

Financial Rules of Merry Go Round Toy Libraries.

Approved by the management committee on 20 March 2019.

1. Introduction

Merry Go Round Toy Libraries is a registered charity, number 1100532. Our charity trustees make up the management committee, which is elected at the Annual General Meeting.

The management committee is responsible for ensuring that the group is well managed and that we look after our income properly and put it to best use.

We will keep appropriate financial records, including:

- an account book recording all the transactions in the bank accounts
- bank statements
- a cash book
- details of all funds received
- invoices and other receipts for all payments
- PAYE records for our paid workers.

All financial records are kept for at least 7 years, or the statutory minimum if that is longer.

Our financial year ends on 31 March. Our AGM is usually held in October/November.

The Toy Library Manager will draw up accounts at the end of the financial year and have them examined by the Treasurer. The annual accounts will be presented to the Annual General Meeting for approval. Totals will be registered with the Charity Commission.

Before the start of the financial year, we will set a budget for the following year. This is reviewed throughout the year.

The Toy Library Manager produces a financial report at each committee meeting showing cash received, payments, and remaining funds. It also shows expected future receipts and payments and is discussed by the committee as necessary.

2. Bank accounts

We have two current cheque accounts (Merry Go Round and Spinning Top Toy Library) and a contingency account with Barclays bank, Exeter branch.

The contingency account contains restricted funds to cover staff redundancy and the costs of renewing our lease. The amount held is reviewed each year.

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Any bank transactions will go through our current account. To withdraw money from the contingency account, we shall first transfer it to the current account and withdraw it from there. If we pay money into the contingency account, it will be as a transfer from the current account.

Two members of the management committee plus the Toy Library Manager will be signatories to the accounts.

All cheques will be signed by two of the signatories. We expect that one of these will be the Treasurer. If not, we will give the Treasurer full details of the payment.

We will ask the bank to provide statements every month and will check the statements against our account book. This is done by the Toy Library Manager each month and regularly checked by the Treasurer.

3. Income

When we receive cash as payment for toy hire and membership fees, we will issue a receipt and keep a copy.

When we receive cash at play days or other events, two members of the group will count up the cash, make a note of the total and inform the committee of the amount raised.

Details of cash received will be entered in the cashbook.

We shall bank all cash received except small amounts used as petty cash.

We will record details of cheques received in the account book and bank the cheques within one month.

The Toy Library Manager will keep files of paperwork relating to the cheques (e.g. grant award letters or copies of receipts issued by the group).

4. Buying goods and services

Our management committee will agree any order over £250 in advance. This will either be shown in our annual budget or discussed at a meeting during the year.

The Toy Library Manager will keep a file of all the paperwork and check firms' invoices before making payments.

5. Payments by cheque, direct debit, bank transfer or ATM card

We will not sign a cheque without paperwork to support the payment.

We will not authorise payments by direct debit or by bank transfer (BACS) without paperwork to support the payment.

The Toy library Manager is authorised to use the debit card for online payments up to a maximum of £250. These payments are regularly checked by the Treasurer. Any online payments of over £250 are first agreed by the committee

Our community accounts do not support use of an ATM card.

Two signatories are required on each cheque. One of these will be the Treasurer or Toy Library manager.

We will never sign a blank cheque.

Cheque stubs will be completed at the time of payment.

We will record details of payment on the paperwork:

- cheque number / type of payment
- date
- who signed the cheque / payment form

We shall write details of all cheque payments in the account book.

6. Petty cash

We do not regularly use petty cash but if there was a need to make a payment in cash (for example for refreshments) we will ensure that this was recorded in the cash book and that all incoming cash was recorded before being used as petty cash.

7. Staff wages

We will keep records of staff wages in accordance with PAYE and National Insurance regulations.

Staff are paid by cheque each month and PAYE/ National Insurance contributions are paid online using the debit card by the Treasurer.