

FINANCIAL CONTROLS POLICY of the EAST DORSET ANTIQUARIAN SOCIETY

1. Introduction

- 1.1 Financial records will be kept so that East Dorset Antiquarian Society (in this document called "EDAS") can:
 - a. Meet its legal and other obligations.
 - b. Enable the trustees to have control of the organisation's finances.
 - c. Enable the organisation to meet contractual obligations and the requirements of funding bodies.
- 1.2 Particular care will be taken to distinguish funds between unrestricted (available for any purpose that meets EDAS's objects) and restricted (or 'trust funds') which, under trust law, must be used for their specified purpose. Designated funds will also be identified, i.e. unrestricted funds set aside with the aim of meeting particular expenditure(s).
- 1.3 These controls may be amended only as agreed by the trustees.

2. Accounting

- 2.1 The organisation will keep proper books of account, which will include:
 - a. a cash 'book' analysing all the transactions in EDAS' bank account(s),
 - b. a petty cash 'book' for cash payments,
 - c. records of income and expenditure split by the type of fund in 1.2.
- 2.2 The financial year for EDAS will end on 31st December, after which accounts will be drawn up in sufficient time to be audited or examined prior to presentation to the next Annual General Meeting.
- 2.3 Before each Annual General Meeting the trustees will review a report of estimated income and expenditure for the following year and consider potential liabilities, likely funding requirements and the level of reserves that it is prudent to hold.
- 2.4 The AGM or, failing that, the trustees will appoint an appropriately qualified person to audit or examine the accounts, in line with the requirements of the Charity Commission, for presentation to the next AGM.
- 2.5 The treasurer will produce a report for each committee meeting showing income and expenditure to date and the current bank balances, so that the trustees can determine whether any changes in planned expenditure, funding and reserves are required.
- 2.6 The trustees may agree to designate unrestricted funds for specified project work.
- 2.7 No financial commitment will normally be accepted, unless specifically agreed by the trustees, which reduces unrestricted funds below £1,000.

3. Field Projects

- 3.1 At the point of inception of a field project, the trustees will agree a team to manage the project which will include at least two trustees.
- 3.2 A project financial plan will be created listing all known tasks and their expected costs. The initial plan, and regular updates including income and expenditure to date, will be presented to the trustees for their agreement.
- 3.3 Whilst project accounting will follow the approach and standards of this policy, records will particularly be kept of the source of funds and any conditions attached to them (see section 6).
- 3.4 External parties, especially donors, may be provided with details of project plans and accounts if appropriate, when all personal information will be redacted.
- 3.5 The project management team may determine and authorise expenditure, and agree contracts for services, within the agreed financial plan and within the available project funds (both restricted and designated).

4. Bank

- 4.1 EDAS will bank with authorised banking institutions as agreed by the trustees from time to time and minuted, and will hold such accounts as the trustees determine.
- 4.2 The authorised signatories for the bank accounts will be the 3 officers (chair, secretary and treasurer), any 2 of whom must sign any cheques.
- 4.3 EDAS will require the bank to provide statements every month and these will be reconciled with the cash 'book'.

5. Receipts (income)

- 5.1 All monies received will be recorded promptly in the cash analysis 'book' and banked promptly.
- 5.2 Except as in 5.3 and 6.6 all receipts, including member subscriptions, are treated as unrestricted funds.
- 5.3 Any Gift Aid declarations will be recorded and securely stored, with claims made to HMRC to recover income tax on at least an annual basis. Gift Aid receipts will be allocated to restricted or unrestricted funds in line with the payments on which they were obtained.

6. Fund raising

- 6.1 All fund raising and grant applications undertaken on behalf of EDAS will be done in the name of the Society, with prior approval of the trustees, and be minuted.
- 6.2 Other than smaller individual donations, funds or grants will normally only be sought from individuals known to EDAS or from recognised funding and grant-making organisations. As recommended by the Charity Commission, checks will be made if there is any doubt about the identity of donors or the source of monies.
- 6.3 Other than conditions relating to the progress or completion of the relevant project, conditions on the use of funds will not normally be accepted.
- 6.4 Gift Aid declarations will be sought wherever possible for all donations from UK taxpayers.
- 6.5 Wherever possible, especially for collections and community fundraising events, it will be made clear that any funds unable to be used for the project will be used for EDAS's general purposes, so that the funds raised will be 'designated'. This will preferably be in a written form, with a record kept of the position.
- 6.6 Otherwise, funds raised in connection with a specific project will be recorded as restricted, when EDAS will seek a statement from the donor prior to receipt of funds as to how they may be used if the initial purpose proves unachievable or there are surplus amounts.
- 6.7 If it becomes clear that there are surplus or unused funds, they will be re-allocated or repaid as quickly as possible depending on any conditions attaching to their original provision, or any new directions requested and received by EDAS from the original donor(s). Charity Commission approval will be sought if required by their rules.

7. Payments (expenditure)

- 7.1 Payments may only be made in pursuance of the objects defined in the constitution and, where appropriate, in line with the requirements of funding bodies or donors.
- 7.2 Payments in cash will be kept to a minimum and generally be for small amounts through the petty cash system. Otherwise all payments will be by cheque or electronic transfer.
- 7.3 The treasurer will be responsible for holding all cheque books, which should be kept securely, together with any cash and cheques awaiting banking.
- 7.4 The relevant payee's name will always be written on the cheque before signature and the cheque stub filled in.
- 7.5 No cheques will be signed without appropriate documentation.
- 7.6 No cheque may be signed by the person to whom it is payable nor by someone to whom the

payee is connected personally or through a business relationship.

8. Expenses

- 8.1 Incidental expenses incurred by committee or other members in connection with meetings and other local events (such as costs of travel, phone calls or personal printing) will not be reimbursed except as in 8.3.
- 8.2 Expenses will not be paid to members or other volunteers for incidental expenditure in connection with project work (such as for travel to sites or provision of personal equipment) except as in 8.3.
- 8.3 Exceptional expenses incurred by members, volunteers or committee members will be reimbursed on a basis agreed by the trustees or, for project work, by the management team. This relates to, but is not limited to, high levels of home printing and communication costs, long journeys (e.g. delivering finds to specialists) and the provision or use of specialist or heavy site equipment.

9. Payment Documentation

- 9.1 Payments will normally be supported by an original invoice (not a supplier's statement or final demand). That original will be filed and kept for seven years. The treasurer should ensure that the invoice is referenced with the cheque number, date and amount or with electronic payment details.
- 9.2 A receipt should be obtained for payments which would not usually be invoiced, such as purchases from shops, and the relevant payment details noted on it or securely with it.
- 9.3 Reimbursement of agreed expenditure by, or expenses of, members or volunteers should be evidenced by tickets and receipts as far as possible.
- 9.4 A receipt with the recipient's signature should be obtained for payments made to individuals, such as speakers' fees.

10. Use of cards and electronic banking

- 10.1 If EDAS applies for debit, credit or charge cards then a policy on each card's use will be agreed by the trustees, including any restrictions on users, amount per transaction, types of retailers and cancellation/destruction of cards. Evidence of each transaction must be obtained and recorded in the cash 'book'.
- 10.2 If electronic banking is used for payments then, if available from the bank, a double authorisation system should be used involving 2 of the authorised signatories and a print off filed with other evidence of expenditure. If such a system is not available, the trustees will agree a daily limit on electronic payments made by the treasurer and a system for frequent checks by a different authorised signatory. Any computer used must be secure and passwords/PINs kept secret and periodically changed.

11. Other Undertakings

- 11.1 EDAS does not accept liability for any financial commitment unless properly authorised by the trustees, which may include a general authorisation for particular types of expenditure. Other than in line with an agreed financial plan as in section 3, any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed £100 in total must be agreed by the trustees and details minuted. In exceptional circumstances such undertakings can be made with the chair's approval, who will notify the trustees as soon practicable and ensure that details are minuted at the next committee meeting.
- 11.2 EDAS will maintain adequate insurance appropriate for all its activities.

Adopted 7th October 2018