**Isle of Wight Gardens Trust**

**Financial Management and Controls Policy**

**1. Introduction**

1.1 Financial records will be kept so that Isle of Wight Gardens Trust can:

1. Meet its legal and other obligations, e.g., Charities Acts, Inland Revenue, Customs & Excise, Companies Act, Common Law.
2. Enable the Management Committee to have control of the organisation’s finances.
3. Enable the organisation to meet contractual obligations and the requirements of funding bodies.

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

1. A cash book/accounts analysing all the transactions in the organisation's bank account(s).
2. A petty cash book if cash purchases are being made.

1.3 The financial year for will end on 31 March.

1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting (AGM).

1.5 Before the start of each financial year, the management committee 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 management committee at every meeting and at least quarterly to both the Chair and the Treasurer.

1.7 The AGM will appoint an appropriately qualified auditor / independent examiner to check / audit the accounts for presentation to the next AGM. (Note: only those charities with gross income of more than £25,000 in their financial year are required to have their accounts independently examined or audited - below that threshold an external scrutiny of accounts is only needed if it is required by the charity’s governing document)

**2. Bank**

2.1 The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the management committee, as will all changes to it.

2.2 The Isle of Wight Gardens Trust Treasurer will reconcile the cash book with the bank statements every month and sign the cashbook.

2.3 The Isle of Wight Gardens Trust will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the management committee.

2.4 The Isle of Wight Gardens Trust will bank with Lloyds Bank where the account/s will be held in the name of the Isle of Wight Gardens Trust. All accounts opened will be agreed, approved by the management committee and recorded in minutes.

The following accounts will be maintained: current and business, reserve, and any other project accounts as agreed and approved by the management committee.

**3. Receipts (income)**

The aim is to demonstrate that the Isle of Wight Gardens Trust has received all the income to which it is entitled and that it is all reasonably evidenced.

3.1 All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payments for telephone calls, photocopying, etc.) The organisation will maintain files of documentation i.e. letters from funding bodies to back this up.

**4. Payments (expenditure)**

4.l The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books), which should be kept under lock and key.

4.2 Blank cheques will **never** be signed.

4.3 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.

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

4.5 No cheques will be signed without original documentation.

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

1. **Payment documentation**
   1. Every payment out of the organisation’s bank accounts will be supported by an original invoice (never against a supplier‘s statement or final demand). That original will be filed and kept for seven years. The person who signs the cheque should ensure that the cheque requisition slip is fully completed. This includes the following:

* Cheque number
* Date cheque drawn
* Amount of cheque
* Name payable to
* Who signed the cheque.

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

5.3 Petty cash will always be maintained on the imprest system whereby the Treasurer is trusted with a float as agreed by the management committee. When that is more or less expended, a cheque will be drawn for sufficient bringing up the float to the agreed sum (currently agreed at £50.00), the cheque being supported by a complete set of expenditure vouchers and when possible receipts, totalling the amount spent. The expenditure will be analysed in the petty cash book.

**6. Cheque signatures and cash cards**

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

6.2 Credit cards and debit cards will not be used and if issued by the bank will be immediately cut in half.

6.3 BACs payments will require dual authorisation.

**7. Other undertakings**

7.1 The Isle of Wight Gardens Trust does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, *prima facie*, likely to exceed in total £500.00 must be authorised and minuted by the management committee.

7.2 All fund raising and grant applications undertaken on behalf of the Isle of Wight Gardens Trust will be done in the name of the organisation with prior approval of the management committee or in urgent situations the approval of the Chair or Deputy Chair, who will provide full details to the next management committee.

**8. Confidentiality**

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

8.2 Committee members, Trustees and volunteers will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information.

**9. Other rules**

9.1 The management committee members will consider the level of reserves that is prudent for the Isle of Wight Gardens Trust to have at its first meeting after the AGM. Consideration will be given to any liabilities or any other significant factors that should be taken into account were the Isle of Wight Gardens Trust to be wound up.

9.2. The Isle of Wight Gardens Trust 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 the asset(s). If it holds stocks of goods e.g. books etc, of significant value, it will maintain proper records.

9.3. These controls will be reviewed yearly.

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_



Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_



Review Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

