

# FAIRFIELD VILLAGE HALL

## Financial Management, Risk Assessment & Reserves Policy

Adopted: 4<sup>th</sup> April 2018

Reviewed & approved, without amendment: 2<sup>nd</sup> March 2022

Reviewed & approved with amendment: 7<sup>th</sup> August 2024

### i) Concept

(a) The Committee established the following enduring principles:

(i) Letting income should be set at a level to cover all overheads plus a reserve fund.

(ii) Banking of hiring deposits; Good financial practice is that you bank these at least two weeks before the event so that the hall can cancel or get cash if it bounces. Also, the deposit for an outside group/party should be equal to your insurance excess.

(iii) The Trust will operate financial procedures which comply with the Charity Commission guidance given in CC8 – Internal Financial Controls for Charities.

### ii) Budget

(a) Each New Year the Treasurer is to prepare a Financial Plan and Budget for the new financial year for consideration at Committee.

### iii) Charity Commission

(a) It is the duty of the Charity Commission to take a close interest in the financial affairs of the Charity. The Treasurer is the principal point of contact for finance and therefore, has a duty to update the Charity Commission on all matters. He possesses a login and password to complete certain updates on-line. The login and password are related to the Charity, and not the Treasurer, and therefore may be used by other Officers of the Trust, as required.

iv) Bank Accounts

- (a) The Management Committee maintains bank accounts that are in the name of Fairfield Village Hall (the Trading name) or Fairfield Church Hall (the Charity name) as necessary to operate effectively.
- (b) All accounts are '2 signatory' accounts, whether for issuing a cheque for the Current Account or for issuing instructions for moving funds between accounts or establishing regular payments.
- (c) The authorised signatories are:
  - (i) Chairman,
  - (ii) Vice Chairman (if appointed),
  - (iii) Treasurer,
  - (iv) Secretary (if appointed), and
  - (v) up to 2 others.
- (d) Though the normal combination is Treasurer and Chairman, any instructions to the Bank should be double signatory letters.

v) Reserve Funds

- (a) The level of reserve funds will be reviewed by the Committee from time to time. At the present time it has been agreed that a reserve fund of **£15,000** (*previously £10,000 prior to 2024*) be established to cover unforeseen emergencies and requirements. In addition, it has been agreed that **£2,000** per year will be placed in a savings account to form a replacement fund. This sum is based upon the cost of replacing the limited life fittings and equipment over a 10-year cycle. These reserves are in place. See Charity Commission website for RS5 – Small Charities & Reserves
- (b) It is recognised that future major maintenance requirements may from time to time require a review of these arrangements.

vi) In Year Accounting

- (a) The accounts will be kept in accordance with the Charity Commission requirements as expressed in CC15a/CC15b – Charity Accounts, The Framework.
- (b) The accounts will identify income and expenditure categories in sufficient detail for the Trust to assess the financial situation as and when required.
- (c) The end of year accounts will be subjected to an Independent Review as specified by the Charity Commission for our level of income and expenditure. This is no requirement for an independent audit.

vii) Spending Authority

(a) The following spending authorities and limits currently apply:

(i) Treasurer: The Treasurer may:

1. Settle conventional utility and other standard services bills (e.g. insurance premiums, licensing fees, PRS/PPL, etc.) regardless of amount.
2. Make minor purchases (e.g. accounting materials, stationery, etc.) and procure minor services (e.g. postage, advertisements, cleaning materials Etc.) for necessary administration purposes up to the value of £100.
3. Agree and settle minor bills for maintenance and repair up to £500 provided such funds are available in the relevant sub account.
4. Agree and settle bills for administration, maintenance and repair up to £1,000 with the authorisation of a quorum of a relevant sub-committee provided such funds are available in the relevant sub account. Items over the value of £1,000 will be authorised by the full Committee.

(b) Chairman: The Chairman may:

1. Approve general, incidental, expenditures up to the value £250

(c) Management Committee:

- (i) The Committee will discuss and agree expenditures in excess of those listed above.
- (ii) Recognise that justifiable and expedient actions will sometimes be necessary.
- (iii) May occasionally give purchasing authority (within an agreed limit), to a particular Committee Member (or Members) to act on its behalf for a specific purpose.