

THE MEETING PLACE (BOOKHAM)

Registered company No. 7817471

Finance Policy & Financial Procedures



Version History

<u>Version No.</u>	<u>Date</u>	<u>Details of Changes included in Update</u>	<u>Amendments by Name & Role</u>
<u>Original</u>	<u>2020</u>	<u>n/a new policy</u>	<u>n/a</u>
<u>Version 1</u>	<u>10/2022</u>	<u>Clarification of expenditure limits</u> <u>Online expenditure instruction</u> <u>Clarification of Volunteer Expenses</u> <u>Salaries updated to reflect new employee</u> <u>Explanation of change to banking now that HSBC no longer has a counter</u> <u>Section on bank fraud added to stop scammers taking our money</u>	<u>David Ryder</u> <u>Treasurer</u>
<u>Version 2</u>	<u>05/2023</u>	<u>Explanation of Gift Aid Small Donations Scheme</u>	<u>David Ryder</u> <u>Treasurer</u>
<u>Version 3</u>	<u>04/2024</u>	<u>Addition of Designated Funds</u> <u>Added pensions</u> <u>Revision of Reserve Policy</u>	<u>David Ryder</u> <u>Treasurer</u>
<u>Version 4</u>	<u>07/2025</u>	<u>Increase authorisation level in online banking to £1500</u>	<u>David Ryder</u> <u>Treasurer</u>

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1. Purpose of this document

This document outlines the financial policies and procedures to be followed to allow TMP to fulfil its objectives in an effective and efficient manner, and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community.

It will be reviewed annually by the Board and can be amended with the agreement of the Board.

The Board of Directors is ultimately responsible for the financial management of all activities. The Treasurer is authorized to act on the Board's behalf on financial matters.

2. Ordering supplies and services

All volunteers need to be aware that expenditure is committed when an order is placed on behalf of The Meeting Place, not when the cheque is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets and delegated powers.

Any trustee can authorise expenditure of up to £50 without reference to anyone

From £50 to £100 a trustee should share this information with another trustee and seek their approval.

From £100 to £500 then approval from either the Chairman or the Treasurer should be sought.

From £500 to £1000 the approval from both the Chairman and the Treasurer should be sought.

For expenditure of over £1000 then approval from the Board of Trustees should be sought, this would normally be carried out at the next Board Meeting but if time is of the essence then approval may be given by circulating all the Trustees with details of the proposed expenditure.

The Trustee may delegate this authority for ordering as appropriate. Online purchases can be facilitated through the use of a debit card which may be obtained from the Treasurer.

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Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedure as above, with the appropriate expenditure amount being the total committed expenditure over the period of the contract, or where the contract is open-ended, over the first 12 months of the contract. Larger contracts should not be entered into without adequate advice from a relevant professional adviser (e.g. accountant, solicitor, surveyor).

3. Payment authorisation and Purchase Ledger

All invoices must be authorised for payment by the Team Leader, who is responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, that the services or goods have been received, and following up any problems. All incoming invoices are to be passed to the Treasurer as soon as they arrive.

4. Cheque writing and signing.

All cheques require two signatories, any new signatory must be approved by the Trustees before the bank is notified. Cheque signatories should check that the expenditure has been authorised by the appropriate person before signing the cheque. Signatories will not sign cheques which are payable to themselves or relatives, or blank cheques.

Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed.

The day-to-day limit on encashment of cheques is £250. However, where a larger cash float is required (for a major event for example), this may be approved by the Treasurer with the Chair.

5. On line Banking

The setting up for payment of bills on-line must be agreed by the Trustees and such agreement minuted at the meeting where it is agreed. A letter of authorisation will then be given to the bank in order for this to be done. The Treasurer and other Trustees who have been given access to online banking will only be authorised to make payments up to £750 per day.

6. Handling of cash

Petty cash will be topped from sales and receipts, where the amount spent is under £15 it may be taken from petty cash. . Anything over this should be paid by bank transfer where possible.

All cash collected from the Treasurer will be signed for, and receipts will be issued for all cash returned. Specific extra cash floats (for tills at events etc.) should be arranged with the Treasurer. The person signing for the float is responsible for ensuring cash and receipts are returned as soon as possible after the event etc. Mixing money or receipts from different petty cash sources creates large accounting problems. In a real emergency,

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where another cash float has to be used for something, a clear record must be kept, and brought to the Treasurer's attention.

Any cash income will be banked via the Treasurer, and not used for petty cash expenditure. Such cash will be passed to the Treasurer as appropriate:

Cash will be kept in locked metal cabinets wherever possible. Appropriate arrangements will be made for till security.

7. Volunteer expenses

Any reasonable expenses incurred in the performance of your duties will be re-imbursed. Mileage will be paid at 45p/mile. Any other expenditure eg car parking should where possible be supported with receipts. An expense claim form can be supplied by the Treasurer. If any of your team incur expenses then your approval to the expenditure can be indicated by either signing the expense form prior to passing the expense form to the Treasurer or else by emailing the Treasurer.

Payments will be made by bank transfer.

It is the nature of The Meeting Place's activities that occasionally freelance consultants will be used. Freelance contractors will only be taken on when authorised in accordance with section 1 above. With a few exceptions, they will be treated as self-employed, and contracts with such people must clearly indicate this. The Treasurer will obtain clarification of any unclear areas as needed. Payment will be made by cheque or online.

8. Salaries & Pensions

We now use the service supplied by Bullimores to calculate salaries & pensions due and Tax to be paid. They also produce all the necessary paperwork that is required. The Pension Policy is with NEST.

9. Income

The majority of income received by The Meeting Place is from sales of services and goods as well as donations. Donations may be received in either cash, cheque or by direct bank transfer. If the donor is unknown to the Treasurer then he will make all reasonable steps to identify the donor to ensure that

- (1) we know the income is from a bona fide source
- (2) that the donor is notified that the money has been received and also thanked for their generosity
- (3) the funds are correctly allocated in the accounts and any conditions noted

If either the source of the donation cannot be shown to be bona fide or the conditions imposed on the donation are unacceptable then the money will be returned.

Information about non-routine and all grant income must be passed to the Treasurer with the cheque or remittance advice. This will be filed by the Treasurer for reference and used to ensure such income is correctly recorded in the accounts and grant conditions etc. noted. Lack of documentation will lead to such items being

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'held on suspense'. It is the responsibility of the person gaining the grant to ensure all grant income is claimed as it becomes due or available, and that all appropriate volunteers and the Treasurer are aware of relevant grant conditions and exactly how the grant is to be expended. If appropriate the money will be ringfenced in the accounts by allocating the money to the respective TMP activity.

10. Gift Aid

If donations are made by individuals they will be asked if they would be willing to sign a Charity Gift Aid Form. The Treasurer will hold hard copies of these forms and enter them into a spreadsheet which will be used to calculate the amount of money that can be claimed. As and when individuals notify the Treasurer that they are no longer pay sufficient tax to be eligible to claim Gift Aid then the records will be updated accordingly.

Gift Aid Claims will be submitted twice a year nominally in the middle of the calendar year and towards the end of the calendar year. The Gift Aid received will be allocated in the accounts as per the original donation.

Donations collected by the Community Fridge on operating days can be claimed under the Gift Aid Small Donations Scheme. This applies to donations made by both card and cash. The donation must be less than £30 and is subject to a maximum of £8000 in any year so at 25% giving a maximum income of £2000. The claim has to be made to coincide with the tax year so starting 6th April and ending on the 5th April the following year. The claim can therefore be made in May when the accounts have been completed for April. The money earned will be regarded as Unrestricted in line with the treatment of the original donations.

11. Bank accounts

The Meeting Place's bankers for the current account are:

- HSBC, Leatherhead Branch

All income will be paid into the current account as soon as possible. As HSBC Leatherhead no longer has a counter, cash has to be paid in via the Post Office using the card supplied by HSBC for this purpose. Whilst all notes can be paid in, only full bags of coins can be paid in. This means that the Treasurer has to hold small quantities of coins until there are sufficient to be paid in. The make-up of each banking will be clearly recorded, for later computer entry.

There is also a savings account which is held with

The Charity Bank

Money held in the savings account can only be transferred back to the HSBC current account and can be authorised by either the Treasurer or the Chair

12. Bank Fraud

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Trustees should be aware that criminals use a variety of scams in order to try and obtain information on bank details, passwords, other personal details etc. If calls like this are received the call should be ended and if thought necessary the bank called on a verified number to check if the call was genuine.

We hold money in two separate non connected bank accounts to try and minimise the risk of all our money being taken in one hit.

13. Books of account and records

Proper accounting records will be kept. Excel spreadsheets are used to maintain accounting records including trial balance and profit and loss accounts, but manual/paper records will also be used if appropriate. Petty cash and bank accounts will be reconciled regularly.

All vouchers entered into the computer system will be clearly initialled by the person entering it, along with date and accounts reference.

All corrections and adjustments will be clearly noted in a written 'Journal' giving reasons for them, with supporting documentation where available.

All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the trustees) will be capitalised in the accounts and recorded in a fixed assets register. This register is held on spreadsheet showing details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal and any residual value.

14. Budget setting

12 monthly income and expenditure budgets will be prepared in time for final approval by the Board of Trustees in December, before the start of the financial year under consideration.

The approved budget will be used as a base to construct a cash-flow forecast for the year, which will be updated quarterly.

15. Financial monitoring and audit

All trustees will receive appropriate, regular reports of income and expenditure against budget.

Detailed cash-flow reports will be produced as appropriate.

The Meeting Place's financial year is from 1st January to 31st December. Annual accounts will be submitted for audit, as required under the Companies Act, charity regulations and grant conditions, prepared per SORP for Charities and any other relevant accounting conventions. Final draft should be ready for and passed by Board of Trustees in March, with audited accounts signed at the AGM.

16. Designated Funds

Where a long term project is concerned The Trustees may decide to designate some of the General Funds to ensure that the project will be funded over the course of its life. Unlike restricted funds which are controlled

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by the wishes of the donor these funds are controlled by the Trustees and may be reduced or increased at their discretion.

17. Reserve Policy

The Reserves Policy is based on an assessment of the perceived risks to The Meeting Place and will be reviewed annually. As money has now been designated to the Anna Chaplaincy Fund the risk is now viewed as medium and the reserve will be set at 6 months of the outgoings that have been budgeted for all other parts of the business. By definition a reserve is that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes, thus it can be calculated from the money held in bank accounts less any money that is ringfenced for a particular purpose.

18. Community Support Grants

If a Trustee becomes aware of an individual or family in our community who is in urgent need of financial support, in the first instance he/she will make this known to other trustees by email giving the reasons for the recommendation of a grant (up to a maximum of £500) and an estimate of the likely sum involved. We support those experiencing hardship, or where the provision of equipment, services or activities will make a significant impact on a person's health and wellbeing. There may be other discussions involved but if time is of the essence a decision will be reached by email agreement of a simple majority of trustees. The Treasurer will be instructed to transfer the agreed sum of money to the beneficiary, or to the relevant goods or service provider, by the most appropriate means. A receipt will be required. This will be formally recorded at the next Trustees meeting.

19. Role of Treasurer

Extracted from Charity Finance Yearbook:

The Treasurer works in close co-operation with the Board. Specific responsibilities are to:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of The Meeting Place's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of The Meeting Place meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Board of The Meeting Place's financial integrity.
- Ensure that the accounts are properly prepared.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor The Meeting Place's investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities

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20. Role of Board of Trustees

The Board is responsible for:

- approving the budget for the year.
- approving signatories to the bank accounts.
- appointments of Team Leaders
- receiving reports from the Management Team on areas of concern.
- approving exceptional items of expenditure.
- monitoring the financial position based on reports at Board meetings
- approving the annual accounts