



Financial Regulations and Procedures

Revised and Approved May 2022

A. Background

These regulations and procedures are the means by which the Trustees of the Aldeburgh Jubilee Hall meet their legal and charitable obligations. Ultimate responsibility for the proper financial administration lies, collectively, with the Trustees, although aspects of financial management may be delegated to an individual Trustee or Hall Manager. The Regulations and Procedures set out an agreed framework for the proper financial administration of the Charity and are required to be read and understood by all Trustees. No Trustee, volunteer or member of staff shall undertake a financial transaction on behalf of the Charity without following due process or obtaining appropriate authorisation as below.

One of the Trustees with relevant expertise will be nominated as Chair of Finance and General Purposes Committee to oversee financial matters and audit, as required, on behalf of the Trustees.

Responsibility for financial matters will be delegated to at least two people. This may be the Hall Manager and another authorized Trustee (member of the FGP), as appointed by the Trustees.

B. Finance and General Purposes Committee (FGP)

Remit: The FGP is a delegated subcommittee of the Board of Trustees. The committee has responsibility to the Trustees for management and oversight of the Hall's finances and making recommendations to the Trustees on any matters which have significant financial implications for the running of the CIO. Specifically, this includes:

- (a) setting a draft budget and seeking approval from Trustees before the start of the financial year;
- (b) regularly monitoring and reporting to Trustees payments to/from the CIO and progress against the budget with mitigating actions as appropriate;
- (c) preparing annual accounts for independent inspection and approval by the Board;

- (d) managing restricted funds (external grants and donations) on behalf of the Trustees ensuring they are spent appropriately and that final financial reports are provided to awarding bodies as appropriate;
- (e) oversight of financial policies and ensure they are reviewed at least once a year and updated as required;
- (f) approving Hall hire fees (within the range approved by the Trustees), normally by Chair's action, and renegotiating and agreeing longer-term contract approval;
- (g) approving and initiating any expenditure (in advance and normally by FGP Chair's action) with an annual value of less than £1000*. For avoidance of doubt, initiation of any expenditure over £1000 requires Trustee Board approval which may be by Trustee Chair's action or by email as deemed appropriate by the Chair.

**Note: Where a series of payments which are regular and contractual is made and the amounts are fixed and identified in the budget or current forecast, approval may be obtained based on the total amount of the payments for the whole series without the need for approval for each individual payment until such time as the fixed amount or contractual arrangement changes.*

- (h) Initiation of any expenditure under £400 (except petty cash) is delegated to the Hall Manager or to an individual Trustee/staff member with the explicit approval in advance by the Hall Manager.
- (i) Events not included in the budget, which carry a financial risk, must have a budget prepared by the Programming Group (PG) and approved by a designated Trustee outside the PG. That Trustee may determine that the risk is sufficient for specific approval by F&GP or the Trustees as a whole. Approval must be obtained before the event contract is agreed or signed.

For avoidance of doubt, the Trustee Board retains the following authorities subject to the recommendation of the FGP:

- (a) to approve all transactions resulting in a permanent change to the Company's real estate or any charge or mortgage over the Company's assets;
- (b) to approve transactions and/or commitments with a capital value of £1000 or above;
- (c) to set the staffing establishment, salaries and the overall remuneration budget;
- (d) to approve the annual budget;
- (e) to approve any borrowing by the CIO;
- (f) to approve bank mandates including cheque signatories and cheque signing and online banking arrangements.
- (g) any changes in accounting policies and practices;
- (h) compliance with accounting standards and statutory requirements.

Membership (appointed by the Board). A minimum of three Trustees including a Chair (currently Richard Chaplin), the Chair of Trustees (*ex officio*, currently David Mackie) and at least one other (currently Nigel Howcutt and Ann Barkway). The Hall Manager will be in attendance. Other Trustees and the Honorary Secretary are welcome to attend any meeting. The quorum is any two Trustee members. Meetings should be held not less than six times a year and may be held by telephone or by e-mail.

C. Financial Year

The Charity's financial year runs from April 1st to March 31st.

D. Budget Preparation

An annual budget will be presented for approval by the Trustees, at each March meeting, in advance of the start of each financial year, unless an alternative date is agreed by the Trustees. The budget shall be accompanied by an indicative three-year financial forecast. The budget will be prepared by the Hall Manager liaising as appropriate with the Chair of FGP. Preparation of the budget can be delegated to an alternative Trustee member of FGP. The annual budget will clearly distinguish restricted funds, general funds and reserves.

E. Monitoring and Control

It is the responsibility of the Hall Manager and appointed Trustee to maintain management accounts, indicating income and expenditure with variance against budget, and present this information at each Trustee meeting as a regular item on the agenda, or sooner if there is a significant variation against budget.

F. Reserves Policy

Sufficient cash reserves should always be maintained to provide for Charity wind-up (redundancies etc) and a sinking fund to meet one-off emergency repairs and maintenance costs above those allowed in the annual budget to maintain and enhance infrastructure. The adequacy of the reserves will be considered as part of the independent review of the statutory accounts and debated by the FGP.

Cash reserves should be invested to balance the maximization of interest and liquidity needs of the charity, consistent with reasonable access and security of capital. The FGP will be responsible for recommending to the Trustees investment of any reserves, recognising a balance between maximising interest and minimising risk.

G. Accounts

All accounts are kept on the Charity's electronic financial ledger (the Chair and 'Chair of FGP' should have free access to this). All payments and income will be recorded and supported by appropriate receipts/invoices. Records will be kept for a minimum of six years. Accounts must clearly distinguish general and restricted funds.

H. Independent Examination/Audit

The Hall Manager and appointed Trustee, working with the Chair of FGP, as appropriate, is responsible for preparing annual accounts, for approval by the Trustees

for independent examination/audit. An independent examiner/auditor will be appointed annually by the Trustees. The Charity rules allow for an examiner/auditor to act for two cycles of three years after which the contract must be re-tendered.

I. Banking

The Charity operates a current account and two reserves accounts. The charity may open additional accounts as approved by the Trustees. Payments are to be made as follows : -

- Amounts of less than £400 and transfers between the Charity's accounts by the Hall Manager/Designated Trustee with the written approval of one Trustee which may be by e- mail
- Amounts of £400 and over and the initiating of direct debits and standing orders for any amount with the written (email) approval of two Trustees.
- Where a series of payments is to be made and the amounts are identified in the budget or cash flow forecasts approval may be obtained for the series without the need for approvals for each individual payment.

Bank statements will be reconciled to the financial ledger monthly.

Cash will not be used except for cash sales/receipts in the Hall itself.

Blank cheques will never be signed. No cheques will be signed/payments made without the appropriate invoice.

J. Payroll

The Charity's payroll, for any PAYE and pensionable staff, will be administered for the time being by an appointed specialist organisation, overseen on behalf of the Trustees by the Hall Manager).

Ad hoc hourly payments to self-employed contractors/individuals will be by the Hall Manager on receipt of signed invoices stating that the individual will be responsible for her/his own tax arrangements. Where a consultancy arrangement is entered into, incorporating regular payments, a tax and national insurance indemnity clause will be included in the agreement.

K. Hall Hire and Use

The Terms and conditions and charges for hiring the Hall will be approved by the Trustees. The Hall Manager is delegated the authority to negotiate and approve fees and contracts within these parameters, and the Chair of FGP to approve any negotiations outwith these parameters referring to full FGP as s/he deems appropriate.

Invoices and collection of these fees will be raised by the Hall Manager or Designated Trustee once a contract has been signed.

The Hall Manager should provide the Trustees at each meeting with an update on contracted and provisional bookings, and indicative income, to amplify financial data in the management accounts.

Once an event has taken place the Hall Manager is responsible for submitting an invoice and ensuring that the funds are collected.

L. Other Rules and Procedures

The AJH shall state its full name, registered charity number and address, on all purchase orders and invoices.

Volunteer staff shall never make or authorise financial transactions on behalf of the Charity (with the exception of petty cash, under supervision of an authorised staff member or Trustee).

M. Segregation of Duties

Duties involved in any single transaction should normally be performed by more than one individual to minimise the risk of fraud or error. The following transaction-related duties are considered incompatible and should not be performed by one individual: initiating a payment or invoice, approving or receiving a payment, record keeping, custody of an asset, reconciling the accounts.

Current invoicing practice is for charges to be agreed by the Hall Manager with invoice and collection being the responsibility of the Hall Manager (or nominated Trustee).

N. Expense Claims

Current practice for the claiming of expenses wholly and properly incurred in the business of the Charity by staff, volunteers or Trustees is as follows : -

- Any travel or other purchases on behalf of the Charity must be by the least expensive, reasonable means and approved by the Hall Manager in advance.
- Amounts up to £200 - a receipt (not a credit card voucher) must be obtained at the time the expense is incurred and presented within a week to the Hall Manager/Designated Trustee who must reimburse within a week.
- Amounts of £200 and over - authorisation by two Trustees is required in advance, with reimbursement process being the same as for amounts up to £200.

O. Applications for funding

All applications for external funding should be approved and signed by the Chair or designated Trustee on behalf of the Trustees. The Chair FGP/Designated Trustee are responsible for claiming any funds awarded and ensuring that restricted funds are spent appropriately.

P. Cash Transactions

Cash transactions at events (ticket and refreshment sales) can only be made by staff authorised by the Hall Manager or Chair of Trustees. If volunteers are working they

must be under the direct supervision of authorised staff. Cash taken must be recorded at the time and reported to the Hall Manager/Designated Trustee within a week of any event. If cash taken is required as petty cash, any expenditure must be accompanied by a receipt.

Q. Fraud or malpractice

Any employee or Trustee who suspects malpractice or fraud should immediately raise the issue with the Chair (or if it involves the Chair, with the Deputy-Chair or Honorary Secretary) whose responsibility it is to initiate a preliminary investigation, calling in the independent examiner/auditor if in her/his judgement the allegation is sufficiently serious.

R. Data Protection.

The retention of data will adhere to the Hall's GDPR policy.