



# Kilmuir Community Trust (SCIO)

## Finance Policy

### Financial Objectives

- Kilmuir Community Trust aims to breakeven each year in order to be able to continue to provide a service to our beneficiaries.
- Kilmuir Community Trust has identified the advancement of citizenship and community development within Highland as core activities and will seek to finance these through income streams that are as secure and long term as possible.

### General Points

- Financial Year runs from 01 April to 31 March
- Accounts will be drawn up after each financial year within 6 months of the end of the year. These will be presented, after [independent examination/audit] to the Annual General Meeting, having previously been approved at a meeting of the board of trustees.

### Delegation of authority

The board of trustees recognises that the chairperson has day-to-day responsibility for management of the organisation and implementation of organisational policies, but that accountability remains with them.

The board of trustees are responsible for:

- Approving the finance strategy, risk management policy and reserves policy
- Approving financial policies and key financial procedures
- Establishing financial management priorities, responsibilities and levels of delegated authority
- Approving properly budgeted annual plans
- Monitoring performance against these plans and budgets, and approving budget variations
- Approving the trustees annual report and accounts
- Appointing the independent examiner/auditor and formal communications with them

### The Chairperson is responsible for:

- Preparing, and presenting for approval, properly budgeted annual plans, in collaboration with the [treasurer]
- Reviewing Kilmuir Community Trust activities regularly, monitoring compliance with organisational policies and reporting to the board of trustees against agreed performance standards
- Ensuring that all staff and volunteers understand their responsibilities under these procedures
- Risk management



# Kilmuir Community Trust (SCIO)

## Finance Policy

### **The Treasurer is responsible for:**

- Ensuring that finance systems and processes which support these policies are set up, documented and implemented
- Ensuring that sufficient records are maintained to show and explain Kilmuir Community Trust's transactions, in order to disclose accurately, the financial position of Kilmuir Community Trust at any time
- Managing the budgeting process for the annual plan
- Preparing financial reports for the board of trustees, giving an understanding of Kilmuir Community Trust's overall finances, and giving advice and information to support decision making
- Liaising with the independent examiner/auditor to produce the statutory accounts

### **Reserves policy**

Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. Kilmuir Community Trust maintains free unrestricted reserves:

- To provide a level of working capital that protects the continuity of our core work
- To provide a level of funding for unexpected opportunities
- To provide cover for risks such as unforeseen expenditure or unanticipated loss of income.

The board of trustees will review the above criteria with reference to the organisation's strategy and Annual Plan and determine the target level of free reserves to meet these.

The Board of Trustees will at times designate funds from free reserves for significant project costs or replacement of major assets.

### **Conflict of interest policy**

Trustees have a legal duty to act in Kilmuir Community Trust's best interests when making decisions, and to declare a conflict of interest immediately they are aware that there is a possibility that their personal or other business interests could influence their decision making. Kilmuir Community Trust expects a similar obligation from staff and volunteers.

### **Segregation of Duties Policy**

In order to reduce the risk of errors and fraud, the processes in finance will be designed such that no individual is in a position to oversee a transaction through all its stages from start to finish. The stages are as follows:

- Initiating/authorising transaction
- Custody of assets relating to transaction
- Recording transaction in accounting records
- Reconciling accounting records

For example, a person who requests a purchase cannot authorise it, pay for it and record it in the cashbook, without another person being involved as a check and balance.



# Kilmuir Community Trust (SCIO)

## Finance Policy

**Contact:**

Address: Kilmuir Community Trust, Kilmuir Hall, Kilmuir, Isle of Skye, IV51 9YS

Email: [kilmuircommunitytrust@gmail.com](mailto:kilmuircommunitytrust@gmail.com)

Website: [www.kilmuircommunitytrust.co.uk](http://www.kilmuircommunitytrust.co.uk)

**Date Created: 10/10/2020**

**Next Review date: October 2025**

**Date Authorised by Board: October 2020**