

# River Worth Friends

## Financial Policy

### Purpose of this Policy

This policy lays out the requirements around finances for River Worth Friends, including financial controls, records required, reserves, and expenses.

So that River Worth Friends meets its legal and other statutory obligations, such as Charity Acts, His Majesty's Revenue & Customs regulations and common law.

### Financial Records and Planning

Financial records must be kept so that:

- The Trustees have proper financial knowledge of and control of River Worth Friends' finances
- River Worth Friends meets the contractual obligations and requirements of funders.

### Accounts System

The finances will be recorded using a system/software that will be approved by the Trustees. These accounts must include:

- Records analysing all the income and expenditure transactions from and to the bank accounts
- A petty cash record if cash payments are being made.
- All relevant documentation including receipts, other proof of expenditure and invoices should be securely stored. Electronic copies of documentation are acceptable.

### Financial Reporting

**Financial Year** River Worth Friends' financial year shall run from 1st April to 31st March.

**Monitoring Income and Expenditure** A report of income and expenditure will be presented to the Trustees as a standing item on their meeting agenda.

**End of Year Reporting** Accounts must be drawn up at the end of each financial year and presented to an Annual General Meeting within 3 months of the financial year end.

If the annual income below £5000 the accounts do not need to be independently examined or audited.

The most recent annual accounts can be seen by anybody on request.

## **Banking**

Money must be held in River Worth Friends' bank account or in a dedicated class in the accounts of another Charity acting as agent.

All accounts will be held in the name of River Worth Friends.

The bank mandate (the list of people who can authorise transactions on River Worth Friends' behalf) will be approved and minuted by the Trustees, as will any changes to it.

The Trustees will determine who will be responsible for holding any cheque books, bank cards and other methods of payment.

River Worth Friends may use online banking. Online transactions may be arranged by a single authorised signatory (normally the Treasurer), but only with the prior agreement of another authorised signatory.

Blank cheques will NEVER be signed.

River Worth Friends will reconcile bank statements with the accounts.

River Worth Friends will not use any other bank or financial institution, use overdraft facilities or take out a loan without of the agreement of the Trustees.

## **Payments (Expenditure)**

Money must only be used for River Worth Friends' purposes. All expenditure will be for River Worth Friends' business and will be properly authorised by the Trustees.

Trustees cannot receive any money or other reward from River Worth Friends, except to refund reasonable out of pocket expenses.

At the discretion of the Trustees, River Worth Friends will reimburse reasonable out of pocket expenses incurred when undertaking activities on behalf of the Charity. Details of expenses incurred along with evidence (receipts, bus tickets etc) must be presented to the Treasurer or event leader. Electronic copies of documentation are

acceptable. Payment will be made by bank transfer. Documentation will be retained by River Worth Friends and filed.

## **Reserves**

The term "Reserves" is used to describe that part of a charity's funds that is freely available for its operating purposes, without restriction. Reserves do not include any funds that have been allocated for any purpose or are subject of a funding agreement.

The Trustees will

- determine the amount of reserves that River Worth Friends should maintain, depending on the circumstances of the Charity;
- record the amount of reserves at the financial year end;
- agree any necessary steps River Worth Friends will take to establish or maintain reserves.

## **Other Operational Issues**

**Petty cash** (if used) will be maintained on a system agreed by the Trustees

**Cash Income** All cash received will be recorded promptly in the accounts and banked as soon as possible.

**Liability** River Worth Friends does not accept liability for any financial commitment unless properly authorised, as laid out in this policy

**Emergency Expenditure** In exceptional circumstances expenditure can be made, with the Chairperson's approval, who will then provide full details to the next meeting of the Trustees.

**Fundraising** All fundraising and grant applications undertaken on behalf of River Worth Friends will be done in the name of River Worth Friends with the prior approval of the Trustees.

## **Policy Review**

This Policy will be reviewed by the Trustees as required and at least every two years.

Adopted by the Trustees on 23 September 2024.