



## **Stonehaven Tolbooth Association (Tolbooth Museum)**

A Scottish Charitable Incorporated Organisation  
SC043279

### **FINANCIAL CONTROL POLICY**

The following are the financial control policies of Stonehaven Tolbooth Association hereinafter referred to as STA. It is expected that day to day operations will be overseen by the Treasurer who is elected at each AGM (clause 71 of the constitution) but ultimate responsibility is shared by all trustees.

#### **Financial Records and Accounts**

- 1) Financial records must be kept so that:
  - The organisation meets its legal and other statutory obligations, such as Charities and Investment Scotland Act 2005, HMRC and common law.
  - The trustees have proper financial control of the organisation.
  - The organisation meets the contractual obligations and requirements of funders.
- 2) The books of accounts must include:
  - A cashbook (or spreadsheet) analysing all the transactions appearing on the bank accounts
- 3) Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next Annual General Meeting.
- 4) The AGM will appoint an appropriately qualified auditor/ independent examiner to audit or examine all STA accounts before presentation to the next AGM and prior to submission to OSCR.

#### **Banking**

- 1) STA will bank with the Bank of Scotland and the following account will be held in the name of Stonehaven Tolbooth Association:
  - Current Account

Other accounts can be established subject to minuted approval by the trustees. Moving the accounts to another Bank is also permitted subject to Trustee approval.

- 2) The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the trustees as will any changes to it.
- 3) STA will require the bank to provide statements every month and these will be reconciled with the cash book (or spreadsheet) at least every three months and the treasurer will spot check that this reconciliation has been done at least twice a year, signing the cash book accordingly.

4) STA will not use any other bank or financial institution or use overdraft facilities or loan without of the agreement of the trustees.

### **Receipts (Income)**

All monies received, principally donations, will be recorded promptly in the cash book (or spreadsheet) and banked without delay.

### **Payments (Expenditure)**

- 1) The aim is to ensure that all expenditure is on STA's business and is properly authorised and that this can be demonstrated.
- 2) Unused and partly used cheque books must be kept in a secure location by the Treasurer.
- 3) Blank cheques will NEVER be signed.
- 4) The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 5) No cheques should be signed without original documentation (see below).

### **Payment Documentation**

1) Every payment out of STA's bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by STA and filed. The cheque signatory should ensure that it is referenced with:

- Cheque number
- Date cheque drawn
- Amount of cheque

*Items 2 and 3 do not currently apply but are set out for future reference.*

- 2) Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition form asking for payment to an employee, HMRC etc. All employees will be paid within the PAYE and National Insurance regulations.
- 3) All staff appointments/departures will be authorised by the trustees, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc., will be authorised by the trustees.
- 4) Expenses / allowances. STA will, if asked, reimburse expenditure paid for personally by staff, providing:
  - Fares are evidenced by tickets.
  - Other expenditure is evidenced by original receipts.
  - No cheque signatory signs for the payment of expenses to themselves.

### **Cheque Signatures**

- 1) Each cheque will be signed by at least two people.
- 2) A cheque must not be signed by the person to whom it is payable.

### **Miscellaneous**

- 1) STA does not accept liability for any financial commitment unless properly authorised. Any orders placed or commitments/undertakings given which are likely to cost STA in excess of £250 must be authorised and minuted by the board of trustees. The amount stated can be altered at any time in the future if authorised and minuted by the board of trustees.
- 2) All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of STA with the prior approval of the trustees.
- 4) STA will adhere to good practice in relation to its finances at all times
- 5) If STA decides to utilise electronic facilities for the operation of any of its accounts then the authorisations for payments must reflect the procedures in place for the cheque book operation of such accounts.