

Calderdale Theatre School Association Financial Controls Policy

1. Introduction

- 1.1 Financial records will be kept so that the Charity can:
 - (a) Meet its legal and other obligations, e.g. Charities Acts, Company Law, HMRC and common law.
 - (b) Enable the trustees to be in proper financial control of the Charity.
- 1.2 The Charity will keep a proper accounting system, which will include:
 - (a) A cashbook analysing all the transactions in the Charity's bank account(s). This maybe a computer package, excel or paper.
 - (b) A petty cash book if cash payments are being made.
- 1.3 The financial year will end on the 31st July each year.
- 1.4 Accounts will be drawn up after each financial year within five months of the end of the year and presented to the next Annual General Meeting.
- 1.5 Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
- 1.6 A report comparing actual income and expenditure with the budget will be presented to the trustees every three months.
- 1.7 A cash flow will be produced each month if the charity is in financial difficulties or reserves are less than three months expenditure.
- 1.8 The AGM will appoint an appropriately qualified independent examiner to examine the accounts for presentation to the next AGM, filing with the Charity Commission.

2. Banking

- 2.1 The Charity will bank with Lloyds Bank plc at its Halifax Branch. Accounts will be held in the name of the Calderdale Theatre School. The following accounts will be maintained:

Main Account
Savings Account

- 2.2 The bank mandate (list of people who can sign cheques or authorise electronic payments on the organisations behalf) will always be approved and minuted by the trustees as will all the changes to it.
- 2.3 The charity will require the bank to provide statements every month or access to electronic statements. These will be reconciled with the bookkeeping system at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year. If only electronic statements are available they will be printed off and filed every month.
- 2.3 The charity will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.
- 2.4 There will be Four named signatories held with the bank at all times. The current signatories are:

Treasurer:	Gerald Powell
Chair:	Rachel Smith
Trustee:	Tony Clark
Creative Administrator:	Alison Field

3. Receipts (income)

- 3.1 All monies received will be recorded promptly in the bookkeeping system and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). The Charity will maintain files of documentation to back this up.

3.2 Money credited to the bank electronically.

The charity will issue reference numbers for use when making electronic payments, to ensure that receipts into the bank account can be traced easily.

4. Internet Purchases

When purchases are made over the internet the charity will ensure that only well known bona fide sites are used for purchasing and that they have appropriate security as illustrated by a lock padlock in the bottom right hand side of the screen when a payment is being made. Such purchases will be properly authorised in a similar way to other purchases.

5. Payments (expenditure)

The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated. The latest approved budget provides the authority to spend up to the budgeted expenditure, not beyond it.

- 5.1 The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept secure.
- 5.2 Blank cheques will NEVER be signed.
- 5.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 5.4 No cheques should be signed without original documentation.

5.5 **Electronic banking.**

Each signatory will have a unique password which will be made up of lower and upper case letters, numbers and symbols.

The Treasurer will be able to access the electronic banking system for the purposes of putting transactions onto the system for assessing bank statements.

The authorising signatory will check that purchases have been properly made.

The Treasurer will check the payment details sort code, account number, invoice and amount. If these are accurate the Treasurer will process the payment.

Following authorisation the authorising signatory will e-mail the Treasurer to confirm their authorisation. This e-mail will act as evidence for the Independent Examiner as to who authorised the payment.

The authorising signatory may / may not also be a cheque signatory.

6. **Payment documentation**

6.1 Every payment out of the Charity's bank accounts will be evidenced by an original invoice. That original invoice will be retained by the Charity and filed. The treasurer should ensure that it is referenced with:

Cheque number or electronic authorisation reference
Date cheque drawn or paid electronically
Amount of payment
Who signed or authorised the payment.

6.2 The only exceptions to cheques or electronic payments not being supported by an original invoice would be for such items as advanced booking fees, deposit for a venue, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.

- 7.4 **Petty cash** will always be maintained on the imprest system where by:
An individual is entrusted with a float as agreed by the trustees. When that is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount, analysed as required.
- 7.6 Expenses / allowances. The Charity will, if asked, reimburse expenditure paid for personally by staff, providing:

Fares are evidenced by tickets.
Other expenditure is evidenced by original receipts.
No cheque signatory signs for the payment of expenses to themselves, authorise electronic payments to themselves.

8. **Cheque Signatures**

- 8.1 Each cheque will be signed by at least two authorised signatories.
- 8.2 Electronic bank payments will be agreed by at least one authorised signatory and the treasurer.
- 8.3 A cheque must not be signed by the person to whom it is payable.

9. **Other undertakings**

- 9.1 The Charity does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given must be authorised and minuted by the trustees. In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the trustees.
- 9.2 All fundraising, grant applications made on behalf of the organisation will be done in the name of the Charity with the prior approval of the trustees or in urgent situations the approval of the Chairperson who will provide full details to the next trustee's meeting.
- 9.3 Copies of grant application will be kept and available to trustees on request. When bids are made using internet portals electronic or paper copies of the bid will be kept.

10. **Other rules**

10.1 The Charity 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. Additionally the Charity will maintain a property record of items of significant value, with an appropriate record of their use.

10.2 The charity will maintain up to date good quality antivirus and anti-phishing software on all computers that connect to the internet.

This policy was adopted by the trustees on 08/07/2025

The next review date is on or before 30/07/2028