

The Old Library Financial Procedures Policy

Charity Registration Number: 1198148

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1. Purpose

This policy sets out the financial procedures for The Old Library to ensure transparency, accountability, and compliance with legal and regulatory requirements. It aims to safeguard the charity's assets and maintain public trust.

2. Roles and Responsibilities

- Trustees: Overall responsibility for financial governance and approving budgets.
- Treasurer: Oversees financial management, reporting, and compliance.
- Volunteers: Follow procedures for handling funds and expenses.
- Independent Examiner: Reviews annual accounts.

3. Banking and Cash Handling

- All funds must be deposited into one of the charity's designated bank accounts:

Library Account: Barclays Bank; sort code 20-98-98; 6310816

Business Premium: Barclays Bank; sort code 20-98-98; 83600769

Café Account: Barclays Bank; sort code 20-98-98; 23320049

- No personal accounts may be used for charity funds.
- Cash receipts should be minimised; where unavoidable:

- Issue receipts for all cash received. The exception being cash taken through the café terminal. Receipts are offered but not always required by the customer.
- Deposit cash promptly. Cash must not be taken from the library premises except for banking.

4. Income Management

- Record all donations and income in the cash book spreadsheet.
- Provide receipts for donations over £50 or upon request.
- For online donations, ensure secure payment platforms are used: Just Giving Checkout, CAF.
- Gift Aid claims must comply with HMRC guidelines.

5. Expenditure Controls

- All payments should be made by electronic bank transfer or by the charity debit card unless (as in the case of utilities and other contracts) payment is by direct debit.
- Supporting documentation required for all payments (invoice, receipt, expenses claim).
- No payments over £50 unless pre-approved by the Treasurer and one other trustee. The exception to this is café stock purchases.
- Use charity debit card only for authorised expenses; no personal use.
- Contracts may not be entered into without authority from the trustees. This would normally be minuted in monthly trustees' meetings. If a decision is required before the next meeting, approval can be given by email (minimum three trustees).
- The charity bank statements will be made available for review by the trustees.

6. Budgeting and Financial Planning

- Prepare an annual budget approved by the trustees.
- Monitor actual income and expenditure against the budget monthly.
- Report variances to the trustees with explanations

7. Record Keeping

- Maintain accurate records of all transactions.
- Keep supporting documents for at least 6 years.
- Use accounting software or spreadsheets with restricted access.

9. Financial Reporting

- Produce quarterly financial reports for trustees.
- Prepare annual accounts in line with Charity Commission requirements.
- Submit reports and returns on time.

10. Internal Controls

- Segregate duties where possible (e.g., person authorising payment should not process it).
- Regular bank reconciliations.
- Annual independent examination.

11. Fraud Prevention

- Review financial controls annually.
- Report suspected fraud immediately to trustees and relevant authorities.

12. Policy Review

- Review this policy annually or when significant changes occur.
