

1. Introduction This document outlines the financial controls policy and procedures for the Rowlands Castle Heritage Centre (known as RCHH), a small village charity. It ensures the charity's funds are managed responsibly, transparently, and in compliance with regulatory requirements. The charity operates with a **Management Committee**, responsible for day-to-day finances, and **Trustees**, who provide oversight.

2. Financial Responsibilities

- The **Management Committee** manages daily financial transactions, bookkeeping, and budgeting.
- The **Trustees** oversee financial activities, ensure compliance, and approve key financial decisions.
- A **Treasurer** is appointed to maintain financial records, prepare reports, and coordinate financial matters.

3. Bank Accounts and Financial Transactions

- The charity maintains a dedicated bank account in its name.
- All income must be deposited into the charity's bank account; no cash should be held for extended periods, except as referenced in section 9.
- BACS payments require online approval from two committee members.
- At least **two unrelated bank account signatories** (committee members or trustees) must sign all cheques.
- A signatory may authorise payments to themselves but the second signatory/approver must ensure they are for bona-fide expense claims only.

4. Income Management

- Donations, grants, and fundraising income must be recorded and banked promptly.
- Large cash donations should be counted by two people and recorded in the financial ledger.
- Restricted funds (such as grant funding) must be used only for their intended purposes.

5. Expenditure and Procurement

- Expenditure must align with the charity's objectives and budget.
- Purchases over £500 require competitive quotes and committee approval.
- Receipts or invoices must be retained for all transactions.

- Reimbursements require supporting documentation and approval from an authorised member.

6. Financial Reporting and Budgeting

- The Treasurer prepares monthly financial reports for the Management Committee.
- The Trustees receive and review financial reports annually.
- An annual budget is prepared for and approved by the Trustees.

7. Record Keeping and Auditing

- Financial records must be accurate, up-to-date, and securely stored for at least seven years.
- An independent examination of accounts is conducted annually.
- The charity complies with relevant financial reporting obligations.

8. Fraud Prevention and Conflict of Interest

- Any suspected fraud must be reported to the Trustees immediately.
- An individual may approve payments to themselves, their family, or businesses they are affiliated with, only as part of the dual authorisation process.
- Conflicts of interest must be declared and recorded.

9. Cash Handling

- Cash transactions should be minimized where possible.
- A petty cash system, with a maximum limit of £200, may be maintained for small, necessary expenses.
- The petty cash fund must be reconciled regularly and documented with receipts.
- Any cash withdrawal must be pre-approved and recorded with justification.

10. Policy Review This policy is reviewed annually by the Trustees and updated as necessary to maintain best practices in financial management.

Approval and Implementation This policy was adopted by the Rowlands Castle Heritage Centre on **19th February 2025** and is subject to periodic review.