



Cheltenham Local History Society

Finance Policy

Record keeping

Cheltenham Local History Society (CLHS) shall maintain an up-to-date cashbook recording all transactions on a daily basis.

CLHS's bank accounts will be reconciled on a regular basis and must be before payments are made.

Documentation supporting the transactions should be obtained and retained where possible.

All financial records must be retained for at least six years.

Bank

Any bank or building society account in which any of the funds of CLHS are deposited must be operated by the Trustees and held in the name of CLHS. The accounts should be managed so as to be guaranteed by the Financial Services Compensation Scheme (FSCS).

All payments drawn upon any bank accounts held in CLHS's name shall require authorisation by two of the following: Chairman, Secretary, Treasurer and up to two other named Trustee approved by the Trustees .

New bank accounts can only be opened after authorisation by the Trustees.

Investments

When deciding on investments the Trustees should assess whether the level of risk involved is acceptable and the timeframe when the funds will be required for CLHS's objectives.

Investments should be guaranteed by the Financial Services Compensation Scheme (FSCS).

Fixed assets

A register of capital assets owned by CLHS to be maintained, detailing the assets and where held. Assets held to be verified annually in December.

Income

All monies received will be recorded promptly in the cashbook and banked without delay.

Expenditure

Any expenditure in excess of £500 should wherever possible be discussed and approved by a quorum of the Trustees, either in person or electronically.

Items of expenditure of under £500 should be approved by 2 Trustees before the expenditure is incurred.

All claims for expenses must be made using the self-declaration expenses claim form with supporting documentation.

Trustees to be reimbursed reasonable expenses incurred on behalf of CLHS.

No remuneration is to be paid to Trustees.

Where there is an actual or perceived conflict of interest between a payee and CLHS that person must neither instigate the payment nor authorise it.

Reporting

Management accounts and forecasts should be prepared by the Treasurer for presentation at the Trustees' meetings.

The financial year end shall be 31 March.

The annual accounts will be independently examined.

After the independent examination has been completed the accounts, the annual return to be sent to the Charity Commission within 10 months of the financial year end.

Gift Aid claim

ChV1 form to be completed and submitted to HMRC notifying changes to the authorised person dealing with the Gift Aid claims.

Gift Aid declarations must be obtained and retained for six years after the date of the final donation.

A Gift Aid claim must be submitted within four years of the end of the financial year in which the donations were received in. For cash donations of £30 or under the time limit is two years after the end of the tax year in which the donation was received.

Reserves

The level of unrestricted reserves should be reviewed at Trustees' meetings to ensure that the charity can meet existing commitments.

The Trustees may designate part of the unrestricted funds for a specific purpose. The designation is administrative only, and does not legally restrict the trustees' discretion to spend the money.

Fundraising

Donations received for a specific purpose must be kept in a separate ring-fenced fund used only for that purpose. Where possible fundraising should indicate what will happen in the event of funds raised being in excess of the amount required to carry out the project. If the appeal does not include such a clause, the Trustees should decide how the money is to be spent and pass a resolution as to how the surplus funds are to be used backed up by supporting documentation. If the sum involved is £1,000 or less the resolution comes into effect when passed. For sums

over £1,000 permission from the Charity Commission is required. The information to be submitted to the Charity Commission is as follows:

- the charity's name and registration number
- the details of your appeal - include your appeal literature
- why you cannot use your donations as intended
- the value of the donations you want to use for new purposes
- what your new purposes are
- why you have chosen your new purposes and how you have had regard to the 2 points mentioned above
- a copy of your resolution or minutes of the meeting where you agreed the resolution
- confirmation that you have followed the rules in your governing document to pass the resolution
- your name, contact details and role within the charity
- confirmation that you are acting on behalf of the charity

Where unsolicited donations are given for a specific purpose are received, but cannot be fully utilised for that purpose the Trustees should contact the donor to agree a suitable use for the money.

Incidents and suspicions

A record of any incidents of financial crime, abuse or breakdown of the charity's financial controls must initially be brought to the attention of the Chairman of the trustees without delay and suitable action taken to rectify the situation.

A report may be required to external bodies depending on the type and level of the incident.

Report:

- all types of fraud to Action Fraud
- tax fraud to HMRC
- any incident involving financial services, such as investments, insurance or pensions, to the Financial Conduct Authority
- data breaches to the Information Commissioner's Office (ICO)
- Report any serious incidents to the Charity Commission. For example, a significant or potential loss to your charity's money or assets.

Adopted by Trustees 23 July 2024

Review date July 2027