



Name of policy	Finance
Review Frequency	1 year
Date of next review	September 2023
Date of last review (s)	unknown

FINANCE POLICY

Introduction

The funds of Frodsham Youth Association (FYA), including all subscriptions, grants and donations will be paid into an account operated by the Trustees in the name of the Charity, at a bank chosen by the Trustees. The funds belonging to FYA must be used only to further its objects.

The financial year will run from 1st April – 31st March. Accounts will be drawn up after the end of each financial year and independently examined.

Services and costs that are common to both the Frodsham Community Association and FYA must be agreed and paid for appropriately.

The Trustees will ensure that the Association's finances and accounts are managed in line with the latest Charity Commission guidance¹.

Detailed Policies

- o All cheques drawn on the account must be signed by at least two Trustees or one Trustee and the Assistant Treasurer. Any electronic payment system adopted must require the same level of approval for each transaction as required for cheque payments.
- o Blank cheques must not be signed.
- o Receipts and payments accounting will be adopted.
- o Account books and records must be kept up to date. The Treasurer will provide an statement of accounts at each trustee meeting including, where appropriate:
 - large variance with budget
 - bad debts
 - grant/donation pipeline
 - restricted funds
- o An annual budget will be prepared and approved every year prior to the beginning of the year and actual performance against budget will be reviewed

¹ Charity reporting and accounting the essentials

at each Trustee meeting. A reforecast of the budget should be considered in the second half of each year.

- o The annual statement of account will be made up to the 31st March each year and will be audited or independently examined depending on current guidance. The annual statement will be made public and will be available to all stakeholders.
- o The Gift Aid scheme will be used when appropriate.
- o Assets will be depreciated 10% on the year of purchase. An asset register will not be kept.
- o FYA will not hold Debit or Credit cards.
- o The Lead Youth Worker is authorised to make purchases that are consistent with the annual budget up to a value of £300. Purchases over this value or outside the budget can be sanctioned by the Treasurer or Chair who will involve other Trustees when appropriate.
- o All imprest and cash book accounts must be authorised by the Trustees and kept to a minimum. All cash payments, including expenses, and income must have associated receipts. The following are authorised:
 - o petty cash book
 - o senior youth worker cash book
 - o cleaning material imprest account

Finance Team

The Trustees will be ultimately responsible for the proper accounting of FYA's finances. The Trustees can delegate day to day responsibility to the Treasurer who must be a Trustee.

The Trustee may appoint an Assistant Treasurer to assist in the day to day accounting function of the charity. The Assistant Treasurer does not have to be a Trustee.

Reserve Policy

The Trustees are committed to a reserves level that enables the organisation to meet unforeseen financial circumstances as well as those circumstances identified above. The size of the reserves should be sufficient to enable services to be maintained in

the short term ensuring that all legal requirements and duties including staffing are met in the event of such circumstances.

The Trustees have determined that reserves equivalent to at least 3 months running costs are necessary to meet these considerations. In 2022/2023 this equates to circa £18,000. This figure is based upon the reasonable expectation that not all risks will occur in the same year and would cover the resources either to meet substantial building costs or to fund FYA during a delayed funding process.

It is the policy of the Trustees to operate on a more or less break-even budget, spending all money generated in any one financial year. It is reasonable that funders assume that we will adhere to this policy. The exceptions to this policy are when:

- an item of expenditure or the provision of new services/activities has been identified that requires a build-up of reserves
- funding is received that has been allocated to be spent in a following period