Old Farnley & District Community Association

Trading as Farnley Community Centre

Charity Number: 1206552

FINANCIAL MANAGEMENT POLICY

Effective from: 01/09/2026
Review by: 01/09/2027

Financial Management Policy

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For: Old Farnley & District Community Association trading as Farnley Community Centre
Effective from:01/09/2026 | Review by: 01/09/2027

1. Policy Statement

Old Farnley & District Community Association, trading as Farnley Community Centre, is committed to sound financial management, transparency, and accountability. This policy ensures that funds are used responsibly and in line with the charity's objectives, the Charities Act 2011, and best practice guidance from the Charity Commission.

2. Responsibilities

Trustees will:

- Have ultimate responsibility for the charity's finances.
- Approve the annual budget and monitor financial performance.
- Ensure compliance with legal and regulatory financial requirements.

The Treasurer will:

- Oversee day-to-day financial management.
- Prepare financial reports for trustee meetings.
- Ensure accounts are maintained accurately and up to date.
- Liaise with independent examiners/auditors as required.

Staff and volunteers will:

- Follow financial procedures when handling money.
- Submit receipts and claims for authorised expenses.
- Report concerns about financial mismanagement immediately.

3. Financial Controls

- All income and expenditure must be recorded in the accounts system.
- At least two authorised signatories are required for cheques or bank transfers.
- Cash handling must be minimised and banked promptly.
- Bank statements must be reconciled monthly.
- Expenses must be authorised in advance and supported by receipts.

4. Budgeting & Reporting

- An annual budget will be prepared by the Treasurer and approved by the Board of Trustees.
- Financial performance will be monitored against the budget at least quarterly.
- Significant variances will be reported to trustees with explanations.

5. Reserves

The charity will maintain a level of reserves appropriate to its size and risk profile, as set out in the Reserves Policy.

6. Income & Fundraising

- All fundraising activities must comply with relevant legislation and guidance.
- Restricted funds will only be used for their intended purpose.
- Grants and donations will be recorded and monitored separately where necessary.

7. Fraud & Financial Irregularities

We operate a zero-tolerance approach to fraud. Any suspected financial irregularities will be reported to the Chair of Trustees, investigated promptly, and referred to the Charity Commission and police if necessary.

8. Monitoring & Review

The Board of Trustees will monitor financial management regularly and review this policy annually, or sooner if required by changes in law, regulation, or circumstances.

9. Policy Governance

- Approved by the Board of Trustees of Old Farnley & District Community Association on 01/09/2026
- Next review due annually.
- Policy owner: Treasurer (with oversight by the Board of Trustees).