



## **FINANCIAL MANAGEMENT POLICY**

### **Introduction**

Cove Burgh Hall (“CBH”) is a charitable company that owns and runs the Cove Burgh Hall (“Hall”) for the beneficial use of the local community. The following Financial Management policy sets out the terms under which the directors of Cove Burgh Hall control, record and manage associated finances.

### **Legal Context**

The Directors shall ensure that CBH shall at all times comply with the laws of Scotland; the Companies Act 2006; and the requirements of the Office of the Scottish Charity Regulator (OSCR), including compliance with the Charities Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

The Directors shall manage CBH in accordance with this Financial Management Policy and shall comply with the provisions of the Memorandum of Association and the Articles of Association.

No Director shall receive any remuneration for services as a director. The Board shall take no actions that may prejudice the 100% charitable status of CBH operations without the unanimous approval of the Directors.

### **Procedures**

#### **1. Annual Accounts**

The financial year of the company shall be 1 April to 31 March unless otherwise determined by the Board.

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), including the provisions of Section 1A relevant to Small Entities; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities; the Companies Act 2006; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The financial statements have been prepared under the historical cost convention.

The annual account shall consist of:

- A Directors’ Report for the year; detailing the principal activities of CBH in the year (and how these relate to CBH’s charitable purposes); a review of the business (summarising and putting into context the profit & loss account, and balance sheet); the persons who were Directors during the year; any donations made during the year; and details of the accounting conventions applied. Once the accounts are approved and examined, a Director on behalf of all the Directors shall sign the Directors’ Report;
- A profit and loss account showing categorised income and expenditure for the year, and the resultant surplus or deficit;

- A balance sheet showing current assets and liabilities and the resultant net assets; together with the equating of such net assets to reserves;
- Any notes to the financial statements where further explanation of the accounts is required; and
- The independent examiner's report on such annual account.

The Board shall formally note the audited annual account before its submission to the AGM for approval.

## 2. **Bank Accounts**

A current or treasurer account in the name of Cove Burgh Hall shall be held with a bank covered by the British banking rules and regulations. Such account shall allow for the provision of chequebooks, pay-in books, payments by standing order, direct debit and BACS, and electronic monthly bank statements.

Any decision to open any other bank or investment account shall require the prior approval of the Board.

The authorised signatories to make withdrawals from a bank account or to sign a cheque shall consist of the Chairman, the Treasurer, and at least one other Director.

The Board agree that any two of the authorised signatories are sufficient to make withdrawals or sign cheques. With regard to electronic transfers the Treasurer can carry out regular business to the sum of £2000. For larger sums the agreement of the other 2 authorised signatories will be required. Conducting business through the use of Mobile Banking, Internet Banking and Card Reader channels will allow CBH to keep pace with changing practices and accurate financial management.

## 3. **Commitments and Expenditures**

Any Director may make a commitment on behalf of CBH, provided that commitment is in accordance with this Policy and is not seen as liable to result in the net expenditure to CBH being more than £500. Any commitment that is liable to result in a higher net expenditure shall require prior Board approval.

Wherever possible, a creditor shall be required to submit a written invoice for payment before payment is made. Where this is not possible, the creditor shall be required to sign a receipt of payment received when payment is made.

The Board shall always seek to discharge a liability on or before the due date specified on the invoice.

Records (computerised and, where necessary, in hard copy) shall be maintained showing details of each item of expenditure, including its accounting classification.

A capital depreciation system shall not be used. All items of expenditure shall be written off in the year in which they are incurred.

## 4. **Sources of Income**

Other than as floats for Live @ CBH events, no cash received as CBH income will be held by any person. All such cash is to be banked on the next available banking day.

In February each year, the Board shall determine the Hall Charges to be applied with effect from the beginning of the next financial year.

Where a donation is received of £50 or more, The Chairman shall write to the donor thanking him/her for their support.

All Hall hires require an invoice.

Records (computerised and hard copy) shall be maintained showing details of each source of income, including its accounting classification.

## **5. Other Matters**

Unless agreed otherwise, a Company Secretary shall not be appointed. The Treasurer, or a designated Director, shall undertake the duties of the Company Secretary pursuant to the Companies Act 2006.

The Board shall ensure records are kept of all relevant communications, financial matters, and other items of significance to the company. Such records shall be held from the incorporation date of the company.

Any changes to this Financial Management Policy shall require Board approval.

## **6. Availability**

This policy, and contact details of CBH representatives, can be viewed on the CBH website – [www.coveburghhall.org.uk](http://www.coveburghhall.org.uk)

## **7. Monitoring and Review**

The Board shall review this policy annually (or at other times as required) and amend as necessary.

Policy	Financial Management
Signed by Chair on behalf of Board	A.J.Morrison
Approved by Board	August 5, 2021
Review Date	July, 2022, July 2023, July 2024, July 2025
Associated Policies	Memorandum of Association, Articles of Association

**Cove Burgh Hall, Shore Road, Cove, G84 0LY**

**[www.coveburghhall.org.uk](http://www.coveburghhall.org.uk)**

**Company Limited by Guarantee registered in Scotland: SC217153. Charity registered in Scotland: SC031296**