

# HOSPITAL RADIO PERTH

## FINANCIAL MANAGEMENT POLICY

### **ONE**        **DEFINITIONS**

In this document:

The term “the Organisation” will refer to Hospital Radio Perth

The term “the Committee” will refer to the managing committee of Hospital Radio Perth.

The term “Member” will refer to any full member of Hospital Radio Perth.

### **TWO**        **AUTHORITY**

Nothing in this document over-rules or supercedes the conditions and procedures detailed in the Organisation’s Constitution.

### **THREE**      **APPLICATION OF FUNDS**

All monies received by or on behalf of the Organisation shall be applied to further the charitable objects of the Organisation and for no other purpose.

### **FOUR**       **KEEPING OF ACCOUNTS**

The Members are responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Organisation and which enables them to ensure that the financial statements comply with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and Charities Accounts (Scotland) Regulations 1992.

The Treasurer shall be responsible for keeping proper accounts of the finances of the Organisation.

These accounting records are to be kept at such place as the Committee see fit, and shall be open to the inspection of Committee members.

### **FIVE**        **INVESTMENT AND SAFEGUARDING OF ASSETS**

Any money not immediately required shall be invested in such investments, securities or property as the Committee see fit.

The Members are responsible for safeguarding the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **SIX**         **ANNUAL FINANCIAL REPORT**

The Organisation shall prepare financial statements for each financial year which give a true and fair view of the Organisation’s financial activities during the year and of its financial position at the end of the year.

The annual accounts shall be available to all Full Members and presented at the AGM.

### **SEVEN**      **PREPARING FINANCIAL STATEMENTS**

In preparing financial statements, giving a true and fair view, the Organisation is required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Organisation will continue in operation.

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### **EIGHT**      **REQUIREMENT FOR ACCOUNTS TO BE SUBMITTED FOR AUDIT OR EXAMINATION**

The accounts shall be audited or shall be shown to satisfy the conditions for exemption from an audit of the accounts for the year specified.

In the instance where the accounts require to be audited, the accounts and notes thereon shall be audited by a person eligible for appointment as a company auditor under the provisions of section 25 of the Companies Act 1989. Such auditor will be appointed by the Committee.

In the instance where the accounts do not require to be audited, the balance sheet and income and expenditure account and notes thereon or a statement of balances and the receipts and payments account and notes thereon shall be subject to examination by an independent examiner; and an independent examiner shall be an independent person who is reasonably believed by the trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts. Such independent examiner will be appointed by the Committee.

### **NINE**      **PROCEDURES**

- a) The Treasurer shall prepare the Organisation's accounts on the "accruals basis", including a record of the association's assets and liabilities.
- b) The Organisation's Financial Year shall be 1<sup>st</sup> January to 31<sup>st</sup> December, or as set by the Committee.
- c) The Committee shall formally approve the Organisation's annual report and accounts.
- d) Each member of the Committee shall be provided with copies of the report and accounts each year, and all new committee members shall be provided a copy on appointment.
- e) Annual budgets shall be set at the beginning of each financial year.
- f) Committee members and members of a sub-committee have authority to spend or commit the Organisation against an approved budget up to the limit of that budget. All other expenditure should normally be agreed at a committee meeting.
- g) In exceptional circumstances where it is impossible to wait until an Committee meeting, the written, e-mail or verbal approval of two of the Chairman, Secretary, Treasurer and Station Manager shall be sought to spend or to commit to expenditure.
- h) For each major event staged, a budget shall be prepared, showing budgeted expenditure and expected returns, and approved by the Committee before any significant expenditure occurs, contracts are let or liabilities otherwise incurred.
- i) For each major event staged, a "statement of account" shall be drawn up after the event and presented to the Committee detailing the actual income and expenditure against budget.
- j) Cheques shall be signed by the Treasurer and another Committee member as authorised. One of the authorised signatories shall be the Treasurer.
- k) Signatories shall check the original invoice presented when signing cheques, and sign the invoice.
- l) A signatory to the Organisation's bank accounts shall not sign a cheque payable to themselves, a close relative, or any member organisation to which they are affiliated.
- m) Blank cheques shall never be signed in advance by any of the signatories.
- n) The Treasurer should aim to keep at least £1000 in the account. They must alert the Committee in the event that funds fall below or are expected to fall below that level.
- o) The Treasurer shall ensure that the Asset Register is kept up-to-date at all times.
- p) The Treasurer shall ensure that the assets are properly insured.