

DONISTHORPE YOUTH CLUB

Financial controls & management Policy



1. Introduction

1.1 Financial records will be kept so that Donisthorpe Youth Club can:

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

1.2 The organisation will keep proper books of account, which will include:

- a. A cash book analysing all the transactions in the organisation's bank account(s).
- b. A petty cash book if cash purchases are being made.
- c. Inland Revenue deduction cards P11 will be undertaken by Donisthorpe Youth Club.

1.3 The financial year for Donisthorpe Youth Club will end on 31 March.

2. Bank

2.1 Donisthorpe Youth Club will bank with the Lloyds bank at its Ashby de la Zouch branch where the accounts will be held in the name of Donisthorpe Youth Club. The following accounts will be maintained: current and business, reserve, and any other project accounts as agreed and approved by the Donisthorpe Youth Club 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 Donisthorpe Youth Club will require the bank to provide statements every month and these will be reconciled with the cash book at every month and the Treasurer will spot check that this reconciliation has been done at least twice a year and sign the cashbook.

2.4 Donisthorpe Youth Club 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 Donisthorpe Youth Club 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)

- 4.1 The treasurer will be responsible for holding the cheque book (unused and partly used cheque books), which should be kept under lock and key.
- 4.2 Blank cheques will never be signed.
- 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 Cheques greater than the value of £100.00 will require the approval of the treasurer. The treasurer is able to take 'chair's action' in order to approve cheques greater than the sum of £100.00, this however will be reported to the next meeting of the trustees. Signatories to cheques which are greater than £100.00 must be different to those requesting purchase of items.
- 4.5 The relevant payee's name will always be inscribed on the cheque before signature, the cheque stub will always be filled in.
- 4.6 No cheques will be signed without original documentation.
- 4.7 Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives of the constitution.
- 4.8 The Chair and/or the Treasurer with (in either case) one other committee member shall not approve expenditure of more than £100.00 nor an overspend on a particular budget heading of more than 10 per cent unless this approval should be written down, signed by both people approving it, and reported to and minuted at the trustees 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 signs the cheque should ensure that the Donisthorpe Youth Club cheque requisition slip is fully completed. This includes the following:
- Cheque number
 - Date cheque drawn
 - Amount of cheque
 - Who signed the cheque.

5.2 The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees for a future course, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.

5.3 Petty cash will always be maintained on the imprest system whereby the treasurer is trusted with a float as agreed by the trustees. When that is more or less expended, a cheque will be drawn for sufficient bringing up the float to the agreed sum (currently agreed at £100.00), the cheque being supported by a complete set of expenditure vouchers and when possible receipts, totalling the amount spent. The expenditure will be analysed in the petty cash book.

5.4 Expenses/Allowances: Donisthorpe Youth Club will, if asked, reimburse expenditure paid for personally by staff, providing:

- Fares are evidenced by tickets (where possible).
- Other expenditure is evidenced by original receipts.
- Car mileage is based on local authority scales.

6. Cheque signatures and cash cards

6.1 Each cheque will be signed by at least two people.

6.2 Hole in the wall type cash cards will not be used and if issued by the bank will be immediately cut in half.

7. Other undertakings

7.1 Donisthorpe Youth Club does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, *prima facie*, likely to exceed in total £500.00 must be authorised and minuted by the trustees. (This covers such items as the new service contracts, office equipment purchase and hire).

7.2 All fund raising and grant applications undertaken on behalf of Donisthorpe Youth Club 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 trustees.

8. Confidentiality

8.1 The confidentiality of employees' financial circumstances will be respected at all times.

8.2 Committee members, volunteers and employees 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 rules

9.1. These controls will be reviewed at the first trustees meeting after the AGM.

Signed:

Position:

Date: 13th February 2025

Review Date: 13th February 2026

