

## Finance policy

Published: July 2025

Review Date: July 2026

BABS is committed to ensuring that robust financial policies and procedures are in place to safeguard the assets of BABS. The aim of the policy is to:

- ensure the trustees have proper financial controls of the organisation.
- provide a clear framework for our trustees and volunteers to work with when dealing with money.
- ensure the organisation meets its legal obligations in relation to accounting and financial reporting to the Charity Commission / OSCR and HMRC.

### Accounting basis and record keeping

- The accounts will be kept on an accruals basis
- Accounting records
  - o A cash accounting system (Xero) will be maintained analysing all the transactions appearing on the bank accounts.
  - o Bank statements
  - o A record of invoices received and issued
  - o Receipts for payments made
  - o A list of amounts owed and owing (if accounting on an accruals basis)
  - o Expense claim forms
  - o Cheque book stub receipts
  - o A petty cash book if cash payments are being made

The financial year end date is: 30th September

All financial records will be kept for 6 years from the financial year end date they relate to. This can include digital storage.

## Annual accounts

- Accounts must be drawn up at the end of each financial year within 3 months of the financial year end. These will include:
  - o Final reconciliation of income and expenditure with bank statements
  - o A summary of the financial position at year end
  - o An income and expenditure statement
- Scrutiny of accounts
  - o Accounts will be subject to Audit
  - o They will be presented for approval to members at the AGM
  - o They will be sent to the relevant regulator within the relevant period after the financial year end:
    - Charity Commission - 10 months

## Budget

### Budget holders and approved spending limits

Budgets for each financial year are set at the Budget and Planning meeting preceding the start of the financial year.

Spend versus budget is to be reviewed by the full board at each meeting. Any exceptions will be discussed and action plans formed to address

## Bank accounts

In operating BABS' bank accounts, care should be taken to ensure all assets are protected by the Financial Services Compensation scheme. Credit balances in excess of £85k should be shared between institutions to spread any risk

BABS has a bank account with Charities' Aid Foundation Bank and a supporting Gold interest bearing account

### Account details:

#### CAF BANK

- Account number: **00022751**
- Sort Code: **40-52-40**
  
- Gold Account
- Account number: **00097118**

- Sort Code: **40-52-40**

All payments require two signatories. The current signatories are:

- Chair
- Vice Chair
- Director of Finance
- Director of Administration
- Director of Membership

### **Stripe Account**

- Account held in name `financedirector@singbarbershop.com`

### **Paypal account**

- Account held in name `financedirector@singbarbershop.com`

### **Zettle by paypal account**

- Account held in name `financedirector@singbarbershop.com`

### **GoCardless account**

- Account held in name `financedirector@singbarbershop.com`

All virtual accounts should be accessible by the Finance Director and one other nominated officer with regular reconciliations carried out to ensure their integrity.

## **Income / receiving payments**

### **Example wording:**

The following procedures apply to all BABS trustees and volunteers taking and making any payments on behalf of BABS.

Ideally all payments due to BABS] should have an accompanying invoice issued to the payee. Where this is not possible the payee should be issued with a receipt confirming payment has been made and what it was for (this could be via email or a digital scan of the receipt)

For any cheque or cash payment received:

- Report receipt of the payment to the treasurer in writing (email) as soon as practically possible. The amount and reason for payment should be recorded.
- Pay any cash or cheques into the bank account within 5 days of receipt.
- Notify the Finance Director that the payment has been made to the bank in writing (email)

- An authorised account user must check and confirm the amount paid into the bank has been received within 7 days.

All payments received into the bank account will be recorded and accounted for in the charity accounts within 1 month of receipt of the payment.

## **Expenditure – payments made by the charity**

Trustees can approve spending in line with the approved spending limits as above. Where a cost exceeds the approved limit, another trustee being the Chair or Finance Director must approve the expenditure

All payments made from BABS bank account will have a matching corresponding invoice, order form or expense claim form.

Where possible payments will be made by BACS

### **Dual authorisation**

All payments made from the bank account must be authorised by 2 signatories.

- Online BACs payments must be done using the online banking dual authorisation system.
- All cheques must be signed by two signatories
- Blank cheques must never be signed
- Where the payment is for a signatory's expense, the signatory claiming the expense cannot be one of the approving signatories.
- Petty cash can be available for cash payments:
  - o At least two trustees must pre-approve general petty cash payments - this pre-approval can cover an extended period of time and for a range or purposes.
  - o The maximum amount for a single cash payment is (e.g) £20
  - o All cash payments must be recorded in the petty cash book.
  - o If an individual is holding petty cash and will not have a reason to use it within 2 months, they must return the cash and any records to the Treasurer.
- All payments made from the bank account must be recorded and accounted for in the charity accounts within 1 month.

### **Direct Debits and standing orders**

- All Direct Debit and standing order payments must be approved by two signatories.
- Payments must be reviewed annually.

- Any change to the amounts must be approved by two signatories.

## **Claiming expenses back from the charity**

A separate expense policy is in place

## **Fixed assets**

The trustees have agreed that assets costing more than (e.g.) £1,000 are treated as capital expenditure, recorded as fixed assets on the balance sheet and depreciated (the cost spread) over the estimated useful life of the asset class (e.g.) five years.

## **HMRC and tax**

BABS is a charity and can claim the charity tax exemption on activities related to its primary activity. Any trading that is secondary to its primary activity is expected to be below the exempt trading limit and registration limit for VAT and so will also be exempt from tax.

As such BABS does not have to submit an annual tax return to HMRC or register for VAT.

However, if:

- HMRC request we file a corporation tax return we must comply and can apply a charity tax exemption.
- Non-primary trading activity exceeded taxation limits then a tax return would need to be filled and tax may be due.
- Business income exceeded VAT registration thresholds, the charity must register for VAT.

## **Gift Aid**

BABS claims Gift Aid on donations received from the public and on membership subscriptions paid by members. It can also claim Gift Aid on cash received under the Gift Aid Small Donations scheme (GASDS).

All Gift Aid claims related to donation and membership subscriptions must be supported by an appropriate Gift Aid declaration.

Gift Aid is claimed periodically during the year when large donations or groups of donations are made

An annual assessment on the eligibility of membership subscriptions for Gift Aid is carried out in July of each year and mandated at the AGM/Board



Rae Williams  
BABS Director of Finance



Shanna Wells  
BABS Chair

### Version Control - Approval and Review

Version No	Approved By	Approval Date	Main Changes	Review Period
1.0	Board	July 2024	Initial draft approved	Annually
1.0.1	Board	July 2025	None	Annually