

Linton Village Hall Finance and Procurement Policy and Procedures

Aim

The aims of the Policy are to ensure robust governance with regard to Linton Village Hall (LVH) assets. The Policy is subdivided into 2 parts:-

- Finance
- Procurement

The Administration

For the purpose of this policy it is to be understood that the Trustees empower the Linton Village Hall Management Committee (the LVHMC) with enforcing and following the day to day Finance and Procurement Procedures.

Finance

The aims are to operate LVH on a sustainable revenue basis and apply all revenues to the upkeep and maintenance of LVH.

1. The LVHMC will manage the assets of the charity in accordance with the LVH Trust Deed.
2. The Trustees will insure LVH property with a reputable Insurance Company on an 'All Risks' basis for its full rebuild value; the sums insured shall be reviewed at each policy renewal.
3. Financial records shall be kept ensuring that LVH meets its legal and other obligations under Charity Law, HM. Revenue and Customs and common law.
4. The financial year will end on 30 September and accounts for each financial year will be drawn up for all LVH activities and events. Combined with the Trustees accounts, be independently examined by an auditor approved by the Trustees prior to being presented to the Charities Commission.
5. All funds shall be held in accounts in the name of LVH at such banks and on such terms as the Trustees and/or the LVHMC shall decide. All cheques and transfer documents shall require the signatures of 2 of the authorised signatories
6. All expenditure shall be properly authorised and documented. All income shall be paid into the bank promptly unless required to be used as petty cash. The petty cash amount is determined by the Treasurer based on items required to be paid.
7. A financial status will be produced by the Treasurer for each Management Committee meeting and a financial summary at the AGM and at year end The

LVHMC shall undertake a financial risk assessment of LVH activities and review it annually.

8. The trustees shall approve a Reserves amount to determine the extent and nature of reserves designated as restricted funds. This will cover anticipated major renovation work based on a professional survey of the building every 5 years and a designated fund to cover ongoing unexpected costs not exceeding 18 months expenditure.
9. Restricted funds may be accrued for specific planned work over a 5 year period and identified as such in annual accounts.

Financial Procedures

Financial records:-

The following records should be kept by the treasurer

- a) A spreadsheet (5 columns:- date/ item/ income/ expenditure/ analysis code shall be kept up to date by the Treasurer and used to record and analyse all LVH activities.
- b) Required HMRC records for any paid employees/workers
- c) Hold a petty cash record and any receipts paid through petty cash
- d) Cash is to be counted by the person collecting it and handed, with a signed note of the amount, to the treasurer who should count the cash in the presence of the collector (or other person if collector not present) and confirm the amount.

Payment Procedure: -

The following payment procedure will be followed

- a) The Treasurer shall be responsible for holding all cheque books(used, unused and partly used) which should be kept under lock and key.
- b) Blank cheques will never be signed.
- c) The relevant payee's name will always be inserted on the cheque prior to signature and the cheque stub will always be completed.
- d) No cheques should be signed without original documentation (see below).
- e) All cheques to be signed by the authorised signatories

Income Procedure:

The following income procedure should be followed

- a) All income shall be paid into the bank without deduction, accept where there is a requirement to maintain the petty cash amount.

- b) Cash is to be counted by the person collecting it and handed to the Treasurer who should confirm the amount.
- c) Hiring agreement forms showing conditions of hire (date, purpose of hire, rate per hour and total due) must be signed by the hirer on booking.
- d) Petty cash payments which do not exceed £100 will be supported by receipts. Anything exceeding this limit must be paid by cheques or authorised with 2 LVHMC signatures

Payment Documentation:

Every payment out of the bank accounts will be supported by an original invoice/till receipt/cash voucher.

Procurement

The Management Committee acknowledges the 4 principles of procurement.

Regulation:-

1. *Transparency:-* Keeping all documents and recording decisions in such a way as to ensure that the process can be seen to be fair and transparent.
2. *Equal treatment:* - All potential suppliers have the same opportunity to quote for and supply goods and services regardless of where they are based.
3. *Proportionality:* - Contracts or specifications do not require information that is not pertinent to the delivery of the goods and services being purchased.
4. *Non-discrimination:-* Awards of contracts are not based solely on geography, previous contractual arrangements etc.

Where procurement is for contract of services of greater than £1000 per annum the LVHMC will obtain more than one quote from suppliers based on a specification. The LVHMC will be clear what is taken into consideration when selecting the supplier that is most appropriate for LVH and which maximises value for money. When it is not reasonably practicable to obtain more than one quote, then a supplier *may* be selected on a “single source” or “sole source” basis after due consideration and approval of a full Management Committee.

Procurement of contract and minor services, purchase of single items and payment of standard bills of less than £1000 are subject to the financial controls in the procedure.

Financial Authority:-

The Treasurer and Chair may:-

**Linton Village Hall
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Swadlincote
Derbyshire DE12 6PW
Registered Charity: 520470**

- Make minor purchases for single items (e.g. accounting materials, stationary, cleaning and maintenance items etc.) for necessary purposes up to the value of £100.
- Agree and settle minor bills for maintenance, replacement, improvement or repair up to £300 provided such funds are available.
- Approve any expenditure (except procurement of contract services) up to the value of £300.
- Agree and settle bills for maintenance and repair up to £1000 with the authorisation of a quorum of the Committee provided such funds are available.

The Chair may:-

- Make minor purchases for single items (e.g. accounting materials, stationary, cleaning and maintenance items etc.) for necessary purposes up to the value of £100.
- Agree minor bills for maintenance, replacement, improvement or repair up to £300 provided such funds are available
- Approve any expenditure (except procurement of contract services) up to the value of £300.
- Recognise that justifiable and expedient actions will sometimes be necessary.
- May occasionally give purchasing authority (within an agreed limit), to a particular Committee Member or (Members) to act on his behalf for a specific purpose.

The full Management Committee may:-

- Procure any services, purchase any asset under any contract which it considers is within the Charitable Objectives of the Trust, after due consideration and provided funds are available.
- Authorise expenditure over £1000 for maintenance and repair. This may be carried out via consultation and consideration outside of the agreed regular meetings.
- Provide delegated authority to procure goods and services in line with any refurbishment project or improvement project that has already been approved by the full management committee. The scope of the delegate authority will be determined for each project.

Procurement:- Minor services less than £1000

Members of the Management Committee have been assigned responsibilities agreed by the full Committee. Responsibilities are based on past experience in the subject. The Committee relies on them to ensure that when procuring minor services they do so in line with the principles of the LVH Finance and Procurement Policy.

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It is incumbent upon them to ensure that the contractor carries out the work as specified in the contract, in compliance with Health and Safety Procedures and represents the best quality and value for money.

Minor services may be procured under the tendering process, single or sole supplier basis, whichever is considered most appropriate. If the minor services involve entering into a term contract then the approval of the full Committee is required.

On completion they shall ensure that the work has been completed to their satisfaction and that the work site is safe before recommending payment of funds by the Treasurer.

Documentation

All finance, procurement and purchase records shall be maintained sufficient to demonstrate compliance with this procedure and to demonstrate adherence to the Charitable Objectives. Records may be hard copy or electronic and shall be retained for a minimum period of 7 years.

Review

This policy will be reviewed every 3 years or earlier in light of financial change requirements or recommendations.

Date Ratified: August 2020

Review Date: December 2023