

ST IVES (CORNWALL) ARTS CLUB SOCIETY CIO

The Financial Controls Policy (FCP) for St Ives Arts Club CIO outlines procedures for managing income, expenditure, and financial reporting to ensure transparency, accountability, and the responsible use of funds. This includes budgeting, payment authorisation, record-keeping, and regular financial reviews.

Key Areas

1. Budgeting and Financial Planning:

- **Annual Budget:**

The Club competes in a market characterised by volatile and unpredictable demand. This requires a flexible and adaptive approach to budget setting. The budget process will integrate dynamic forecasting and regular revisiting of assumptions but , as a minimum , it will be based on the previous years income and operational cost

- **Budget Monitoring:**

A Report comparing actual income and expenditure against the budget will be presented at quarterly meetings to the Management Committee (MC) and Trustees (Ts)

- **Variance Analysis:**

An explanation will be provided in regard to any significant deviations from the budget and identify corrective actions wherever possible.

2. Income Management:

- **Secure Handling of Funds:**

The vast majority of payments received by the club are electronic. Cash payments are occasionally received in the exhibition room and on event nights when drinks are purchased etc. A record should be made of all cash payments by the recipient and the Finance Officer (FO) advised by e-mail. A monthly reconciliation of cash payments will be shared by the FO with the authorised signatory's on the Club bank account.

- **Segregation of Duties:**

The Club Societies ensure that a trustworthy individual is accountable and responsible for handling income and recording it.

- **Regular Reconciliation:**

A summary reconciliation of all income sources will be presented to the Management Committee and Trustees at quarterly meetings.

- **Receipts and Invoicing:**

The Club and Societies shall maintain proper records for all income received, including receipts and invoices.

3. Expenditure Management:

- **Purchase Approval:**

The Management Committee has an established process for authorising purchases, including setting limits for different levels of expenditure. This is primarily undertaken at committee meetings when a proposal is agreed or by e-mail should there be need to incur expenditure outside of the committee cycle.

- **Payment Authorisation:**

In line with the principles of good financial governance and budgetary control expenditure The President and/or the Chair of Trustees are authorised to incur or approve for a post holder or Society , expenditure up to a maximum of £250 per transaction without prior approval from the Management Committee. This is designed to balance operational efficiency with fiscal responsibility

- **Expense Claims:**

Any expenses incurred shall be evidenced by receipts or copy order forms and submitted to the FO for reimbursement on a monthly basis. .

- **Supplier Management:**

For the avoidance of doubt , it is accepted that regular maintenance payments for critical infrastructure such as fire alarm , burglar alarm , gas boiler , fire extinguishers , licences for the playing and performance

of music , and building insurance etc - or any variation during the year - will not need prior approval apart from budget approval at the first MC meeting of a membership year.

- **Regular Reconciliation:**

The FO will reconcile all payments with bank statements and purchase orders and report any discrepancies at quarterly MC meetings.

4. Record Keeping

- **Accounting System:**

The Club utilises Microsoft utilities - Excel spreadsheet and Word documents - in the preparation of accounts and reports.

- **Document Retention:**

The Club will retain financial documents (e.g., invoices, receipts, bank statements) for a period of up to 7 years as recommended by HMRC

- **Accessibility:**

Financial records are accessible to authorised personnel for audit and review purposes.

5. Financial Reporting:

- **Regular Reporting:**

Regular financial reports are prepared for the trustees and Management Committee, including income and expenditure statements, balance sheets, and cash flow statements.

- **Independent Review:**

The Club retains Greenwood Wilson as its auditors and financial advisors. All records are available to them when they undertake the annual review of the Clubs trading year. financial review or audit

6. Banking:

- **Secure Bank Accounts:**

The Clubs bank account is held with Santander UK
The Name of Account is : St Ives (Cornwall) Arts Club Society
Type of Account : Business
Account Number: 65679062
Sort Code : 09 01 28

- **Dual Authorisation:**

The bank account can be accessed by the Finance Officer and the Chair of the Trustees. As part of the Clubs financial oversight process , the bank account will be checked by the Chair of Trustees each month to ensure that all transactions align with approved business objectives and to ensure accountability and compliance with charity commission regulations.

7. Risk Management:

- **Insurance:**

The Trustees ensure that the building and contents are covered for full reinstatement value. From time to time, but at least every 3 years , external valuations will be obtained in regard to reinstatement costs and retained works of art /chattels belonging to the club.

For the avoidance of doubt , paintings/chattels belonging to an exhibitor are only covered for the material costs and not for advertised sale values. Exhibitors must ensure they have individual asset insurance to cover damage or theft

In addition a Directors and Trustee Indemnity Insurance is taken out by the Club

- **Fraud Prevention:**

The Clubs measures to prevent and detect fraud, such as the regular reporting of income/expenditure , segregation of duties, access to banking and annual auditor assessment of trading , will be reviewed

throughout the year by the MC and Trustees and additional checks introduced if it is appropriate to do so.

- **Contingency Planning:**

The Club will retain sufficient funds - at least 6 months operational costs to address unexpected financial challenges (e.g., significant loss of income). The Club will also adopt a planned and reactive maintenance programme with cost allocations to ensure regular maintenance is undertaken.

8. Compliance:

- **Charity Regulations:**

The Trustees receive regular updates from the Charity Commission in regard to financial controls and regulations that must be complied with by all charitable organisations. In addition, the Clubs retained legal advisors, Coodes LLP, issue regular bulletins in regard to changes in charity rules and regulations which will be considered by the Trustees at quarterly meetings.

- **Tax Laws:**

The Club will comply with all applicable tax laws and regulations as advised by Greenwood Wilson, Coodes or Charity Commission

- **Data Protection:**

The Club has an adopted Data Protection policy which ensures compliance with data protection regulations, particularly regarding the handling of personal information.