Millennium Farm Trust

# F5 Receipts and Banking Procedures

Next review date March 2025

**Version Control**

| **Version number** | **Date of changes** | **Who** | **Review summary** |
|---|---|---|---|
| 02 | 26/04/21 | T Freathy | Scheduled review. Removed ref to cash payments of fees as these are no longer accepted. |
| 03 | 21/09/22 | T Freathy | Scheduled review. Update county council payment processes and references to QR code. |
| 04 | 08/02/22 | M Leadbeater | Corrections |
| | 3/24 | T Freathy | No changes |

## Introduction

Income from produce sales or contracts can be either cheque or cash. These policies are to ensure that proper security is maintained in handling cash and to protect employees from unnecessary allegations should cash go missing.

This policy includes handling of cash from contracts and produce sales and small amounts of cash used for making ad hoc purchases outside the scope of our Purchasing and Procurement Policy.

Millennium Farm Trust holds one bank account. Income and receipts into and out of the account are controlled and recorded. Bank reconciliations are performed monthly to ensure that transactions on the bank account are accurately reflected in the accounting system.

## HMRC and Charity Commission Compliance

The Internal financial controls set out in this and associated financial policies are compliant with HMRC guidance for Internal Financial Controls for Charities. Finance procedures are audited by the Finance subgroup to ensure CC compliance and that they are being operated as set out in the organisation's finance policies and procedures

Internal Financial Controls are essential checks and procedures that help charity trustees:

- meet their legal duties to safeguard the charity's assets
- administer the charity's finances and assets in a way that identifies and manages risk
- ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information

## Receipts

**FARM HELPER FEES**

The preferred method of payment for fees is direct bank transfer on receipt of invoice. If that is not possible, cheques are preferred on receipt of invoice. Cash receipts are not accepted.

All cheques received must be recorded in the duplicate receipt book and the fees record book. The duplicate receipt is given to the farm helper to whom the payment relates.

Cheques are placed in the cash box in the office. Post-dated cheques cannot be accepted under any circumstances.

The office is to be kept locked at all times when unoccupied.

**INCOME FROM PRODUCE SALES AND CONTRACTS**

Cash is received from the sale of fruit, vegetables, eggs, cakes, jams etc via the honesty box in the veg shed. It is protected by CCTV. Occasionally we receive cheques.

Cash is collected from the honesty box up to 4 times a week, depending on the time of year and amount of transactions. Cash is counted, recorded in the produce sales book and placed in the produce cash tin in the office.

Payments can also be made via our website and a QR code is available to take payment directly into MFT's bank account.

**EVENTS**

Special arrangements for handling cash at events are put in place as and when needed and appropriate to the scale of event.

## Expenditure

Products and services purchased to deliver the charities objects are done in accordance with our Purchasing and Procurement policy and in line with delegated authorities set out in the finance terms of reference.

Staff seeking reimbursement of expenses must do so via the monthly payroll time sheets and will be reimbursed via payroll.

We do not operate a petty cash system.

## Banking

The cash boxes will be emptied, cash counted and prepared for banking on the same day. All income from fees and donations is identified as a separate transaction on the paying in slips. Income from produce sales is aggregated for each month. Entries on paying-in slips are reconciled with log books and receipt books. Under normal circumstances this will be done on a monthly basis or when the cash total exceeds £500. The Director will take the funds to be banked in a discreet manner. If a theft of the cash is attempted the primary objective of staff is to avoid personal harm (i.e., to hand over items if threatened).

## Reconciliation Procedures

Real time expenditure is recorded in the monthly management account spreadsheet under the appropriate budget heading. No expenditure is posted to spreadsheet without the corresponding receipt, invoice or other acceptable proof of purchase e.g., Amazon order or confirmation email from a website.

The book keeper checks expenditure entries against budget and income against attendance records, resolving queries with the Director as required.

Once satisfied and queries resolved with the Director, the operations spread sheet is passed to the organisation's Book keeper for reconciliation with the bank account and posting onto SAGE.

Full bank reconciliations and posting to SAGE is done Monthly. This is checked by the Treasurer during the quarterly financial report process.

An independent auditor is appointed at the Charities AGM and inspects the accounts annually before preparing the Companies Annual Accounts for submission to Companies House and the Charities Commission.

## Control of the bank account and authorised signatories

Control of the bank account is limited to authorised signatories and can only be changed by a mandate to the bank, supported by an appropriate minute of either the finance subgroup or a board meeting.

The following people are authorised signatories.

| **Name** | **Position** |
|---|---|
| Lou Wells | Treasurer |
| Andrew Hunter | Trustee |
| Helen Wilson | Trustee |
| Jerry Massey | Chairman |

In addition, the following people can view bank statement on line.

| | |
|---|---|
| Stephanie Jarman | Bookkeeper |

## Financial Record Retention

Millennium Farm Trust will:

- Keep accounting records - these records (e.g. cash books, invoices, receipts, Gift Aid records etc) will be retained for at least 3 years in compliance with Company/Charity law.
- Gift Aid records will need to be maintained for 6 years with details of any substantial donors and to identify 'tainted charity donations' in accordance with HMRC guidance.
- The Companies accounts will be available to the public on request. A charge may be made for this service cover postage and photocopying etc.

- The Trustees' annual report available to the public on request.

## Procedure for winding up the Charity.

Charities can close for a number of reasons, such as:

- a merger with another charity
- the original purpose has been met or is no longer relevant, for example treating a disease that has since been eradicated in the area the charity serves
- losing funds or funding
- a lack of members
- becoming a company or charitable incorporated organisation (CIO), which means creating a separate charity

Should Millennium Farm Trust need to close, the processes set out by the Charities Commission shall be followed.

The trustees of MFT are responsible for the charity until it has ceased to exist. Moreover, former trustees remain responsible for decisions taken while they were in position as trustees.

An EGM shall be held to inform members about the need to dissolve the organisation and set out the proposed steps to achieve this.

The trustees must address the responsibilities they have in respect of debts and liabilities.

The trustees must also identify and act upon employment issues in accordance with employment legislation.

The final accounts must be prepared before formally dissolving the organisation. All appropriate agencies and individuals should be informed.

A Board Meeting will be held to formally dissolve the organisation.