**Introduction**

St John’s Church Ashbourne is a body registered with the Charity Commission. Charity No: 515193

1. This Financial policy sets out arrangements for the governance and management of the charity’s finances.
2. This policy aims to provide transparent, fit for purpose controls over all income and expenditure and cash handling for the charity.
3. This policy will provide Trustees with assurance that financial transactions of the charity are properly accounted for and assure that Trustees are conversant with the charity’s financial position.

**Principal Sources of Income**

1. The Church derives income from regular Sunday religious services.
2. The Church derives income from performances and events held during the annual Ashbourne Arts Festival. It also is a venue for performances by accomplished amateur and professional musicians.
3. The Church House provides accommodation to a tenant and thus produces a rental income.
4. The Community Hall provides rental income. The Hall hiring policy aims to provide low cost access to the Hall by community groups whose fees contribute to the running costs, maintenance and repair of all Church buildings.
5. Located above the Community Hall, Ashbourne Arts Festival office is generates rental income.
6. Annual income typically does not exceed £25,000 and income is normally spent on projects to repair and refurbish the church and to improve the hall’s facilities for the benefit of the user community.
7. The size of the accounting task is modest albeit managed across several sources of income and through different bank accounts.

**Managing and Accounting for Income**

It is the Bookings Secretary that manages Hall and Church bookings. For that reason, the Bookings Secretary issues invoices and ensures that all hire charges are collected, recorded and reported to Treasurer.

Regular bookings are invoiced in arrears. The Bookings Secretary collects fees that are not Bank Transfers and deposits Cheques and cash to the charity’s Bank account. All such transactions are promptly recorded in a spreadsheet. The Treasurer also banks and records Cheques and cash presented to him through church donations.

The Treasurer maintains records of income derived through hall and church bookings and receives bank statements detailing bank transfers, Cheques and cash paid for Hall, Church House and Church rental. The Treasurer delivers a financial report to Trustees during each meeting of Trustees.

**Managing and Accounting for Expenditure**

Insurance and utilities are paid by direct debit and independent contractors are paid through Bank Transfers. Cheques require two authorised signatories. All expenditure is recorded and detailed within the Treasurer’s financial report.

**Bank Reconciliations**

Monthly reconciliations with the Business account provide the principal method of maintaining a tight transparent control over the Charity’s current income and expenditures.

**Budgetary Control**

A budget is produced annually before the start of the financial year and approved by the Board of Trustees. Budgeted income is derived from the known regular bookings and rental income for the coming financial year plus an estimate of the income secured through other donors. (E.g. donations & grants.) Budgeted expenditure is based on the previous year’s expenditure patterns and predictable price increases (e.g. utility charges) and likely project expenditures (e.g. major refurbishment and repairs costs).

**Reporting to the Board of Trustees and AGM.**

A report of the year to date income and expenditure compared to budget is presented to the Trustees each meeting. In the event of significant variance from the budget the Trustees determine remedial action to ensure a satisfactory year-end outcome. An annual financial report is presented to the AGM detailing the current and previous years’ financial activity across all Church accounts.

**Statutory Reporting**

An Annual Return, Annual Report and Accounts are provided to the Charity Commission in accordance with Commission requirements for small charities with income less than £25,000 per annum. Where funders require an independent audit of annual accounts the Trustees will comply with this requirement.

**Reserves Policy**

The Charity has a reserves policy in accord with the guidance issued by the Charity Commission.

**The Appointment of Treasurer**

Trustees appoint the Treasurer annually. The person appointed need not have a formal accounting qualification but must possess sufficient accounting literacy to be able to interpret, produce and communicate financial information meeting the requirements set out in Item 1 in this policy.

**Financial Procedures:** These are set out as Appendix 1: Financial Procedures for St John’s Church Ashbourne including the Community Hall and the Church House.

Date: March 2021

Name: Nicholas Bishop Position: Chairman

Name: ........................... Position: Treasurer

To Be Reviewed: March 2022

1. Financial Records –

The Treasurer shall keep the following records up to date:

A record of all financial transactions pertaining to St John’s Church, Church House and Community Hall.

2. Payment Procedure -

Payments will usually be made by cheque or BACS transfer which will then follow this procedure:

1. The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books)
2. Blank cheques will NEVER be signed.
3. The relevant payee’s name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
4. No cheques should be signed without original documentation.
5. All BACS transfers will be set up by the Treasurer and approved by at least one other bank account signatory.

3. Income Procedure

All income will be recorded by the Treasurer and reported to the Trustees at quarterly management meetings.

1. All income will be taken by BACS transfer direct to the Business account except in the event a hirer does not have internet banking.
2. All income not paid directly by BACS transfer will be paid promptly into the bank without deduction.
3. Cash is to be counted by the person collecting it and handed to the Treasurer who should count the cash in the presence of the collector (or another person if the collector not present) and confirm the amount. No cash will be kept on the premises.
4. Hiring Agreement Forms.

i) For Regular Bookings, hirer will make arrangements for booking with Bookings Secretary. The Bookings Secretary will then issue an invoice. Upon receipt of payment, Treasurer will record booking as paid and the Bookings Secretary will subsequently email hirer to confirm.

ii) For Private Hire of the Church and/or the Community Hall all hirers must complete their bookings form provided by the Bookings Secretary. The Bookings Secretary will then issue an invoice. Bookings will not be considered confirmed until payment has been received. Upon receipt of payment, Treasurer will record booking as paid and Bookings Secretary will subsequently email hirer to confirm.

4) Payment of Expenses/allowances.

St John’s Trustee Committee will reimburse expenditure paid for personally by Trustees and volunteers on behalf of the charity, providing: Fares are evidenced by tickets; Other expenditure is evidenced by original receipts; No signatory will sign solely for their own reimbursements.

Date: 18 February 2022 To Be Reviewed: March 2023

Name: ........................... Position: Chairman

Name: ........................... Position: Treasurer