

YELVERTON COMMUNITY PROJECTS

Policy on financial management October 2024

Accounting system: The Charity Commission does not require charities with income below £250,000 p.a. to prepare accrual accounts (allowing for income or expenditure not yet transacted). A simple receipts and payments system is therefore used, together with a statement of assets (and liabilities, if any) at the end of the financial year. Transactions enter the accounts only when a payment is effected or a credit deposited into the bank. Cash in hand appears as a balance sheet item and this holding is kept to a minimum.

Banking System: There is now just one main bank current account, operated with Lloyds by the Treasurer covering all arms of YCP. The Treasurer handles all receipts from the operating arms and pays these into the current account. Donations from YelverCare clients are passed to the Treasurer by YelverCare volunteers on a regular basis. Receipts from the Cinema together with explanatory notes are passed on to the Treasurer by a member of the Cinema Committee. This account normally runs with a balance of up to several thousand pounds so as to be able to cover immediate demands. An instant access savings account has recently been opened with a small balance so as to generate a small income on readily accessible funds.

The Play Park lottery is administered independently and has its own bank account. At approximately half-yearly intervals, a transfer is usually made to the main current account, depending on their surplus at that time.

There is a deposit account currently operated by CCLA; this account carries the surplus funds and is risk-free. There are three signatories, all of whom are Trustees, for transactions and two for authorising changes to authorised signatories etc. Money held in this account can only be transferred to the main current account. At the Treasurers instigation other banks may be used if a better non-risk return is available.

The Treasurer handles payments from the bank accounts on behalf of all the operating arms of the charity (except the Lottery). Since on-line banking has been established all payments are now made by bank transfer. Invoices may be passed on to the Treasurer by any YCP volunteer; the Treasurer must be satisfied that the expenditure is valid or seek authorisation from a relevant Trustee. It is recognised that unforeseen expenditure may sometimes be necessary during the year. The trustees responsible for each of the operating arms may commit to unforeseen expenditure up to £250 on any one item, subject to a maximum of £1,000 during any one financial year. They must seek prior approval from the trustees before committing to any expenditure above those amounts.

On-line payments: There are four authorised signatories (all of whom are trustees) who can effect bank transfers. All such payments require action by 2 signatories, one to instigate the transfer and the second to release it. Bank payments to one of the authorised signatories cannot be instigated or released by that signatory. Transfers between Yelvercare bank accounts can be made by a single signatory.

Cheque payments: This is no longer active so should be deleted. Four of the trustees are cheque signatories on the accounts. Cheques are now very rarely used but for a value up to £50 can be signed by one signatory after receiving email authorisation from a second signatory. Cheques for more than £50 require two signatures. All payments over £1,000 are subject to prior authorisation of spend from the trustees. Cheques payable from the Lottery account require signatures from both of the lottery administrators.

Budgeting: Prior to the start of each financial year the head of each arm of the charity is asked to consider their likely expenditure for the new financial year. Any significant likely expenditure will be discussed at the Trustees meeting in June/July so that Trustees are aware of the impact on finances. During the financial year, any significant expenditure (over £1,000) must be pre-approved by the Chairperson or Treasurer.

Reporting: Half-yearly accounts (not examined) are presented to the trustees at the January/February meeting so that performance against prior year can be monitored. Draft end of year accounts are presented to the trustees in July/August. After approval by the trustees, the accounts are submitted to an independent examiner, who will inspect both the main account and the lottery account. The accounts are then submitted to the Charity Commission together with the trustees' annual report as part of the online annual return.

Donations: Any income received that is for a specific purpose will be identified separately in the accounts. Donors of all significant amounts will be asked if they are willing for Gift Aid to be claimed on that donation. A claim for recovery of Gift Aid should be made each financial year if the value warrants it.

Expenses: Volunteers may reclaim legitimate expenses on production of a claim form, accompanied by receipts where relevant.

Policy on reserves: It is recognised that a charity should not hold unnecessary reserves. However, the Play Park will require substantial refurbishment costs in future years and it is the trustees' policy to hold sufficient reserves to cover those costs without having to depend on external sources of funding at that time. The bulk of the reserves is identified as a replacement fund and is ringfenced for this purpose. Funds are transferred to/ from the general fund to the replacement fund (and vice versa) from time to time if the outcome in any financial year requires this. Separate reserves are identified for the Play Park (currently £30,000), Cinema (currently £5,000) and YCP in general (currently £5,000).

Investments: These will be restricted to deposit accounts and reviewed from time to time to ensure that interest receivable is balanced against the need to access funds in time to meet commitments. All reserves are held in accounts which are protected by the Financial Services Compensation Scheme.

Date: 12th February 2026