**Barham Village Hall CIO**

**Financial Policy**

Barham Village Hall trustees management committee will ensure that the finances of the village hall are run on sound principles which comply with the Charity Commission requirements. The fundamental obligation of all charity trustees is to protect the property of their charity and to sustainably secure the objects of the charity. In order to discharge this duty it is essential that there are adequate internal financial controls over the charity’s assets and their use.

**Aim**

The aim of the financial policy is to enable the trustees to operate the hall on a sustainable revenue basis with a reserve fund set aside for emergencies and long-term improvements. As a Charitable Incorporated Organisation (CIO) the hall is run as a non-profit organisation with any surplus of income being utilised for maintenance, refurbishment and contributions to reserves. Trustees are responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principles**

Financial controls are a necessary feature of any well-run organisation. Because of the special characteristics of the charitable sector, they play an essential part in helping to show potential donors and beneficiaries that the charity’s property is safeguarded, and that its management is efficient.

* The committee will manage the assets and income of the charity in accordance with the governing document and will appoint a financial officer (treasurer) responsible for the day to day management of the charity's finances.
* The financial year will end on the last day of June and accounts will be prepared within three months and approved by the trustees prior to being presented at the AGM in November. The Committee shall present to each AGM the report and accounts of the charity for the preceding year.
* The treasurer will present a financial report to every meeting of the committee (to include a balance sheet and a Profit & Loss account).
* Any sum of cash at any time belonging to the charity and not needed as a balance for working purposes shall (unless otherwise directed by the Charity Commissioners) be invested.
* The trustees of the Hall are under a duty to ensure that the charity keeps proper books and records, and that annual accounts are prepared.
* Trustees must ensure that the accounts are subjected to external scrutiny by a suitably qualified person appointed by the trustees., as required by legislation or by the Charity Commission.
* All trustees should be provided with copies of the charity’s report and accounts each year. New trustees are to be given a copy of the latest accounts on appointment, together with other essential documents such as the governing document, and information about the charity’s history.
* Trustees should consider the level of reserves that are prudent for the hall to have in place at its first meeting after the AGM
* Adequate insurance will be maintained to protect assets and equipment.

**Controls over purchases and income**

Trustees have a responsibility to ensure that adequate checks are made to both confirm that purchases have been properly authorised and that goods or services ordered have actually been received.

The Chair and Treasurer are authorised as individuals to spend up to £200 without a second authority. Purchases/expenses from £200 to £500 must have a second authorisation from either the Chair, Treasurer or Secretary. For purchases/expenses over £500, the wider trustee committee must agree the expenditure. Cheques require two signatures from either the Chair, Treasurer or Secretary. Both the Chair and Treasurer hold a bank debit card and have full access to the on-line bank accounts. The Secretary has oversight of all accounts. The Chair, Treasurer and, or, the Secretary will monitor the hall bank accounts at least once a week to check for irregularities.

Payments in cash will be kept to a minimum and generally all payments will be via BACS. Payments should be supported by an original invoice, pro forma invoice or expenses receipt.

All monies received will be recorded promptly and any cash/cheques banked without delay.

**Trustees’ liabilities**

# Having sufficiently rigorous controls provides not only protection for the charity property but also forms the best defence against a charge of failing to protect the charity’s funds.

Barham Village Hall is a CIO and as such, benefits from limited liability in the same way that charitable companies do. The trustees of a CIO are generally not personally liable for the any debts or other liabilities that the CIO incurs that are greater than the charity’s assets.

As a CIO, Barham Village Hall is not required to register with Companies House and is not subject to company law. We are solely registered with the Charity Commission and only regulated by charity law.

August 2023.