



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

Policy Status - Draft

Policy Version No. 4.0

Policy Holder – FOMECP Treasurer

(The policy holder is the trustee responsible for keeping the policy up to date)

Policy Amendment Record

Date	Version No. & Status	Reason for Amendment	Revised Status
15/07/17	0.2 Draft	New policy	Draft
14/09/17	0.3 Draft	New policy	Draft
13/11/17	0.4 Draft	New policy NR/SR/GC	Draft
21/11/17	0.5 Draft	New policy NR	Draft
5/12/17	0.6 Draft	Agreed at committee	Final Draft
4/3/18	1.0 Approved	Approved at AGM	Approved
6/11/18	1.1	Review	Draft
4/3/19	1.2	Approved at AGM	Approved
2/11/19	2.0	Review	Draft
15/03/20	3.0	Approved at AGM	Approved
2/10/20	3.1	Review	Draft
22/10/20	3.2	Review	Draft
01/11/20	3.3	Review	Draft
06/11/20	3.4	Review	Draft
07/11/20	3.5	Review	Draft
08/11/20	3.6	Review of numbering and cross-referencing	Draft
28/03/21	4.0	Approved at AGM	Approved

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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) A record of all income and expenditure, reconciled against the bank statements
- b) Records of cash received at Lambert Lodge or from the donation boxes, with the relevant proof of deposit at the bank

- c) Proof of deposit from the bank for cheques received
- d) Invoices from suppliers (electronic or paper)
- e) Expense claims in support of payments made by Trustees and others, for which repayment is made by the charity
- f) Relevant HMRC taxation records in accordance with current legislation and reporting requirements
- g) A register of fixed assets held stating the date of purchase, cost, serial numbers and normal location, disposal or scrapping (if appropriate)
- h) A record of property held (if appropriate)

2.4 The Financial Year will end on the 31st 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 When the annual account is prepared on an 'Accruals' basis (income over £500,000) all benefits to Trustees must be declared.

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. The accompanying spreadsheet will be uploaded to a shared repository (such as Google Drive) and made available to any trustee with access.

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

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 A JustGiving account (or similar) will be made available for the purposes of receiving online payments e.g. through the website and will be connected to the current account. This account will not be used by FoMECP to make purchases. The ability to take card payments will also be made available through a relevant provider e.g. SumUp, which may change from time to time.

3.3 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.

3.4 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.

3.5 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

3.6 The Treasurer of FoMECP will reconcile the online bank statement against the recorded spreadsheet every month.

3.7 The Treasurer will upload the spreadsheet to a shared repository monthly, for review by any of the trustees with access to the repository.

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 not be used. (Non-traditional banking means things like derivatives.)

4. RECEIPTS (income)

- 4.1 All monies received, by card, cash or cheque, will be recorded promptly on the income spreadsheet and cash and cheques will be banked without delay. FoMECP will maintain a spreadsheet to back this up. Any cheques and cash not retrieved by the Treasurer 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 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.
- 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.
- 4.7 For events where there is pre-purchase of tickets the following will apply:
 - a) tickets will be numbered
 - b) a record will be kept of all persons who have been issued with tickets to sell, and the ticket numbers allocated to them
 - c) a record will be kept of which tickets have been sold
 - d) a record will be kept of the purchaser of each ticket
 - e) all money from tickets and any unsold tickets will be collected
 - f) a reconciliation will be made of receipts against tickets sold

5. PAYMENTS (all expenditure)

- 5.1 Each item of expenditure in relation to the Annual Expenditure Limit (see section 13 of the General Policy for details) will be recorded by the Treasurer, 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 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. Scanned invoices suffice as evidence of 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, credit cards, or charge cards. The Treasurer may from time to time use a debit card for purchases, and the Chairman will give (email) permission for each purchase. Debit card expenditure will be supported by a voucher / invoice and recorded in accounting records. Only the Treasurer will have access to a debit card and if the Treasurer ceases to be in that role, the debit card will be destroyed.

5.8 FoMECP will not set up standing orders or direct debit payments, however the debit card may be used for auto-renewal of subscriptions such as the website domain and hosting. Auto-renewals will be checked annually to ensure they are still required.

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. Cash payments will be supported by an expenses claim (copy in Appendix 1) and authorised by the Treasurer. 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, if the Treasurer is the recipient.

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 Edgcumbe Country Park)

6.1 Payments of grants to Mount Edgcumbe Country Park (MECP) will be subject to the policy contained in 5.1 of this document.

6.2 The Trustees will agree items to be funded in line with the guidance in Section 13 of the General Policy.

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. This will entail one of the following:

- a) MECP will supply invoice(s) from their supplier(s) prior to the grant being paid OR

- b) Where the funds are provided in advance and form part of a larger funding pot, a receipt will be provided to FoMECP for the funds received, with a description of the purpose of the grant documented on the receipt, which will be used to verify that the grant was used for the agreed purpose. MECP will then supply retrospective invoices from their supplier(s) clearly indicating how FoMECP's funds were used.

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, or by a receipt from MECP with supporting evidence when available. ~~That~~The original invoice will be retained by the Treasurer and filed. Where payment is by cheque and not by BACS transfer, a cross reference must be made between the invoice and the cheque.
- 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. From the Petty Cash Account, £30 will be used to provide a float to Lambert Lodge and this amount will be reviewed and adjusted by the Treasurer from time to time.
- 7.3 All petty cash transactions will be registered on the spreadsheet kept by the Treasurer.
- 7.4 Regular remote checks will be made on the Current Account as maintained by the Treasurer, by any member of the Trustees who has access to the online repository.

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 and an expenses claim form, which will be filed and maintained by the Treasurer. Expenses will normally be refunded by electronic transfer and the maximum sum refunded without prior approval of the expense 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 The Treasurer will check for accuracy and authorise the payment. When the Treasurer is claiming expenses, these will be authorised by the Chairman or a member of the Executive Committee in the Chairman's absence.

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 CCLA COIF (Charities Official Investment Fund) 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/ANNUAL EXPENDITURE LIMIT

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

10.2 The Trustees will agree an Annual Expenditure Limit and will not commit expenditure beyond the financial resources available. The details of this can be found in the General Policy, section 13.1.

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.

11.3 Lambert Lodge will be locked whenever unoccupied and covered by an external CCTV system.

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 TRADING

14.1 The charity will undertake 'non-primary purpose trading', i.e. trading to raise funds for the charity and regularly check that trading activities remain within tax exemptions.

14.2 The trustees will ensure through review that items will be traded at a profit to the charity and that levels of stock held are appropriate to the levels of demand/sales.

14.3 Expenditure and income on goods traded will be appropriately recorded and checks will be made to ensure that cash received balances outstanding invoices.

14.4 Levels of stock held will be checked against records of sales.

14.5 Outstanding debts and recovery procedures will be regularly reviewed.

15 OTHER RULES

15.1 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.

15.2 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.

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

Appendix 1

EXPENSES CLAIM FORM

Name:

(For Treasurer only): Claim no:

Date of claim:

Total amount claimed:

Sort code: *(if not already known to the Treasurer)*

Account number: *(if not already known to the Treasurer)*

Date	Merchant	Reason	Amount net of VAT	VAT	Amount claimed	Receipt attached?

By submitting this claim form, I certify that the expenses being claimed were incurred wholly for the benefit of the charity.