



## **Finance Policy**

### **Purpose**

The purpose of this policy is to provide guidance to the trustees (Board of Trustees) who are involved with managing GCG's funds and to ensure that there are adequate internal financial controls over the charity's assets and their use.

### **Scope**

This policy covers all financial activities associated with GCG. The individuals falling within the scope of this policy include all trustees and especially the Treasurer.

### **Trustee Responsibilities**

The trustees must manage the assets of the charity in accordance with the GCG Constitution. Furthermore, the trustees accept and implement the guidance provided by the Charity Commissioners in the management of its operations.

- The trustees must ensure all buildings and other property of the charity are kept in repair and sufficiently insured against fire, theft, public liability and other insurable risks. A fixed asset register is kept for any items of significant value.
- The trustees are under a duty to ensure that the charity keeps proper books and records and that an annual report is written to accompany the end of year accounts. Trustees will appoint one of them as Treasurer to perform these tasks. Trustees will formally approve the charity's annual accounts and report and ensure they are scrutinised.

### **Trustee Liabilities**

If funds are lost through trustees neglecting their duty of care, they could be held personally liable to repay to the charity the funds lost. However, if reasonable controls are in place and have been adhered to, then trustees are unlikely to find themselves in the position of having to make good any such loss.

## **Financial Procedures and Controls**

### **1) Financial Records**

- Financial records will be kept ensuring that GCG meets its legal and other obligations under charity law and common law. The Treasurer will keep the cash records up to date showing all the transactions in the GCG bank/building society account(s).
- The Treasurer will present a financial update at every meeting of the trustees (the format and content of this update is pre-agreed by the trustees).



The financial year will end on 31st March and accounts will be drawn up each year.

- End-of-year accounts and an accompanying report will be drawn up by the Treasurer and circulated to all trustees prior to being approved.

## **2) Controls over Income**

The Treasurer will account for all income received. All cash/cheque income will be paid into the bank without deduction and without delay.

- Cash is to be counted by the person collecting it and placed in a bag with a note showing source, date, amount and signature of collector. The cash will be handed to the treasurer who should count it in the presence of the collector (or other person if collector not present) and confirm the amount.
- Hire agreements showing the conditions of hire and confirming the purpose of hire, dates and times, rate per hour and total due must be signed by the hirer on booking.
- For one-off bookings, payments by cash/cheque will be received and logged by the Bookings Secretary and forwarded to the treasurer by the end of the month. For regular bookings, a monthly invoice will be sent to the hirer and the treasurer will check that the outstanding balance is received.

For monthly use by established groups, invoices will be sent at the half and full year.

- Donations or endowments may be received for the general purposes of the charity. The trustees are responsible for ensuring that any attached conditions are acceptable if they support the purposes of the charity and do not introduce any conflict of interest. Any that do not support the charitable purposes for GCG will not be accepted.

## **3) Controls over Payments**

- Trustees are responsible for all expenditure from charitable funds and must account for how the charity's funds have been applied.
- All expenditure will be properly documented and authorised. Every payment out of the bank account(s) will be evidenced by an invoice or proof of purchase. A minimum of two trustees are required to authorise any payment out from the charity's funds.



The treasurer is responsible for holding all cheque books which should be kept securely. The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed. Blank cheques will not be signed.

- Purchase orders – GCG does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to exceed £1,000 must be minuted by the Board. Purchase orders over this value which are not accompanied by this authorisation may not be honoured.
- Trustees have a responsibility to ensure that the goods or services ordered have been received and in good order.
- Expenses – trustees/volunteers will be reimbursed for expenditure paid for personally but on behalf of the charity, providing fares are evidenced by tickets, other expenditure is evidenced by original receipts and car mileage is based on local authority scales. Where expenses are being reimbursed to a trustee, they cannot act as one of the signatories for the payment.

#### **4) Accounts**

- All funds will be held in accounts in the name of 'GCG' at such banks/building societies and on such terms as the trustees decide.
- The Treasurer will review the banking services provided to ensure that we are generating the best savings value from our reserves.

#### **5) Reserves**

- The trustees have determined a level of reserves to ensure that GCG's core activities could continue during a period of unforeseen difficulty. It has taken into account normal running costs, planned activities and commitments and the risks associated with each stream of income and expenditure.
- The trustees will aim to hold sufficient reserves to cover the normal running costs of the charity for 6 months (based on the highest figure in the last 5 years) rounded to the nearest thousand pounds.
- The reserves will be designated as 'Restricted Funds' and held within a bank/building society account where interest will be earned but there is instant access.



Approved – July 2024  
Review Date – July 2025

Any significant draw-down of funds from the financial reserve will be brought to the Board for approval.

- The Treasurer will review the level of reserve for appropriateness on an annual basis and propose any necessary changes to the Board.

## **6) Fundraising and Grants**

All fundraising and grant applications undertaken on behalf of the charity will be done in the name of GCG with the prior approval of the trustees or in urgent situations the approval of the Chair who will provide full details to the next Board meeting. Copies of grant applications will be kept and made available to trustees on request. Any grant acceptance documentation exceeding £5,000 will be brought to the trustee's attention for approval – in urgent situations this may be by email.