

**Barrow Community Library**  
**Financial Management and Controls Policy**

Note – Although this is a policy of Barrow-upon-Soar Community Association (BUSCA) it only applies to the financial management and controls of Barrow Community Library (BCL)

**1. Introduction**

1.1 Financial records will be kept for BCL so that BUSCA can:

- a. Meet its legal and other obligations, e.g., Charities Acts, HMRC, Companies Act, Statute and Common Law.
- b. Enable the BUSCA trustees to have control of the Library's finances.
- c. Enable the BUSCA trustees to meet their contractual obligations and the requirements of funding bodies.

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

- a. A cash book analysing all the transactions of BCL.
- b. A petty cash book.
- c. Inland Revenue deduction cards P11.

1.3 The financial year for BCL will end on 31 December.

1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the Library Management Committee (LMC) and the next annual general meeting of BUSCA.

1.5 Before the start of each financial year, LMC will approve a budgeted income and expenditure account for the following year.

1.6 A paper comparing actual income and expenditure with the budget will be presented to the LMC at each of its meetings.

1.7 The BUSCA's AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM.

**2. Bank**

2.1 LMC will bank with the Unity Trust Bank where the account/s will be held in the name of BUSCA.

2.2 BUSCA's Treasurer will reconcile the cash book with the bank statements every month

### **3. Receipts (income)**

3.1 All monies received will be recorded promptly in the cash analysis book. When the cash in hand has built up to a level previously agreed with the Treasurer the cash in hand (less agreed float) will be passed to the Treasurer for banking.

### **4. Payments (expenditure)**

4.1 The Treasurer will be responsible for holding the cheque book.

4.2 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.

4.3 The relevant payee's name will always be inscribed on the cheque before signature, the cheque stub will always be filled in.

4.4 No cheques will be signed without original documentation.

4.5 Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives of the constitution.

### **5 Payment documentation**

5.1 Every payment out of the organisations bank accounts will be supported by an appropriate voucher.

5.2 Expenses/Allowances: out of pocket expenses will be paid to volunteers, providing:

- Fares are evidenced by tickets (where possible).
- Other expenditure is evidenced by original receipts.
- Car mileage is properly recorded in an approved form

5.3 Wages and salaries: There will be a clear trail to show the authority and reason for payment. Every payment will have a voucher showing who has authorised the payment and what it was for i.e. salary, temporary work, Inland Revenue, etc. All employees will be paid within the PAYE, National Insurance rules.

5.4 All staff appointments will be recorded with the dates and salary level. Similarly, all changes in hours and other payments such as overtime, etc. will be authorised by the LMC.

### **6. Other undertakings**

6.1 With the following exceptions, all expenditure must be authorised by the LMC. The exceptions are:

Expenditure between £25 and £50 must be authorised either by the Library Management Committee or by the Chair of the LMC.

Expenditure up to £25 may be taken from petty cash following approved procedures.

All expenditure must be supported by an appropriate voucher.

6.2 All fund raising and grant applications undertaken on behalf of the Library will be done in the name of BUSCA with prior approval of the LMC or in urgent situations the approval of the Chair, who will provide full details to the next meeting of the LMC.

**7 Confidentiality**

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

7.2 Committee members, volunteers (and employees) will at all times act in the best interest of the organisation and they will not divulge sensitive information.

**8. Other rules**

8.1 Annually the LMC will review its finances and will make such bids for funding to Barrow-upon-Soar Parish Council and other funders as are appropriate to ensure that the service is properly funded.

8.2 These controls will be reviewed yearly.

This policy was adopted by BUSCA Trustees on

Signed ..... (BUSCA Trustee)

Date .....

Signed: ..... A.Kazianis

Date .....

Review Date: Feb 2017