**Lucilla Dramatic Society (LDS)**

**Registered Charity 700241**

**Policy: Financial Control**

**FINAL 140324**

**Person Responsible: Hon Treasurer**

**Brief Summary of the LDS Policy on Financial Controls**

**LDS will use financial control practices and maintain appropriate records to ensure the honest, legal and reasonable use of the Society’s funds for its charitable object. The Committee will review and approve these practices and any associated expenditure in line with the Policy.**

**Notes:**

LDS does not have any employees. Therefore, there are no references in this Policy to any employment costs, records or obligations.

“The Committee” is the General Committee of Trustees which is charged with the day to day running of the Society, including its financial affairs.

The Society conducts its banking via both digital and legacy means. Both electronic transfer and cheques are used.

**Financial Records and Accounts**

1. Financial records for all bank accounts will be kept so that:
   1. LDS meets its legal and other statutory obligations, such as Charity Acts, HMRC and common law.
   2. The Committee has proper financial control.
   3. LDS meets the contractual obligations and requirements of any funders.
2. The books of accounts (whether held digitally or in hard copy) must include:
3. A record of all the transactions appearing on the bank accounts.
4. A petty cash record if cash payments are being made.

3. Accounts will be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next Annual General Meeting.

4. Prior to the start of each financial year, the Committee will approve a budgeted income and expenditure account for the following year.

5. A report comparing actual income and expenditure with the budget should be presented to the Committee quarterly.

6. If legally required, the AGM will appoint an appropriately qualified auditor/ independent examiner to audit or examine the accounts before presentation to the next AGM.

**Banking**

1. LDS will bank with NatWest Bank plc at its Crosby Branch and accounts will be held in the name of LDS. The following accounts will be maintained:

Main Account

Bar Account

100 Club Account

2. The bank mandates (list of people who can sign cheques/hold debit and other authorisation cards on behalf of LDS) will always be approved and minuted by the Committee as will any changes to them.

3. LDS will require the bank to provide access to digital (and paper if required) statements and these will be reconciled with other records (receipts, invoices etc) at least quarterly prior to the Financial Report to the Committee.

4. LDS will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the Committee.

**Income**

All monies received will be recorded promptly and banked within a reasonable periodof time. LDS will maintain records to demonstrate this.

**Expenditure**

1. The aim is to ensure that all expenditure is on LDS business and is properly authorised and that this can be demonstrated. The latest approved budget provides signatories with authority to spend up to the budgeted expenditure, not beyond it. The Committee will allow the Hon Treasurer a discretionary amount per month (up to £100 per transaction and £500) to spend on sundry expenditure without approval**.** Any payments made under this arrangement will be reported to the Committee at the next Committee meeting and confirmed by them.

2. The Hon Treasurer and other account holders will be responsible for holding the cheque books (including unused and partly used cheque books) and petty cash which should be kept under reasonable security.

3. Blank cheques will NEVER be signed.

4. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.

5. No payments should be made without original documentation (see below).

**Payment documentation**

1. Every payment out of LDS bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by LDS and filed. The payment signatory should ensure that it is referenced with:

Payment number

Date of payment

Amount of payment

2. There may be payments which are not supported by an original invoice (eg reimbursement for refreshments or other out of pocket expenses by Trustees). Here, a Requisition Form will be used and matched to a payment reference in the records.

3. Petty cash will be maintained by the Hon Treasurer, who will be entrusted with a float as agreed by the Committee. When that is more or less expended, a withdrawal may be made for sufficient funds to bring up the float to the agreed sum, at the discretion of the Hon Treasurer within limits agreed by the Committee. These limits may vary for the 3 different accounts.

4. Expenses / allowances: LDS will, if asked, reimburse expenditure paid for personally by staff, providing reasonable expenditure is evidenced by original receipts and that no signatory signs for the payment of expenses to themselves.

**Signatories on accounts**

1. Each account will have at least 2 signatories who may also individually authorise payments via card / digital banking.

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

3. A cheque must not be signed by the person to whom it is payable.

**Other**

1. The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Charity in excess of £100 must be authorised and minuted by the Committee.

2. In exceptional circumstances such undertakings can be made with the Chair's approval who will then provide full details to the next meeting of the Committee.

3. All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the LDS with the prior approval of the Committee or in urgent situations the approval of the Chair who will provide full details to the next Committee meeting.

4. LDS will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, the Charity will maintain a property record of items of significant value, with an appropriate record of their use.

5. The Committee will maintain and annually review a Preferred Contractor Register and use these where possible. Any item likely to cost more than £1000 must have at least 2 quotes tendered.