

Barrow Community Library

Financial Management and Controls Policy

Note – Although this is a policy of Barrow-upon-Soar Community Association (BUSCA) it only applies to the financial management and controls of Barrow Community Library (BCL)

1. Introduction

1.1 The Library Treasurer will keep financial records for BCL so that BUSCA can:

- Meet its legal and other obligations, e.g., Charities Acts, HMRC, Companies Act, Statute and Common Law.
- Enable the BUSCA trustees to have control of the Library's finances.
- Enable the BUSCA trustees to meet their contractual obligations and the requirements of funding bodies.

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

- A day-book analysing all the transactions of BCL.
- Till receipts recording all cash paid to BCL
- Such employment and tax records as are required by law

1.3 The financial year for BCL will end on 31 December.

1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the Library Management Committee (LMC) a meeting of the BUSCA Trustees and the next annual general meeting of BUSCA.

1.5 Before the start of each financial year, LMC will approve a budgeted income and expenditure account for the following year.

1.6 At the appropriate time each year a budget for the coming financial year will be submitted to and approved by the LMC as a basis for the LMC's bid to Barrow-upon-Soar Parish Council for funding.

1.7 A financial report will be submitted to each monthly meeting of the LMC by the Library Treasurer recording receipts and payments and monitoring the movement of funds during the course of the year. The report will contain such detail as the LMC shall from time to time require.

2. Bank

2.1 LMC will bank with the Unity Trust Bank where the account/s will be held in the name of BUSCA.

2.2 BUSCA's Treasurer will reconcile the cash book with the bank statements every month.

3. Receipts (income)

3.1 All monies received will be recorded promptly in the till receipts in the case of cash and the

books of account in all other cases. When the cash in hand has built up to a level previously agreed with the Treasurer the cash in hand (less agreed float) will be passed to the Treasurer for banking.

4. Payments (expenditure)

- 4.1 The Treasurer will be responsible for holding the cheque book and initiating BACS payments.
- 4.2 Whenever possible, the same person should not be responsible for ordering, processing and checking invoices as well as raising and authorising BACS, payments.
- 4.3 BACS payments will be made by two Trustees of BUSCA. Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives of the constitution.
- 4.4 For works likely to cost £1k or above (including VAT) we must seek three quotes. For works likely to cost £500 or more but less than £1k (all figures including VAT) we must seek two quotes unless the work concerns a major service provided by the original installer.
- 4.5 All payments out of the funds of BCL must be authorised as per the Library's policy on expenses.

5. Payment documentation

- 5.1 Every payment out of the organisation's bank accounts will be supported by an appropriate voucher.
- 5.2 Expenses/Allowances: out of pocket expenses will be paid to volunteers (including members of the management committee), providing:
 - Fares are evidenced by tickets (where possible).
 - Other expenditure is evidenced by original receipts.
 - Car mileage is properly recorded in an approved form
- 5.3 *Wages and salaries:*

There will be a clear trail to show the authority and reason for payment. Every payment will have a voucher showing who has authorised the payment and what it was for i.e. salary, temporary work, Inland Revenue, etc. All employees will be paid within the PAYE, National Insurance rules. Management of the payroll process may be outsourced to Central Business Services.
- 5.4 All staff appointments will be recorded with the dates and salary level. Similarly, all changes in hours and other payments such as overtime, etc. will be authorised by the LMC.

6. Other undertakings

- 6.1 BUSCA 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 LMC. (This covers such items as the new service contracts, office equipment purchase and hire).

- 6.2 All fund-raising and grant applications undertaken on behalf of the Library will be done in the name of the organisation with prior approval of the LMC or in urgent situations the approval of the Chair, who will provide full details to the next meeting of the LMC.

7. Confidentiality

- 7.1 The confidentiality of employees' financial circumstances will be respected at all times.
- 7.2 Committee members, volunteers (and employees) 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.

8. Other rules

- 8.1 Annually the LMC will review its finances and will make such bids for funding to Barrow-upon-Soar Parish Council and other funders as are appropriate to ensure that the service is properly funded.
- 8.2 These controls will be reviewed on a regular basis.

Approved by Library Management Committee: September 2023; amended 8 April 2024

Review Date: September 2025