



# *The Friends of Mount Edgcumbe Country Park*

Registered Charity No. 295261

**Patron: The Earl of Mount Edgcumbe**



**Friends of Mount Edgcumbe Policy Document**

## **FINANCE POLICY**

## Policy Details

Policy Name – Finance Policy

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Policy Owner – Tony Hutchings

## Policy Amendment Record

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## **CONTENTS**

1. INTRODUCTION
2. ACCOUNTING
3. BANKING
4. RECEIPTS (income)
5. PAYMENTS (all expenditure)
6. PAYMENTS (grants to Mount Edgcumbe Country Park)
7. PAYMENT DOCUMENTATION
8. EXPENSES
9. SIGNATORIES
10. RESERVES POLICY
11. ASSETS
12. OTHER UNDERTAKINGS
13. DONATIONS/LEGACIES
14. OTHER RULES

Appendix 1. Expenses claim form

Appendix 2. Report on divergence with CC8

Appendix 3. Compliance cross-check spreadsheet

Appendix 4. Review procedure

# THE FRIENDS OF MOUNT EDGCUMBE COUNTRY PARK

(FoMECP)

## FINANCE POLICY

### 1. INTRODUCTION

- 1.1 This policy document has been produced in line with the guidance provided in the Charity Commission document “Internal financial controls for charities, CC8 (July 2012)” and the accompanying “checklist” to enable the charity to achieve its aims by ensuring that assets are properly used, that its funds are spent effectively and its financial affairs are well managed.
- 1.2 The guidance specifies actions that “must” or “must not” be complied with, those that “should” or “should not” be complied with and other “recommendations”. The Charity Commission accepts that not all controls will be appropriate to all charities. The controls should be proportionate to the risks involved and will not be relevant where they are not appropriate.
- 1.3 This document outlines the Finance Policy of FoMECP and applies to all Trustees, members and volunteers.
- 1.4 The complete Policy and its divergences from the guidance will be reviewed annually by the Trustees to ensure that the internal controls on finance are effective and that they remain relevant to, and appropriate for, the charity and are not too onerous or disproportionate. The review will take account of changes to the charity’s structure, activities and are of operation and the result of the review will be reported for approval by the membership at the following AGM.

### 2. ACCOUNTING

- 2.1 Financial records will be kept so that FoMECP can:
  - a) Meet its legal and other statutory obligations such as Charity Acts, HMRC and common law.
  - b) Enable the Trustees to be in proper financial control of FoMECP.
  - c) Enable FoMECP to meet contractual obligations and requirements of funders.
- 2.2 These records will be held for a minimum of 7 years.
- 2.3 FoMECP will keep proper books of accounts, which will include:
  - a) An electronic cashbook analysing all the transactions in FoMECP’s bank accounts.
  - b) An electronic cash book if cash payments are being made.

c) Relevant HMRC taxation records in accordance with current legislation and reporting requirements.

d) A register of fixed assets held stating the date of purchase, cost, serial numbers and normal location, disposal or scrapping.

e) A record of property held (if appropriate).

2.4 The Financial Year will end on the 31<sup>st</sup> December each year.

2.5 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next AGM for approval following approval by the Executive Committee. Such accounts will require approval at the AGM.

2.6 The AGM will appoint (or provide delegated authority to the Trustees to subsequently appoint) an appropriately qualified person to independently examine or audit the accounts, in accordance with the provisions of the Constitution, for the following year for presentation to the next AGM.

2.7 The Treasurer will supply to members of the public on demand copies of the most recent Annual Report and Accounts.

2.8 Annual reports, accounts and annual return will be filed with the Charity Commission on time.

2.9 Gift Aid records will be kept and submitted regularly by the Treasurer to HMRC and checks will be made to ensure that the amount received corresponds with that expected.

2.10 Prior to the start of each financial year, the trustees will approve any submitted expenditure account for the following year.

2.11 A report comparing actual income and expenditure of the bank accounts and Petty Cash fund will be presented to the trustees every month prior to the committee meeting.

2.12 Records will be maintained for each fundraising event, in sufficient detail to identify gross receipts or takings and costs incurred.

2.13 Electronic records will be regularly copied to a designated Trustee for safe storage.

### **3. BANKING**

3.1 FoMECP will bank with a recognised Bank and the CCLA (COIF Charity Fund). The following accounts will be maintained and the Treasurer will have delegated authority to transfer money between these accounts:

a) The Friends of Mt Edgcumbe Country Park (Current Account).

b) The Friends of Mt Edgcumbe Country Park (Deposit Account).

3.2 FoMECP will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the Trustees.

3.3 The bank mandate (list of people who can sign cheques on the organisation's behalf) will be approved and minuted by the Trustees and regularly reviewed.

3.4 The bank accounts will be reviewed on a regular basis to:

a) Check their costs/benefits/charges/interest and credit rating.

b) Close any dormant accounts.

3.5 The Treasurer of FoMECP will spot check the on line bank statement against the recorded spreadsheet at least once a month.

3.6 FoMECP will not use any other bank or financial institution or use overdraft facilities or take out a loan without the agreement of the Trustees.

3.7 The Treasurer and the Membership Secretary will cross check all electronic transactions at least once a month and report this check to the monthly Trustees' meeting which should be duly minuted.

3.8 FoMECP will not allow third parties to open bank accounts in the Charity's name. Its bank accounts will not be used for any money transfers for the private benefit of individuals or third parties under any circumstances.

3.9 As far as is reasonable and possible all Personal Computers with access to on-line banking facilities will be secure and up to date with anti-virus, spyware and firewall software.

3.10 Passwords and PIN's will be kept secret. Passwords will be changed regularly and following changes to authorised personnel and Trustees.

3.11 Emails received relating to bank accounts will be treated with caution. Security details will not be divulged in response to unsolicited emails or telephone calls.

3.12 Non-traditional banking methods will only be used to collect entry fees for the annual car show, not to make payments or transfer money.

#### **4. RECEIPTS (income)**

4.1 All monies received, cash and cheques, will be recorded promptly on the income spreadsheet and banked without delay. FoMECP will maintain electronic files to back this up. Any cheques and cash not banked on the day of receipt will be kept in a locked cash box.

4.2 Cash donations received via collection and donation boxes will be documented on the electronic spreadsheet.

4.3 Donation boxes will be individually numbered or otherwise identified and their issue/return/emptying recorded. Such boxes will be sealed before use and regularly opened and their contents counted.

4.4 Where possible the emptying of collection boxes should be done in the presence of a second person. A written amount will be presented to the Treasurer along with the cash and ideally he/she will recount the amount in the presence of a third party.

4.5 Any discrepancy will be reported as soon as possible and documented.

4.6 Cash collected will be banked as soon as possible without a deduction of expenses.

## **5. PAYMENTS (all expenditure)**

5.1 Each item of expenditure will be approved by the Trustees and minuted alongside a reference to the appropriate Object in the Constitution. Any spending over that approved for the item limit will require the further approval of the Trustees.

5.2 The Treasurer will be responsible for holding the cheque book (unused and partly used) which should be kept securely.

5.3 Blank cheques will never be signed.

5.4 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. Supporting documentation (invoice checked against order confirming price and receipts for goods and services) will always be presented to the signatories when a request is made to approve a cheque. Payments will be promptly recorded.

5.5 No cheques should be signed or online transaction approved without original documentation.

5.6 On line payments for approved expenditure and transfers between bank accounts will be made at the discretion of the Treasurer and will be duly recorded and reported to the Trustees at their next meeting.

5.7 FoMECP will not use pre-loaded cards, debit cards, credit cards, or charge cards.

5.8 FoMECP will not set up standing orders or direct debit payments.

5.9 Cash payments will be kept to a minimum and subject to a limit of £50.00.

5.10 Cash payments will be made from the Petty Cash Float and not from incoming cash or direct withdrawal from a bank account. The float will be subject to spot checks by a Trustee other than the Treasurer.

5.11 The supporting documents for the cash payment will be authorised by a Trustee other than the Treasurer.

5.12 The balance and the records of the Petty Cash Float will be kept securely by the Treasurer and reported to the Trustees at their monthly meeting.

## **6 PAYMENTS (grants to Mount Edgumbe Country Park)**

6.1 Payments of grants to Mount Edgumbe Country Park (MECP) will be subject to the policies contained in 5.1 – 5.6 of this document.

6.2 The Trustees will set priorities for activities or projects to be funded.

6.3 Where the Trustees are requested to fund external partners making grant applications it is assumed that MECP will make the appropriate checks on the integrity of the organisation or partners.

6.4 The Trustees will monitor to ensure that grants have been used for agreed purposes.

## **7 PAYMENT DOCUMENTATION**

7.1 Every payment from FoMECP's bank accounts will be evidenced by an original invoice and confirmation that the goods and services have been or will be received. That original invoice will be retained by FoMECP by the Treasurer and filed. The cheque signatory should ensure that it is referenced with:

- a) Cheque number.
- b) Date cheque drawn.
- c) Amount of cheque.
- d) Payee.

7.2 A petty Cash Account will always be maintained on the system whereby the Treasurer is entrusted with a float as agreed by the Trustees and set at £50.00 (an exception may apply prior to an event requiring a float such as the annual Car Show). The current state of cash held by the Treasurer will be part of the monthly report to the Trustees.

7.3 All petty cash transactions will be registered on the spreadsheet kept by the Treasurer.

7.4 Monthly remote checks will be made by the Membership Secretary on the Current Account as maintained by the Treasurer.

## **8 EXPENSES**

8.1 The FoMECP will, if asked, reimburse expenditure paid for personally by a Trustee (or any other member providing prior agreement has been obtained) provided it is evidenced by original receipts which will be filed and maintained by the Treasurer. Expenses will normally be refunded by cheque or electronic transfer and the maximum sum refunded will be set at £50.00. Any claim exceeding this will require approval by the Trustees prior to the expense being incurred. A mileage allowance will be set by the Trustees prior to any claim, such mileage rate to be at or below HMRC rates.

8.2 The claimant will complete an expenses claim form (Appendix 1) and sign the form to attest accuracy.

8.3 Someone other than the claimant will check for accuracy and authorise the payment.

## **9 CHEQUE SIGNATURES**

9.1 Each cheque will be signed by at least two people. (There will be three signatories for the bank account: normally the Chairman; Secretary; and the Treasurer. There will be two signatories to the COIF account: Chairman and Treasurer).

9.2 The Treasurer will be authorised to undertake BACS transfers.

9.3 A cheque must not be signed by the person to whom it is payable.

## **10 RESERVES POLICY**

10.1 FoMECP will regularly review and submit a Reserves Policy to the AGM for approval.

10.2 The Trustees will not commit expenditure beyond the financial resources available.

## **11 ASSETS**

11.1 The state of all assets held should be regularly checked to ensure they exist, remain in good repair and are being put to appropriate use. The results of these checks are to be reported to the members at the AGM. Disposal or scrapping of assets will require the approval of the Trustees.

11.2 The adequacy of insurance cover for assets will be reviewed at regular intervals.

## **12 OTHER UNDERTAKINGS**

12.1 FoMECP will not accept liability for any financial commitment unless properly authorised in accordance with the procedures outlined in Section 5. Any orders placed or undertakings given, the financial consequences of which are, *prima facie*, likely to exceed in total £100.00, must be authorised and minuted by the Trustees. In exceptional circumstances such undertakings can be made with the Chairman's approval who will then provide full details to the next meeting of the Trustees.

12.2 All fundraising and grant application undertaken on behalf of the organisation will be done in the name of FoMECP with the prior approval of the Trustees or in urgent situations the approval of the Chairman who will provide full details to the next Trustees' meeting.

## **13 DONATIONS/LEGACIES**

13.1 Records and correspondence files will be maintained of all legacies notified to the charity and the progress of receipts monitored to ensure that the full entitlement is received. The Treasurer will be aware of the rules of, and the organisation's responsibilities towards tax legislation on tainted property.

13.2 Where donations or legacies are received for a specific purpose the value thereof will be expended on that purpose provided that it accords with an Object in the Constitution.

13.3 The Trustees will refuse a donation which is not in the interests of the charity, for instance:

- a) When the terms of the donation are unduly restrictive or intended to exercise undue influence over the Trustees.
- b) Where acceptance of the donation would be detrimental to the reputation of the charity.

13.4 Approval will be required from the Charity Commission for permission to make a 'moral' payment which either:

- a) the charity has no legal obligation to make.
- b) the charity's Constitution does not allow it to make.
- c) the Trustees cannot justify it as being in the charity's best interests.

13.5 Any chattels and property received through a legacy will be held securely, valued and sold or realised.

#### **14 OTHER RULES**

14.1 Acceptance of hospitality will be reported to the Trustees as soon as practical and will not exceed £50.00. A register of hospitality will be maintained by the Treasurer.

14.2 Any Trustee suspecting an individual of misusing the charity for their own purposes or misappropriating the charity's funds should immediately report to the Chairman, Secretary, or Treasurer. An investigation will be undertaken by these committee members unless one or more is implicated in the impropriety, in which case substitute Trustees will take part.

14.3 All incidences of financial crime and/or abuse will be reported immediately to the police and Charity Commission.

Appendix 1

FRIENDS OF MT EDGCUMBE

EXPENSES CLAIM FORM

Date	Claimant	Details (include receipts)	Approved by

Hon Treasurer

Form received and agreed

Date:

Expenses paid

Date: