



Your
Community
Space

GOOD FINANCIAL MANAGEMENT GUIDE



Financial Management

This guide contains some useful tips about how you can keep your hall safe from financial mishaps.

Planning



Planning is a key element of your financial management and helps to give you a clear picture of the financial challenges facing your hall.

Areas to give consideration to include

- An audit of the current financial situation
- Identify risks to finances
- Costly repairs
- Spiralling running costs
- Reduction in users
- An active plan to manage financial risks
- Seeking professional advice



Income

Part of your financial planning should include an audit of the income you receive. This way you can identify which income streams are more sustainable and which areas require further attention.

With the ongoing financial austerity access to grants is even more limited. Trustees are faced with finding innovative ways to raise funds.

The ultimate aim is for a community building or business to continue to deliver relevant service to the community and be more self sustaining.

With an audit of your income it will give you more control about the way your community space is financed.

Grants	Use your local voluntary council for a grants search. However, be mindful that the income for your hall is not too heavily reliant on grants.
Donations	You can attract donations by forming links with local businesses. There is one hall that raised £3,000 in 3 months by doing this one step.
Fundraising	Try setting up a sub-committee with a target for a specific project.
Tenders	Apply for tenders to deliver local services, for example a youth club, or provide a venue for NHS community projects.
Regular Hire	Be aware of the effect losing a regular hirer would have on your finances. Check in with them to ensure they are happy with the facilities.
Tenants	If you are fortunate enough to have a number of rooms, consider having a local business as a tenant to provide a regular income stream.
One-off hire	Are you running at capacity? Do you offer a discounted rate for local residents.
Events	Events are a great way to engage with the community whilst raising money. Successful events include dog shows, family BBQ's/picnic, or carnivals.



Expenditure

Finding out you have a large bill to pay can be detrimental to many halls.

You can manage the risks by taking an audit of the infrastructure of the hall on a biannual or annual basis.

Making an audit can highlight any issues before they become a big problem to give you time to deal with them in a timely manner.

It is always worth shopping around for utilities insurance and any external services purchased for the hall.

Insurance	Consider using a broker, shop around annually to see if you can reduce your premium.
Utilities	A broker can be extremely useful, as negotiating utilities can be quite complicated. Make a note when your contract is due to end. Exceeding your term can prove costly.
Broadband & WIFI	There are numerous deals always available, there is also a growing trend to use a broker to negotiate terms for you
Repairs & Maintenance	Carry out a buildings audit frequently to identify any minor repairs before they become worse
Tenders	Consider using a tender process, this is a good opportunity to scope out the full requirements of the work and also to obtain best value for money
Security, Health & Safety	Upgrading alarms and fire safety equipment can be quite costly, but can cause your hall to close down if you're not up to date. Consider using asset finance to spread these costs over an affordable length of time you



Reporting & Financial Controls

It is essential your hall meets its legal and statutory obligations, as set out by the Charity Commission, Revenue & Customs and common law.

Good financial management demonstrates trustees have proper financial control of the organisation.

POLICY

There should be a clear and concise policy that outlines the financial management procedures for your organisation.

CONFLICT OF INTEREST

It would be beneficial to note the procedure for trustees in the event of a conflict of interest.

ACCOUNTS

Monthly reporting of the accounts shows good financial management and reduces the risk of financial inaccuracies.

BANKING

It's also good practice to make available a copy of the bank statement alongside the accounts, and using due diligence to decide who has access to the bank accounts.



The Benefits

Having a system in place for good financial management helps you secure the future of your hall and also gives you...



Peace of mind



The opportunity to learn new skills



Funders are more likely to support you

Keeps you legally compliant



Further Resources



ORGANISATION	LINK
Charity Commission	<u>Financial compliance toolkit</u>
GOV.UK	<u>Managing finances for trustees</u>
NCVO	<u>Practical Support Information/finance</u>
Gerrard Financial	<u>Good Financial Management</u>
Small Charity Finance	<u>Small Charity Finance/resources</u>
Charity Finance Group	<u>CFG documents</u>
Small Charities Coalition	<u>Finance and accounting</u>

