THE MERIDALE ORGANISATION

FINANCIAL PROCEDURES AND CONTROL

1. Introduction

1.1 Financial records will be kept so that The Meridale Organisation can:

a) Meet its legal and any other obligations, e.g., Charities Acts, Inland Revenue, Customs & Excise, Companies Act, Common Law.
b) Enable the Trustees to have control of the organisation's finances.
c) Enable the organisation to meet contractual obligations and the requirements of funding bodies.

1.2 The organisation will keep proper records of accounts, which will include:

a) A cash record analysing all the transactions in the organisation's bank account(s).
b) A petty cash book if cash purchases are being made.

1.3 Accounts will be drawn up after each financial year within 3 months of the end of the financial year and presented to the Annual General Meeting.

1.4 A report of actual income and expenditure will be presented to the Trustees at every general meeting.

1.5 Before the start of each financial year, the Trustees will approve an indicative budgeted income and expenditure account for the following year.

1.6 The AGM will appoint an independent examiner to examine the accounts for presentation to the next AGM.

2. Banking

2.1 The Meridale Organisation will bank with the Lloyds Bank at its Louth branch where the accounts will be held in the name of The Meridale Organisation. The following accounts will be maintained: Current (Main Business a/c), 100 Club a/c, Building (projects) a/c. Any other project accounts will be agreed and approved by The Meridale Organisation Trustees.

2.2 The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the Trustees as will all changes to it.

2.3 The Meridale Organisation will require the bank to provide statements every month and these will be reconciled with the cash record every month. The Treasurer or another Trustee (if the reconciliation is carried out by the Treasurer) will spot check that this reconciliation has been done at least twice a year, and sign the cash record.

2.4 The Meridale Organisation will not use any other bank or financial Institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the Trustees.

3. Receipts (income)

The aim is to demonstrate that The Meridale Organisation has received all the income to which it is entitled and that it is all reasonably evidenced.

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

4. Payments (expenditure)

The aim is to ensure that all expenditure is on The Meridale Organisation's business and is properly authorised and that this can be demonstrated. The latest approved indicative budget provides the cheque signatories with authority to spend up to the budgeted expenditure, not beyond it without approval.

4.1 Payments in cash should be kept to a minimum and generally for small amounts through the petty cash system. Otherwise all payments should be made electronic banking, e.g. BACS, direct debit, standing order. Cheques are no longer used and any remaining unissued must be shredded.

4.2 The Youth Group(s) operating at Meridale will be responsible for operating using their own bank account & cheque book. Unused and partly used cheque books may be kept under lock and key in the Meridale office.

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

4.4 No payment will be authorised and processed without original documentation.

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

4.6 The signatories shall not approve an overspend on a particular budget heading of more than 10% unless this approval has been written down, signed by both people approving it, and reported to the next Committee meeting.

5. Payment Documentation

5.1 Every payment out of the organisations bank amounts will be supported by an original invoice (never against a supplier's statement or final demand). That original will be filed and kept for seven years. The person who processes a payment should ensure that the invoice is marked with: *The BACS reference used – Date payment initiated – Amount of payment*

5.2 The only exceptions to BACS payment not being supported by an original invoice would be for such items as advanced booking fees for a future course, VAT, etc. Here a requisition form will be used and a screenshot taken, printed and attached to the requisition form.

5.3 Petty cash will by the Centre Manager with a float as agreed by the Trustees. When that is more or less expended, a cash sum will be drawn sufficient to bring the float to the agreed sum (currently agreed at £200), the cash sum being supported by a complete set of expenditure vouchers and when possible receipts, totalling the amount spent, analysed as required.

5.4 Expenses/Allowances - The Meridale Organisation will, if asked, reimburse expenditure paid for personally by staff/volunteers/Trustees, providing:

a) Fares are evidenced by tickets (where possible)
b) Other expenditure is evidenced by original receipts
c) Mileage is based on a rate agreed by the Trustees up to the tax free maximum allowed by HMRC.

6. Use of Cards and Electronic Banking

6.1 Each cheque will be signed by at least two people (preferably unrelated).

6.2 No electronic payment must be processed by a person to whom it is payable or connected to personally or through a business relationship.

6.3 If The Meridale Organisation applies for debit, credit or charge card then a policy on each card's use will be agreed by the Trustees including any restriction on user, amount per transaction, types of retailers, cancellation/destroying, etc. Evidence of each transaction must be obtained and entered in the cash records.

6.4 For electronic payments a double authorisation system must be used and a print off filed with other evidence of expenditure. Any computer used must be secure and passwords/PINs kept secret and periodically changed.

7. Other Undertakings

7.1 The Meridale Organisation does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facia, likely to exceed in total £2,000 must be authorised and minuted by the Trustees. In exceptional circumstances such undertakings can be made with the Chair's approval who will then provide full details to the next Trustee meeting. (This covers such items as new service contracts, office equipment, purchase and hire).

7.2 All fund raising and grant applications undertaken on behalf of The Meridale Organisation will be done in the name of the organisation with prior approval of the Trustees or in urgent situations the approval of the Chair who will provide full details to the next Trustee meeting.

8. Confidentiality

8.1 The confidentiality of staff / volunteer / Trustee financial circumstances will be respected at all times.

8.2 Trustees, volunteers and staff 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.

9. Other Controls

9.1 The Trustees will consider the level of reserves that is prudent for The Meridale Organisation to have at its first meeting after the AGM. Consideration will be given to any liabilities, lease agreements and any other significant factors that should be considered were The Meridale Organisation to close.

9.2 The Meridale Organisation will maintain adequate insurance to protect its assets including equipment, cash in hand and in transit as appropriate. It will review insurance cover each year.

9.3. The Meridale Organisation will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset 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.

9.4. These controls will be reviewed at the first Trustee meeting after the AGM.

Monitoring and Review

The Trustees will review this policy periodically and no later than three years from the date below.

Signed: (On behalf of the Meridale Organisation)

Name: Position: Date: