

## **Attic Theatre Company (London) Ltd**

### **Financial Procedures**

#### Statement of Responsibilities and Process.

The General Manager and the Artistic Director are jointly responsible for the administration of Attic's financial affairs, as directed by the Board of Trustees, and the grant giving organisations which fund the company.

- They will ensure that financial procedures are in place and properly observed; that accounts are kept up to date and accurate financial information is readily available throughout the year for the Board or the grant giving organisations.
- They are jointly responsible for reviewing any matter which might affect the finances of the company, and presenting the informed pro's and con's to the Board to consider.
- The Board will not give consent to any change or development of policy without the full implications of such a change being presented and considered.
- The Artistic Director is responsible for implementing the decisions taken by the Board regarding change or development of policy.
- The Artistic Director and the General Manager are responsible for carrying out the financial Procedures.
- Failure to observe these procedures will be reported to the Board.
- Changes to the Financial Procedures can only be made with mutual agreement of the Artistic Director and the General Manager, and the approval of the Board of Trustees.

#### **Banking Arrangements.**

- All accounts shall be in the name of the organisation ie Attic Theatre Company (London) Ltd.
- Large sums will be held in the Cafbank, CafGold Charity account, or a similar account, to accrue the highest possible interest, and money transferred at suitable times into the Attic current account, CafCash account with Cafbank.
- The Current Account: The payments are made either electronically, cash withdrawal and payments using the debit card or by cheque. There are three signatories for the account, only two signatures are necessary on every cheque, either the Artistic Director, the Chairman of the board or the Company secretary and two administrators for the online banking.
- There is a contingency fund of core costs as an emergency measure, set at a minimum of 3 months and to a maximum of 6 months running costs.
- The General Manager is responsible for keeping a note of all Withdrawals and Income Received, and of reconciling the figures with the bank statements each month.
- The General Manager is responsible for ensuring that all sums of revenue funding are received and banked.
- The General Manager is responsible for ensuring that other forms of income, such as subscriptions and Grant awards, are invoiced for, received and banked.
- The General Manager is responsible for all correspondence with the bank, including meeting the requirements of Companies House and the Charity Commission.
- All transfers from or to the current account must be recorded.

#### **Accounting:**

- The General Manager will agree with the company appointed accountant the method by which the accounts will be kept.

- The General Manager will keep an accurate detailed account of Income and Expenditure and submit the figures annually to the company appointed accountant.
- The General Manager will give a three-monthly report to the Board and to LB Merton on Cash Flow.
- The company appointed accountant will monitor the keeping of the books, and make 6 monthly checks on the procedures.
- The company appointed accountant will meet the requirements of the Charities Commission and Companies House.
- The company appointed accountant will receive Agendas and Minutes of Board Meetings.
- The company appointed accountant will prepare the yearly figures for audit/ independent examination.

### **Independent Examination**

- An annual independent examination by registered company appointed accountants will be carried out, for the purpose of examining the financial and related systems of the organisation, to ensure the interests of the organisation are protected.
- The draft accounts will be submitted to the Board for consideration.
- The Accounts will be presented with the Treasurer's approval.

### **Budgets**

- The overall responsibility for expenditure and income lies with the General Manager, based on detailed budgets drawn up in consultation with the Artistic Director, and their mutual decisions on those budgets.
- The General Manager will prepare annual estimates of income and expenditure based on the actual income and expenditure of the previous year, and the artistic policy agreed with the Artistic Director for the current year.
- Supporting information will be available to analyse the variations between the budget headings, from year to year.
- The company can submit accounts if required to indicate exactly how any grants received have been spent within the budget.
- Budgets will be strictly adhered to.

### **Cash Flow and the Keeping of Accounts**

- The General Manager allocates funds to meet the budgets of each department.
- The accounts are kept monthly to ensure that the cash flow is on target.
- All money is signed for, and counter-signed by the head of department, or an invoice is presented.
- Any expenditure over £500 requires authorisation by the Board
- Where possible electronic transfer (BACS/CHAPS) are used as payment. Alternative payment methods are card or cash purchases or cheques.
- All online transactions (BACS/CHAPS) must be created and authorized through a two stage process, by individuals with separate log in security as authorized by CAFBank.
- The Production Budget is controlled by the Production Manager or Project Leader. Budget allocations (eg. design, stage management) must be properly accounted for with receipts and invoices to the sum spent.
- The Production Manager or Project Leader presents the completed accounts for each production with all relevant documentation to the General Manager, at the end of each production.
- Every item purchased, or fee paid must have a corresponding receipt or invoice.

### **Petty Cash**

- Petty cash is signed for and countersigned by the General Manager or Production manager.
- A list of expenditure made on an impress form, with corresponding receipts.
- Any underspend is noted and returned to the Petty Cash box.

### **Fees/Expenses**

- BACS/CHAPS, cheques, or cash paid in fees or expenses are paid either on receipt of an invoice, or a Fees/Expenses form with a signature for the amount countersigned by the General Manager.
- The General Manager will obtain the name and address of the recipient, their National Insurance number, and Tax reference number (where applicable).
- All records and documents will be kept in a form approved by the company appointed accountant.

### **Payment of Accounts**

- Apart from petty cash and other payments related to the production budget, the normal method of payment of money due from the organisation shall be by electronic payment BACS/CHAPS or other instrument (eg card/cheque) drawn on the organisation's bank account.
- The General Manager has authority to certify payment of all amounts to which the organisation is legally committed. Capital expenditure sums need to be proposed and agreed to by the Board.
- Accounts will be paid promptly and accurate, dated, records kept.

### **Income**

- The collection of all money due to the organisation shall be under the supervision of the General Manager in consultation with the Treasurer and the company appointed accountant.
- The General Manager is responsible for the banking of all areas of income, and accurate records of these transactions.
- The records kept in each section with regard to items of income shall be in such a form as may be agreed from time to time by the General Manager and with advice from the company appointed accountant.

### **Filing System**

All invoices and receipts will be kept filed in date order under specific numbers and relevant headings.

These numbers will be quoted wherever the items of income and expenditure are recorded - eg in the monthly itemised cash flow, and on spreadsheets. Instant analysis of individual totals can therefore be made.

### **Orders for Work, Goods and Services**

A copy of each order shall be retained. A copy of bills for utilities shall be taken and records kept as per HMRC Guidelines.

### **Insurance**

Insurance will be taken out to cover public and employee liability, and equipment, the sums being mutually agreed by Attic staff and the Insurance Company, in line with current industry practice.

### **Security**

- The General Manager will be responsible for introducing and maintaining adequate arrangements for all aspects of security throughout the organisation including buildings (with LB Merton, Mitcham Libraries), staff, stores furniture, equipment, cash records and confidential information. They will also be responsible for maintaining up to date and offsite back up of all files and data.
- Maximum limits of cash to be held on the premises at any one time shall be decided jointly by the Artistic Director and General Manager, and not exceeded without express permission.
- Keys to receptacles used for the safekeeping of cash must be kept by the officer

- responsible at all times. The loss of any keys must be reported immediately.
- The General Manager will ensure the safekeeping of the company's cheque book at all times.
- A log shall be kept of all capital equipment/assets and any use/loan of this equipment shall be signed for and supervised by the General Manager.

### **Stocks and Stores**

- The General Manager or person responsible must ensure that they receive a delivery note in respect of any goods received from a supplier at the time of the delivery.
- All goods must be checked against the delivery note (and the order placed) at the time of the delivery, and inspected as regards to the quantity and specification of goods ordered.

### **Inventories**

- An inventory shall be maintained of all the company's fixed assets with an estimated life of over twelve months.
- A check on the inventory will be made regularly, and items damaged broken or missing listed.
- The Board will decide whether items need to be replaced, and at what cost.
- Assets owned by the company will, as far as possible, be marked with the company's name.

Reviewed May 2018  
V Hibbs - General Manager  
Ratified by the Board of Trustees