

These financial regulations govern the conduct of financial management by the Gamlingay Community Centre (GCC) Trustees and may only be amended or varied by resolution of the Board. They provide procedural guidance for Trustees and Employees. Financial regulations must be observed in conjunction with the **Trustee's Governance Pack** and the **Articles of Association**.

The Trustees are responsible in law for ensuring that its financial management is adequate and effective and that the Trustee Board has a sound system of internal controls which facilitates the effective exercise of the Board's functions, including arrangements for the management of risk.

The Board's accounting control systems must include measures:

- for the timely production of accounts (management and statutory);
- for the fulfilment of statutory obligations
- that provide for the safe and efficient safeguarding of public money;
- to prevent and detect inaccuracy and fraud.

There is an external **Financial Consultant** who has been appointed by the Trustees and acts under the policy direction of the Trustees:

- to administer the charity's financial affairs and ensure compliance with all relevant law and accounting regulations;
- to ensure accounting control systems are observed;
- to review the online accounting records of the charity maintained by the Centre Manager;
- to assist the Board to secure economy, efficiency and effectiveness in the use of its resources;
- to deal with all Trustee appointments and resignations with Companies House and the Charity Commission;
- to produce regular financial management information as required by the Board; and
- to deal with all payroll-related matters and accurate submission of quarterly VAT returns.

The accounting records determined by the Financial Consultant shall be sufficient to show and explain the charity's transactions and to enable the Board to ensure that any income and expenditure account and statement of balances, or management information prepared for the Board from time to time, comply with all current Charity Accounting and Companies Act regulations.

The accounting records determined by the Financial Consultant, which are maintained on a day-to-day basis by the Centre Manager, shall in particular contain:

- entries from day to day of all sums of money received and expended by the charity and the matters to which the income and expenditure or receipts and payments account relate; and
- a record of the assets and liabilities of the charity.

The accounting control systems determined by the Financial Consultant shall include:

- procedures to ensure that the financial transactions of the Board are recorded as soon as reasonably practicable and are recorded accurately;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- procedures to ensure that any uncollectible amounts, including any bad debts, are notified to the Board and that the approvals for such write-offs are shown in the Board's minutes;
- measures to ensure that risk is properly managed; and



- procedures to ensure that all Government returns and submissions, particularly with regard to payroll and VAT, are made on time.

In addition the Board must:

- determine and keep under regular review the bank mandate for all the charity's bank accounts;
- approve any payment or financial commitment in excess of £1,000; and
- in reviewing employee salaries, appoint a sub-group of trustees to recommend to the Board any adjustments to salary levels and such adjustments should be recorded in the Board minutes.

Section 1: Accounting and independent examination

All accounting procedures and financial records of the charity shall be agreed with the Financial Consultant in accordance with Charity Commission and Companies House regulations and approved by the Board.

The Financial Consultant, in conjunction with the Board, shall prepare the annual accounts and annual trustees' report as soon as practicable after the end of the financial year (31 December). The accounts should be sent to **Anstee Gorst** (a firm of Chartered Certified Accountants) for independent examination then returned to the Board for signing off. They will then be submitted to Companies House and the Charity Commission by the end of September each year.

Section 2: Annual financial budget

The Financial Consultant in conjunction with the Board must, each year, by no later than the end of November, prepare a detailed estimate of income and expenditure for the forthcoming year including the use of reserves in the form of a budget to be considered by the Board. The Board shall then approve the budget and this shall form the basis of financial control for the ensuing year.

Section 3: Deficit funding

Where the management accounts prepared by the charity for the 12-month period to 31 October each year indicate that the charity is expected to incur a deficit of expenditure over income for that year, and it has insufficient unrestricted reserves to absorb such a deficit, Gamlingay Parish Council will pay to the charity the amount of the deficit in the fiscal year after which the deficit has arisen. Such payment will be part of the Gamlingay Parish Council's fiscal year budget and will be made to the charity by 30 April following the end of the financial year.

Section 4: Income

The collection of all sums due to the charity shall be the responsibility of the Centre Manager. Payments may be made by online bank transfer, credit card, cash or cheque. Any receipts of cash or cheque shall be banked intact with no additions or deductions using the charity's bank paying-in book. Receipts by online bank transfer or card are checked against the charity's bank statements and recorded as such in the accounts software.

The Board will review all hire fees and charges at least annually, following a report from the Centre Manager.

Any sums found to be irrecoverable from a customer shall be reported to the Board and shall be written off at the end of the financial year.

Section 5: Budgetary control and authority to spend

Expenditure on budgeted operational items will be authorised by:

- the Board, at a Trustee meeting, for any individual items over £1500;
- a duly delegated Trustee (usually the Chair) for items between £251 and £1500; or
- the Centre Manager for items below £250.

Authority for expenditure over £1500 is to be evidenced by a Board minute, whether or not budgeted.

This **excludes** payments for the following standard monthly bills: electricity, salaries, HMRC.

It also excludes payments made from restricted funds where income and expenditure is accounted for separately and where the overall fund level has been noted and agreed by the Board.

Levels of salaries paid will be reviewed at least annually before the end of the financial year in respect of the following financial year and such review shall be evidenced by a Board minute.

The Financial Consultant shall, at least monthly, provide the Board with notes accompanying the management accounts to detail explanations for material variances against budget.

Changes in designated reserves of the charity shall be approved by the Board as part of the budgetary control process.

Section 6: Banking arrangements and authorisation of payments

The charity's banking arrangements, including the bank mandate, shall be determined by the Board. The mandates shall be regularly reviewed for safety and efficiency.

All invoices for payment shall be examined and verified by the Centre Manager to confirm that the work, goods and services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Board.

All payments shall be made by online bank transfer **or** by debit card:

- The Centre Manager is authorised to use the debit card for payments up to £250 in value as long as such items are included in the charity's operational budget. Payments on the debit card over £250 in value should be authorised by the Chair, in writing, usually by email.
- All payments processed through the online banking system will be input to the system by the Centre Manager then authorised online by a Trustee.

If thought appropriate by the Board, payment for utility or other supplies (for example: energy, telephone water, rates) may be set up to be made by Direct Debit. A Direct Debit instruction requires the written authorisation of two trustees.

Where online or other software requires use of a personal identification number (PIN) or password, a written record shall be made of the PIN and password and shall be retained by the Chair. (This does not apply to any security on a Trustee's personal computer used only for remote authorisation of bank payments.)

The Centre Manager and any other employees using computers for the charity's financial business, shall ensure that anti-virus, anti-spyware and firewall software, together with a high level of security, is used.



The Centre Manager shall maintain a petty cash float of £100 for the purpose of defraying small operational expenses. Vouchers for payments made from petty cash shall be retained to substantiate the payment and such payments entered to the accounting system as with all other payments.

Any income received in cash must not be paid into the petty cash float but must be separately banked.

Section 7: Payment of salaries

As an employer, the Board will ensure that arrangements are in place to meet fully the statutory requirements placed on all employers by HMRC regulations. Payment of net salaries and payment of deductions from salary to HMRC or a pension provider must be made in accordance with the payroll records maintained by the Financial Consultant on the agreed dates.