

From: [Chelveston Village Hall](#)
To: "Arthur Wright"; "Dyer, Ray"; "Malcolm Russen"; "Martin Emerson"; "Mevyn Wooding"; "Richard Kirk"
Subject: Petty Cash Account Policy for the Village Hall
Date: 13 January 2016 11:32:00

Dear Trustees,

I would like to change the way in which I operate the day to day finances of the Village Hall. Here are the reasons:

On the income side

- Many of our payments have now shifted to PayPal so that I can invoice more quickly and check on payments before I allow people into the hall. This system allows me to charge an up front deposit which I repay through PayPal when the inspection of the hall is completed after the event.
- It is now only our regular hirers that are invoiced monthly or quarterly (depending on usage).
- Most of these pay directly into the bank through BACS and I need to wait 2 weeks before I can issue receipts as we cannot have internet banking on that account.
- Only three hirers now pay by cheque on a quarterly basis so I rarely need to visit the bank to pay in cheques.
- If I do receive cash for hire fees (rare), then I do a BACS transfer from my personal account rather than go to the bank to pay in the cash. I identify the transaction by using the invoice number as a reference.

On the expenditure side

- I make a personal weekly cash payment to Heather Quick for cleaning of £20 or £30 depending on the number of hours she is needed. I record the hours worked and payment made on a remittance advice.
- I make regular purchases from Wilco of cleaning supplies and occasionally internet purchases of specialised cleaning supplies. I keep the receipts for these.
- I make occasional purchases from Wickes and Denmans of materials for maintenance and occasional purchases of stationery from Colemans. I keep the receipts for these.
- As a result I am running up a balance as a Village Hall creditor of £300-£400 per quarter which I am financing personally and then getting one cheque authorised at the end of the quarter to pay me back. The cheque is authorised against a pile of receipts/remittances and summary statement. I could of course have monthly cheques but I would the need to go specially to the bank to pay them in.

As I am also running Michael's estate and Trust on similar arrangements, I am often owed more than £500.00 which is a lot to finance personally.

Proposal

1. PayPal has now revolutionised payments and I can use PayPal for the majority of Village Hall internet purchases.
2. PayPal has now issued a debit card which can use the Village Hall PayPal balance. This can be used in Wilco, Colemans, Wickes and Denmans.
3. PayPal has now enabled the free sending of payments to individuals. I can therefore

send cash directly to Heather (if she has an account) or pay her by cash and then repay me using PayPal each week.

4. All of these payments are detailed in the PayPal statement as soon as they are made and we should have a detailed quarterly review of them by one or two Trustees.

Risks

1. Under this system, I could of course empty the Village Hall account using PayPal to make my own purchases or pay myself cash. This wouldn't be discovered until an annual audit unless we strengthen financial oversight with the quarterly review proposed.
2. There is no way that money from the School Trustee account can be accessed without 2 Trustees signing a cheque (I have no authority over that account).
3. Therefore the total in the Village Hall Lloyds Bank account and the PayPal account at any one time represent the total risk to the Trust of the Clerk acting fraudulently. The Village Hall balance at the beginning of 2016 was £3897.27.
4. I have now moved over to monthly direct debits for all utilities and insurance to remove an uneven cash flow so the maximum outgoings per quarter are around £1,500-£1,800.
5. We could mitigate the risk by remitting £2000 from the Village Hall account to the School Trustees account.

Summary

1. I would like your authority to move over to the PayPal system for petty cash expenditure as proposed.
2. I would like to propose that the next meeting appoint 2 Trustees to a finance sub-committee to review the Village Hall expenditure in detail every quarter.

regards

Adrian Dale
Clerk to the Educational Foundation of Abigail Bailey and Ann Levett
Clerk to Chelveston Village Hall
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