

Lenham Community Centre

Charity No 1166995

Financial Controls Policy

Introduction

This policy, which is subject to regular monitoring and review by the Board of Trustees, aims to ensure that the Charity manages its financial resources effectively and economically. It covers the procedures within the following areas:

- Budget setting and procurement
- Authorising expenditure
- Making payments
- Receiving income

Budget setting and management reporting

Financial matters will form a standing item for all meetings of the Trustees.

The Trustees will agree an annual revenue budget for income and expenditure in advance of the financial year ended 31st December.

Progress against the budget will be monitored through the submission of quarterly management accounts / budget reports to the Trustees by the Treasurer.

The management accounts of the charity will be maintained using online financial systems, with overnight transaction feeds from the Charity's main bank charity account [Lloyds]. This allows near real-time review of income and expenditure by Charity officials.

The Charity's Financial Report and Accounts will be prepared annually and independently examined by the accountants appointed at the AGM.

Any expenditure to be incurred over and above the annual budget provisions will be authorised by the following:

- Expenditure up to £1,000 – Treasurer/ Finance Manager and or Chair / Vice Chair
- Expenditure over £1,000 – Management Trustees

Authorising expenditure

The people responsible for authorising expenditure are as follows:

- Expenditure on Utilities and Facilities – Treasurer/ Finance Manager and Chair / Vice Chair
- Trustee expenses – Chair (or Vice Chair in the case of the Chair's expenses)
- Contractor invoices – Chair / Vice Chair
- Other expenditure – Chair / Vice Chair, or Treasurer/ Finance Manager if within the annual budget provisions

Purchase invoices

The process on receipt of purchase invoices will be as follows:

- An electronic copy of the invoice will be received, and if possible, entered onto financial systems by the recipient budget holder, normally the Treasurer/ Finance Manager
- The invoice will be approved on the finance system by the Treasurer/ Finance Manager or Chair / Vice Chair, after any necessary review with other charity officials
- The invoice will be paid by the Treasurer/ Finance Manager, by BACS, normally within 7 days of receipt, and recorded on the fiancé system as such.

Payments

The Treasurer/ Finance Manager and Chair have daily (real-time) access to the online financial system and are responsible for ensuring that only payments for approved purchases have been made. The Charity will normally pay all suppliers by BACS, within seven days of invoice date or in line with suppliers payment terms. The Treasurer/ Finance Manager will arrange all BACS payments through the charity's secure on-line banking facility. Where BACS is not possible, a cheque will be raised.

For cheque payments, two signatories are required. (Currently only one is required – 2 signatories to be in place by end of 2025)

2 different approvers will be required for online payments (Currently only one is required – 2 approvers to be in place by end of 2025)

The following people are designated as authorised cheque signatories.

- Chair ,Vice Chair, Treasurer/Finance Manager
- An authorised signatory must not sign a cheque, or authorise a BACS payment payable to themselves.

The Treasurer/ Finance Manager will retain the Charity's chequebook in a secure location, in the Community Centre Office.

Petty Cash

The Charity will minimise any petty cash. Where cash is received from customers, it will be banked within 30 working days of receipt by the Treasurer/ Finance Manager, or by another Charity official nominated by the Treasurer/ Finance Manager.

Incoming cheques

Customers will be asked to pay by BACS. Any occasional cheques received will be banked within 30 working days of receipt by the Treasurer, or by another Charity official nominated by the Treasurer.

If cheques are used to pay a deposit, these must be paid into our bank account at least 7 days prior to the associated booking.

Sales Invoices and Credit Control

Sales invoices will be raised by our electronic finance system by the Treasurer/ Finance Manager. Invoices will be numbered sequentially, and will include details of the original customer order. The Treasurer will be responsible for chasing all debtors.

Independent Examination

The Treasurer /Finance Manager will liaise with the Independent Examiners in order to finalise the annual Report and Accounts, before they are formally approved by the Board of Trustees.

All Trustees will be issued with the annual Report and Accounts and with the annual budget once it has been agreed. The Independent Examiners are appointed annually at the AGM.

Bank Debit Cards

The Treasurer /Finance Manager, Chair and Vice Chair have corporate debit cards [issued by Lloyds], with a £1000 monthly limit per person.

The Treasurer /Finance Manager will review corporate debit card expenditure on a monthly basis.

2.1.11 Bank accounts

The Charity's funds will be held in Financial Services Compensation Scheme approved Banking institutions, approved by Board of Trustees. This is currently Lloyds

Insurance

The Village Hall insurance policy currently provides the following levels of cover: [Ansvar Insurance via agent Norris & Fisher Insurance Brokers Ltd to 7th October 2025. A broadly similar policy will be put in place at the time of renewal.

- Buildings: £2,6m
- Contents: £55k
- Business Interruption: Loss of income £120k
- Employers Liability: £10m
- Public & Products Liability: £5,000,000

- Property Owners Liability: £5,000,000
- Personal Accident: Death Benefit or Personal Total Disablement up to £10,000 dependent on age
- Trustee Indemnity: £250,000
- Legal Expenses: £250,000

Prepared by : David Needham

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Approved By : Management Trustees

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