



Financial Management

General

Trustees are all jointly responsible for the running of Liquorice Park Millennium Green Trust. Trustees must take decisions jointly. It is right and proper that they do not take information on trust but ask relevant questions.

Avoid mistakes - ask questions (even ones that seem ‘awkward’ or ‘stupid’)

Part of your role is to hold people (including staff, volunteers and fellow trustees) to account for how they carry out their role or use the charity’s resources. This can mean asking probing or challenging questions about information at trustee meetings or being prepared to say ‘I don’t understand what this means’. You should receive timely information in a format that you can understand and use, and if necessary, ask for explanations, training or a different presentation. For example, all trustees, not just the treasurer, are responsible for the charity’s finances and should be able to understand, consider and comment on financial information.

from: The Essential Trustee, Charity Commission publication

The Charity Commission provides documents and checklists to enable a charity to record its procedures and ensure that they comply with the Charity Commission requirements. For more information go to <https://www.gov.uk/topic/running-charity/managing-charity>.

The role of the Treasurer is laid down by the Charity Commission (See Summary in Appendix 1).

Financial Procedures

Bank Account

Liquorice Park holds a business bank account with the Co-operative Bank in the name of Liquorice Park Millennium Green Trust with payments or receipts being made on-line, by post or through the Post Office. Currently the Chair, Treasurer and one other trustee have access. Agreement of two being required to make any payment.

Any arrangements for other forms of banking or approvals must be agreed by Trustees.

Current Account details:

Sort Code: XXXXXXXXXX
Account Number: XXXXXXXXXX
Account Name: Liquorice Park Millennium Green Trust

PayPal Account

To enable a greater choice of how payments and donations are received, a PayPal account has been setup. As a charity we are also enrolled in the PayPal Giving fund. Donations via the giving fund should, in most cases, be free of charges. Other donations via PayPal will be subject to additional charges. It is only intended to use the account for receiving income. All payments received via PayPal are to be transferred to the main Co-op account as soon as is practicable.

Account details:
E-mail: Liquorice.Park.Lincoln@gmail.com
Account Owner: Treasures Name
Account Name: Liquorice Park Millennium Green Trust



Income to the Trust

Safely receiving income is vital to ensure that the Trust receives donations as intended by the donors and to protect those Trustees and volunteers who handle money on our behalf. Reputational damage, just as much as financial damage, would be harmful to the Trust.

Avoid mistakes - don't rely too much on individuals

Things can go wrong when trustees place too much reliance on individuals, and don't implement sufficient safeguards to ensure accountability. This can result in the charity falling victim to fraud or theft, or beneficiaries suffering abuse. These kinds of occurrences could cause the charity serious reputational and other damage. All charities should have appropriate financial controls which ensure that more than one person is involved in receiving income and authorising expenditure. These should cover all payment methods that the charity uses - cheque, cash, credit card, charge card, debit card, prepaid card, telephone or internet banking or other electronic means. Handling cash brings increased risk, so try to avoid cash payments wherever possible. When other people raise funds on behalf of the charity, whether they are volunteers or paid professionals, you should ensure there are proper controls over the funds raised. This is to make sure that the charity receives the full amount due to it.

from: The Essential Trustee, Charity Commission publication

Making bids for grants or other funding

A trustee, volunteer, or local resident may raise money and make a donation to Liquorice Park.

Any bid in the name of Liquorice Park must be circulated to all Trustees for comment, prior to Trustee majority approval. All Trustees are responsible for the accuracy of any bid submitted in the name of Liquorice Park.

Donations

All monetary donations must be paid into the Liquorice Park bank account. They can be made direct by bank transfer or via cheque, cash or via PayPal. Examples of such donations are:

Sales made on behalf of Liquorice Park (e.g. artworks).

Donations from local organisations for the use of Liquorice Park (e.g. theatre company).

Donations from events involving the public (e.g. Welcome Days).

Donations from individuals (e.g. public).

Donations from crowd funding (e.g. Sponsored events, partner programmes with PayPal, eBay, GoFundMe, Facebook etc.).

Cash donations which are collected on behalf of Liquorice Park should always be counted by more than one person. Where applicable the Treasurer will provide a receipt for monies received.

Gift Aid

Where possible the trust should claim Gift Aid on personal donations. Std forms are to be made available along with investigation into adding electronic gift aid authorisation for Pay Pal donations.



Note - We are still in the process of amending our details with HMRC, so claims aren't possible at the present time.

Ring-fenced donations

If a donor gives money to Liquorice Park for a particular project or item, this will be recorded in the accounts as a 'ring fenced' donation and the money will not be diverted to other items without reasonable endeavours to contact of the original donor.

Donations in kind

Liquorice Park is lucky to have generous and loyal volunteers and members of the public. Many of them donate plants, tools and other items to the park. It is important that the income of Liquorice Park is accurately recorded as this shows evidence of a well-functioning charity which is sometimes, along with a healthy bank balance, required to support bids for grants etc. In addition, the overall income can affect both the Public Liability Insurance and the level of Charity Commission reporting required.

All donations that don't require reimbursement and are over the value of £5, either receipted or estimated, are to be highlighted to the treasurer and will be recorded in the accounts as a donation in kind.

Unacceptable Donations

Examples: anonymous donations, extremely large donations from individuals who might wish to exert undue influence over the work of the Trust or money suspected to have come from a tainted source. In each case the trustees must decide each instance on its merits. Where a donation is felt to be unacceptable then the donation must be returned to the donor.

Expenditure by the Trust

Purchasing

Purchases must be discussed and agreed in advance at a Trustee meeting, with the exception of items purchased through petty cash (See Petty Cash section on next page). If it is not practicable to wait for the next meeting agreement must be made via email.

It is the Duty of all trustees to obtain goods on "Best Value" to the trust.

Ideally invoices should be made out to Liquorice Park and sent direct to the Treasurer.

Where a Trustee or volunteer has been given authority to make a purchase on behalf of Liquorice Park, a receipt must be provided. The treasurer and co-signatory will reimburse the expenditure as quickly as possible. Reimbursement can be by cheque or preferably by direct bank transfer.

Whenever a purchase is agreed by the trustees, a quotation must be obtained. If the final price is greater, the trustees must be informed and the decision reviewed, unless the increase is within 20% of the original quotation and the overall cost is no more than £500.

If the trust were to obtain a credit card for future purchases, then the latest guidance given by the Charity Commission must be followed to make the use of the card as safe as reasonably practicable.

Petty Cash (If Applicable)

A float of £100 will be held by a nominated trustee for ad-hoc purchase (e.g. refreshments for volunteers, paint, compost, tools, plants etc.), limited to a maximum single purchase of £30.



All payments to have a suitable receipt and be suitably recorded with an ongoing balance status. If a receipt is not possible a written explanation must be documented on the record sheet. A copy of the records/balance sheet, together with all receipts/vouchers to be handed to the treasurer prior to the trustee meetings, float refreshment and at the times needed to meet required financial reporting timescales.

To minimise financial workload ideally the records/balance sheet is to be in a suitable format/layout to be presented directly, or copied easily into the annual accounts, as an attachment. The Petty cash status (e.g. balance, contributions & expenses) will be shown on the main accounts sheet.

The petty cash holder (or the treasurer) must provide a summary of the petty cash status at trustee meetings or as a result of a reasonable request by a trustee or the treasurer.

Refreshment of the petty cash float will be made on request or when float drops below £50.

Refreshment will only be made on submission of the balance/record sheet and receipts to the treasurer. Transfer to the Petty cash from the main account can be made via BACS to the Petty Cash Holder, who must then withdraw the transfer as cash and update the petty cash record sheet.

Financial Reporting

Trustee Meetings

The Treasurer will provide an overview of the accounts, including current bank balance, any outstanding transactions and schedule of income and outgoings at each Trustee meeting, or as a reasonable request by any Trustee. The Treasurer must bring any item of concern to the attention of Trustees.

The Treasurer must report any urgent matter of financial concern to Trustees by email or other reasonable means between meetings.

Charity Commission

The accounts must be filed with the Charity Commission within 10 months of the end of our financial year (by 31 January). The Treasurer is responsible for filing the annual return, which is done online at:

<https://www.gov.uk/guidance/prepare-a-charity-annual-return>

A summary of the Charity Commissions requirements is shown below;

Charity Income

Less than £10,000 pa
Between £10,000 and £25,000
Over £25,000

Charity's obligation

only required to report income and expenditure.
has to provide additional information.
had to have its accounts independently checked.

The above site is also used to update the Trustees details.



AGM Treasurer's report

The financial year runs from 1 April to 31 March. The Treasurer will produce accounts showing the income and expenditure over the financial year and the bank balance at the year end. The Treasurer will also produce a report for the Annual General Meeting detailing the financial activity for the year.

Annual Budget

The annual management plan must include a financial plan for the following year(s). This is not limited to, but must include the following:- Planned or Potential Projects (funded and non-funded), Known risks areas for un-planned expenditure and potential income streams.

Reserves Policy

This is the minimum amount we consider our current bank account should contain and must be reported at the AGM.

The trust needs a certain level of income to enable it to discharge its insurance costs and to allow for unexpected expenses. The reserve will be £1,000. The trustees from time to time should review this sum to ensure that it is appropriate for the needs of the trust.

Independent checking of the accounts at year end

This is not required for a charity where income is below £25,000. Our accounts are also relatively simple with few transactions. Advice should be sought however if aspects of the accounts are not clear, and we wish to have guidance on the route forwards.

Insurance

There are currently two applicable types of insurance;

- **Public Liability Insurance.** This insurance protects the charity if a visitor, or volunteer, sustains an injury while on Liquorice Park, due to the negligence of Trustees. It is the duty of all Trustees to act properly and ensure that we are not negligent. This insurance is paid from the Charity income.
- **Trustee Indemnity Insurance.** Wording from the Charity Commission "*When trustees can be personally liable - It's extremely rare, but not impossible, for charity trustees to be held personally liable:*
 - - to their charity, if they cause a financial loss by acting improperly.
 - - to a third party that has a legal claim against the charity which the charity can't meet.

Understanding potential liabilities will help you to protect yourself and your charity by taking action to reduce the risk."

Trustees are now also covered by Indemnity Insurance (as of 17/12/2020) which is paid from the Charity account, as allowed for by the Trust Deeds.

VAT

We are not a VAT registered charity, so can't claim the VAT back. This issue of being VAT registered has been investigated several times and it's understood that due to the type of Charity we are (we don't add value to goods and re-sell) reclaiming VAT is not applicable to us.



APPENDIX 1

Treasurer - Job Description

Provided by the Charity Commission.

NOTE: The Treasurer of a small community group or voluntary organisation may perform all duties concerned with dealing with money. The Treasurer may also, in effect, be the bookkeeper and finance manager. This job description will therefore need to be adapted according to the circumstances of your organisation.

Overall

The Treasurer will:

- Oversee the financial affairs of the organisation and ensure they are legal, constitutional and within accepted accounting practice.
- Ensure proper records are kept and that effective financial procedures are in place.
- Monitor and report on the financial health of the organisation.
- Oversee the production of necessary financial reports/returns, accounts and audits.

Specifically

The Treasurer will:

- Liaise with Trustees and/or volunteers to ensure the financial viability of the Trust.
- Make fellow Trustees aware of their financial obligations and take a lead in interpreting financial data to them.
- Regularly report the financial position at Trustee or public meetings
- Work with Trustees to produce an annual Management Plan, within the available resources of the Trust
- Ensure that proper records are kept and that effective financial procedures and controls are in place, i.e.:
 - Cheque signatories
 - Purchasing limits
 - Purchasing systems
 - Petty cash/float
 - Others as appropriate
- Appraising the financial viability of plans, proposals and feasibility studies.

Qualities

- Knowledge and experience of current and fundraising finance practice relevant to voluntary and community organisations.
- Knowledge of bookkeeping and financial management (as necessary).
- Good financial analysis skills.
- Ability to communicate clearly