Aberthin Village Hall Financial Policy & Procedures

Preamble

Our hiring policy is one of low hire charges and high utilisation, as this maximises the affordability of the Hall to the community, encourages diversity and reduces dependence on a small number of large users. Annual income is approximately £8500 and normal operational expenditure is about 70% of income. The remaining 30% of income is routinely spent on projects to refurbish and improve the hall's facilities for the benefit of the user community, with from time to time additional financial support from grant funding.

This policy is to provide an appropriate framework for managing the charity's finances that provides transparent, fit for purpose controls over all income and expenditure transactions and cash management, and which provides the trustees with assurance that all the financial transactions of the charity are being properly accounted for, and ensures that they are fully conversant at all times with the hall's financial position.

Financial records are to be kept to ensure that Aberthin Village Hall meets its legal and other obligations under Charity Law, HM. Revenue and Customs and common law. The accounts are receipts and payment accounts based on the charity commission Statement of Recommended Practice (SORP).

Hiring of the Hall

Details of the booking method and terms and conditions of use of the hall are detailed on our website, www.aberthin.org. This ensures through the booking clerk and audit trail that all hire charges are collected.

Ad hoc bookings for such events as children's parties are managed by the booking clerk, who collects the hire charges at the time of the event and delivers the monies to the treasurer.

Managing and Accounting for Income

 All income transactions; whether from hire of the hall or from events, are entered into the bookkeeping receipt book as they occur and cash is passed to the treasurer to record and to ensure cash and cheque receipts are banked regularly. All income will be paid into the bank without deduction.

Managing and Accounting for Expenditure

All funds will be held in accounts in the name of Aberthin Village Hall at such banks and on such terms as the committee shall decide. Records will be kept up to date by the Treasurer to record and analyse all transactions made by Aberthin Village Hall.

Utilities are paid for by direct debit and the cleaner is paid by standing order. All other payments for goods and services shall be properly authorised and documented and are paid by cheque that require two authorised signatories. Of their nature electronic transfer payments do not carry signatures but should be paid from a received and recorded invoice. All expenditure transactions are entered into the bookkeeping spreadsheet as they occur.

- The treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- Blank cheques will NEVER be signed.
- The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- No cheques should be signed without original documentation (see below)

Hall Insurance

The committee will insure the Aberthin Village Hall Property with a reputable Insurance Company on an 'All Risks' basis, including public liability for its full rebuild value; the sums insured shall be reviewed at each policy renewal.

Petty Cash

Petty cash, for functions, will be maintained on the system whereby a committee member is entrusted with a float as agreed by the Committee.

Bank Reconciliations

Monthly reconciliations with the bank account provide the principal method of maintaining a tight, transparent control over AVH cash. These figures are reported and reviewed at the monthly committee meeting.

Budgetary Control

Budgeted income is derived from known regular bookings for the remainder of the calendar year plus an estimate for the last 4 months. Budgeted expenditure is based on previous year's expenditure patterns, known or predicted price increases (eg. utilities) and projected project expenditure.

Reporting to the Board & Annual General Meeting

The financial year will end on 31st December and accounts for each financial year principally comparing current to previous years' income and expenditure will be drawn up and approved by the committee prior to being presented to the Annual General Meeting.

Long Term Financial Planning

A long term financial plan is updated from time to time but not more than every two years. This plan is built up from forecasted income and ongoing expenses and known improvement projects that the committee has prioritised. This long term financial plan provides the principal means of determining if and when hire charges need to be increased as it provides both a short and long term view of the consequences of such decisions. At the same time the plan enables the committee to assess whether the desired level of financial reserves can be maintained over the medium to long term, and which projects may require grant funding. Any financial grants received must be handled as detailed above ensuring all income and expenditure is accounted for and any required forms are completed and returned in a timely manner.

Financial Reserves

Financial reserves are set to maintain reserves at a particular level to ensure a fund is set aside for crisis and revenue voids. This level is reviewed annually at the AGM.

The Appointment of Treasurer

The Aberthin Village Hall treasurer should have adequate experience of club/society treasury functions, but a formal accounting qualification is not a necessity. Experience of drafting successful applications for grant funding or bank loans is useful. The level of computer literacy must be such that the treasurer can take on the operation of the chosen bookkeeping software and be competent in the development and use of spreadsheets. The treasurer must also have the ability to interpret and present the accounting information in order to communicate the charity's financial position to fellow trustees.