RECREATION GROUND TRUST** will maintain an inventory of all capital items. The fixed assets register and inventory will be produced by the book keeper and reviewed by the Secretary to the Trust(insert other role as relevant) and on a day to day basis.

17 Reserves and Investment Policies

The trustees will consider the level of reserves that is prudent for **NEWENT RECREATION GROUND TRUST** to have when agreeing the annual budget.

Consideration will be given to future strategy, potential redundancy liabilities, and any other significant factors that should be taken into account were **NEWENT RECREATION GROUND TRUST** to close or move to new premises. The specific reserves policy including any designation of reserves for specific purposes will be agreed by trustees on an annual basis.

A proportion of **NEWENT RECREATION GROUND TRUST** reserves will be invested to generate investment income. An investment policy will be agreed by trustees. All investments will be decided by trustees and should be consistent with the investment policy.

The trustees of **NEWENT RECREATION GROUND TRUST** will keep these financial controls under review.

Implemented Date:

Review Date: