



# VCA Finance Policy

IMM 17-May-2021

Updated and approved 30 April 2024

## Background Information

This policy relates to Viabes Community Association (VCA)

- VCA Charity number is: 1177363
- VCA is not registered for VAT (room hire is exempt from VAT)  
<https://www.accountingweb.co.uk/any-answers/community-centre-charity-vat>
- The financial year runs from 01-April to 31-March
- The current account is held at Unity Bank
- The deposit account is held through Flagstone Investments currently with Nationwide and Santander
- The accounting system is Xero and no manual accounting records are held

## Financial Records, Budgets and Reporting

- 1) Financial records will be kept so that:
  - VCA meets its legal and other statutory obligations including reporting to the Charity Commission, HMRC, Trustees and other stakeholders in VCA.
  - The trustees have proper financial control of VCA.
  - VCA meets the contractual obligations and requirements of funders.
- 2) The account records will include:
  - Details of all payments in and out of all bank accounts
  - A petty cash book if cash payments are being made.
  - Payroll records detailing amounts due / paid to employees along with PAYE, National Insurance and other deductions and additions
- 3) Accounts will be drawn up at the end of each financial year and finalised within 6 months of the financial year end, agreed with the Trustees, filed with the Charity Commission and presented to the next Annual General Meeting.
- 4) A budgeted income and expenditure account will be drawn up for the following year, prior to the start of each financial year and approved by the Trustees.
- 5) A report comparing actual income and expenditure with the budget will be presented to the trustees quarterly or as required by the Trustees.
- 6) An appropriately qualified auditor/ independent examiner will be appointed at the AGM to audit or examine the accounts before presentation to the next AGM.

## Banking

- Bank accounts will only be opened or closed with prior agreement of the trustees.
- [Bank accounts must be eligible for FSCS Protection](#)



- There will be no overdraft or loan facilities.
- Bank payments and transfers will always require two approvers.
- Changes to the bank mandate (list of people who can approve payments and other bank transactions on VCA's behalf) will always be approved and minuted by the trustees.
- The bank statement balance will be reconciled with the cash book every month and the treasurer will spot check this reconciliation at least twice a year, signing the reconciliation accordingly.

## Authorisation of Commitments and Payments

### 4.1 Commitments and payments must only be made for authorised expenditure.

The aim is to ensure that all expenditure is on the charity's business and is properly authorised and that this can be demonstrated.

### 4.2 Authorised Expenditure

Expenditure is only authorised for:

- a) Expenditure within the latest approved budget.
- b) Items separately authorised by the Trustees.

### 4.3 Large Expenditure

Single items or projects costing more than £2000 are subject to extra requirements:

- a) At least two (preferably three) quotes must be received.
- b) The selected quote must be approved by the Trustees (even if the cost is already within the annual budget).

### 4.4 Commitments

We make a commitment when we place an order for goods or services.

Commitments may only be made for authorised expenditure (see above).

### 4.5 Who can commit on behalf of VCA?

The Centre Manager and Assistant Centre Manager are responsible for placing orders on behalf of VCA.

Occasionally, for major items or in exceptional circumstances the treasurer or chair can make commitments – still only for authorised expenditure.

**No other trustees or volunteers are authorised to make commitments on behalf of VCA.**



## 4.6 Authorising payments

An invoice must be entered on Xero before payment can be authorised.

Authorisation of payments is in three steps:

1. The Centre Manager [or Assistant Centre Manager] will authorise the invoice on Xero. This signifies that they have checked that the invoice is good to pay, in other words:
  - The expenditure is authorised (see above)
  - The goods / services have been received and meet the original order
  - A valid invoice has been uploaded as an attachment on Xero
  - The invoiced amount is correct
2. The Centre Manager [or Assistant Centre Manager] will create a payment transaction on the Unity bank account.
3. An authorised trustee (normally the treasurer) will authorise the payment on Unity having satisfied themselves that:
  - The expenditure is authorised (see above)
  - A valid invoice has been uploaded as an attachment on Xero
  - The invoiced amount is correct

## Authorised signatories

All payments and all changes to bank details require two 'signatories' (or online approvals)

Bank transactions (payments) will be

- Submitted by the Centre Manager or Assistant Manager
- Authorised by a trustee signatory

Changes to bank mandates will be authorised by two trustee signatories

As at April 2024, signatories are:

| Bank       | Name           | Role     | Authority                               |
|------------|----------------|----------|---|
| Unity Bank | Ian May-Miller | Trustee  | Authorise Payments                      |
| Unity Bank | Bruce Hibbert  | Trustee  | Authorise Payments                      |
| Unity Bank | Kevin Roche    | Trustee  | Authorise Payments                      |
| Unity Bank |                |          |   |
| Unity Bank | Luan Squire    | Employee | Submit Payments                         |
| Unity Bank | Debbie Soto    | Employee | Submit Payments                         |
| Flagstone* | Ian May-Miller | Trustee  | Transfer money between savings accounts |

\*Money held at Flagstone can only be transferred back to our Unity Bank account our 'Nominated Account'.

"Your nominated account is the account to which Flagstone will pay your monies when you request them back from your Flagstone holding account. This is the only account to



which we will transfer your money from your holding account on receipt of a withdrawal request from you.”

## Direct Debits

A new Direct Debit may only be set up with the prior agreement of the trustees.

Direct Debits currently in force as at December 2023 are as follows:

| Who to                   | What for                           | Approx annual charge |
|--------------------------|------------------------------------|----------------------|
| XERO UK LTD              | Accounting software                | £340                 |
| LLOYDS BANK PLC          | Spending on Credit Card            | Varies               |
| BARCLAYCARD              | Card payment services inc machines | £1,000               |
| TALKTALK BUSINESS        | Broadband and phone                | £700                 |
| NEST                     | Employee pensions                  | Varies               |
| CASTLE WATER LTD         | Water                              | £500                 |
| Information Commissioner | Registration fee                   | £35                  |
| EDF Energy               | Gas & Electricity at Eastrop       | £7000                |
| Virgin Media             | Eastrop phone & internet           | £600                 |

## Credit Cards

Our first choice is always to be invoiced for goods and services and to pay through the [Authorising payments](#) method above but there are transactions that we have to pay by credit card, e.g. Online purchases and buying in a shop.

A card may be issued to a member of staff with the approval of the treasurer who will also set the limit.

Currently Luan Squire has a card with a limit of £1000 and Debbie Soto with a limit of £200

For each monthly bill the cardholder must upload invoices / receipts for every transaction.

## Cash

All cash received will be recorded promptly in Xero with documents to show details of what it is for, and banked promptly.

## Payroll

VCA Payroll is processed on Xero.

Because VCA is a very small organisation it is necessary that a single member of staff is responsible for running the payroll and submitting payments to the bank. The payroll and the bank payments will be reviewed in detail by the treasurer before approval.



All staff appointments/departures and changes will be authorised by the trustees, minuting the dates, hours and salary level. Variable payments such as overtime that are within the agreed budget must be authorised by the treasurer or chair.

## Expenses and reimbursements

Our first preference is always to be invoiced for goods and services and to pay through the [Authorising payments](#) method above. Second preference is to buy using a VCA credit card. As a last resort, a member of staff or a volunteer may spend their own money on goods or services on behalf of VCA and VCA will reimburse it, on condition that:

- The spend must be agreed in advance by the centre manager or treasurer
- The claim must be approved by the centre manager and within the approved budget
- Original receipts/invoice must be provided (not applicable for mileage claims)

A mileage allowance may be paid to staff or volunteers driving their own vehicle on VCA business (for example attending a course). The rate paid will be the current Hampshire County Council rate. It is the driver's responsibility to ensure their insurance covers them for such trips. The mileage payment is subject to the above conditions.

## Fundraising and Grant Applications

All fundraising and grant applications undertaken on behalf of VCA will be done with the prior approval of the centre manager or trustees.

The centre manager will include fundraising and grant applications as part of her report to trustee meetings.