



**PITSTONE & IVINGHOE MUSEUM SOCIETY**

# **FINANCIAL REGULATIONS**

**Museum: Pitstone Green Museum**

**Governing Body: Pitstone and Ivinghoe Museum Society**

**Registered Charity No. 273931**

**Document Version Control**

<b>Version</b>	<b>Date adopted by Executive Committee</b>	<b>Date reviewed / revised</b>	<b>Date next review due</b>
1.0	29 January 2026		

## CONTENTS

1. General	1
2. Accounting and independent examination	2
3. Annual estimates (budget) and forward planning	3
4. Budgetary control and authority to spend	3
5. Banking arrangements and authorisation of payments	3
6. Instructions for the making of payments	4
7. Loans and investments	6
8. Income	6
9. Contracts	6
10. Payments under contracts for building or other construction works	7
11. Stores and equipment	8
12. Assets, properties and estates	8
13. Insurance	8
14. Risk management	9
15. Suspension and revision of Financial Regulations	9



These Financial Regulations were adopted by the Executive Committee of Pitstone and Ivinghoe Museum Society (hereafter referred to as the Committee) at its 335<sup>th</sup> Committee meeting held on 29 January 2026 under Minute 5 (a)(i).

## **1. General**

- 1.1 These financial regulations govern the conduct of financial management by the Society and may only be amended or varied by resolution of the Committee.
- 1.2 The Society is responsible in law for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of the Society's functions, including arrangements for the management of risk.
- 1.3 The Society's accounting control systems must include measures:
  - for the timely production of accounts;
  - that provide for the safe and efficient safeguarding of the charity's money;
  - to prevent and detect inaccuracy and fraud; and
  - identifying the duties of members of the Committee.
- 1.4 These financial regulations demonstrate how the Society meets these responsibilities and requirements.
- 1.5 Members of Committee are expected to follow the instructions within these Regulations and not to entice volunteers to breach them.
- 1.6 The Treasurer:
  - acts under the direction of the Committee;
  - administers the Society's financial affairs in accordance with all Acts, Regulations and proper practices;
  - determines on behalf of the Society its accounting records and accounting control systems;
  - ensures the accounting control systems are observed;
  - ensures that the accounting records of the Society are maintained up to date in accordance with proper practices;
  - assists the Society to secure economy, efficiency and effectiveness in the use of its resources; and
  - produces financial management information as required by the Committee.
- 1.7 The accounting records determined by the Treasurer shall be sufficient to show and explain the Society's transactions and to enable the Treasurer to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Society from time to time comply with Charity Law and legislation, or as determined by the Charity Commission.
- 1.8 The accounting records determined by the Treasurer shall in particular contain:
  - entries of all sums of money received and expended by the Society and the matters to which the income and expenditure or receipts and payments account relate;
  - a record of the assets and liabilities of the Society; and
  - wherever relevant, a record of the Society's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.9 The accounting control systems determined by the Treasurer shall include:
  - procedures to ensure that the financial transactions of the Society are recorded as soon as reasonably practicable and as accurately and reasonably as possible;

- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
  - identification of the duties of the Committee members dealing with financial transactions and division of responsibilities of those Committee members in relation to significant transactions;
  - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Committee for approval to be written off except with the approval of the Treasurer and that the approvals are shown in the accounting records; and
  - measures to ensure that risk is properly managed.
- 1.10 The Committee is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget;
  - approving accounting statements;
  - borrowing;
  - writing off bad debts; and
  - addressing recommendations in any report from the independent examiner
- shall be a matter for the Committee only.
- 1.11 In addition, the Committee must:
- determine and keep under regular review the bank mandate for all Society bank accounts;
  - approve any single commitment in excess of £2500
- 1.12 In these financial regulations, references to 'the regulations' shall mean the Charity Commission regulations or any superseding legislation, and then in force unless otherwise specified.

## **2 Accounting and Independent Examination**

- 2.1 All accounting procedures and financial records of the Society shall be determined by the Treasurer in accordance with the Charity Commission Regulations and proper practices.
- 2.2 The Treasurer shall ensure the completion of the annual statement of accounts, annual report, and any related documents of the Society as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Committee and the PIMS Annual General Meeting.
- 2.3 The Committee shall ensure that there is an adequate and effective system of independent examination of its accounting records, in accordance with proper practices.
- 2.4 The independent examiner shall be appointed by and shall carry out the work in relation to internal controls required by the Committee in accordance with proper practices.
- 2.5 The independent examiner shall:
- be competent and independent of the financial operations of the Society;
  - report to the Committee in writing, or in person, an annual written report during each financial year;
  - demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
  - has no involvement in the financial decision making, management or control of the Society
- 2.6 Independent Examiners may not under any circumstances:
- perform any operational duties for the Society;
  - initiate or approve accounting transactions

2.7 The Treasurer shall, without undue delay, bring to the attention of all Committee Members any correspondence or report from internal examiner.

### **3 Annual estimates (budget) and forward planning**

- 3.1 The Treasurer must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Committee
- 3.2 The Committee shall consider annual budget proposals in relation to the Society's forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.
- 3.3 The approved annual budget shall form the basis of financial control for the ensuing year.

### **4 Budgetary control and authority to spend**

- 4.1 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
- the Committee for all items over £2500;
  - the Treasurer, in conjunction with a member of the Committee, for any items up to £2500;
  - the Treasurer for items below £100

Such authority is to be evidenced by a minute or by a signed authorisation.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 4.2 No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Committee. During the budget year and with the approval of Committee unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.3 In cases of extreme risk to the delivery of Society services, the Treasurer may authorise revenue expenditure on behalf of the Society which in the Treasurer's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1000. The Treasurer shall report such action to the chairman as soon as possible and to the Committee as soon as practicable thereafter.
- 4.4 No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Committee is satisfied that the necessary funds are available and/or the requisite borrowing approval has been obtained.
- 4.5 All capital works shall be administered in accordance with the Society's financial regulations relating to contracts.
- 4.6 The Treasurer shall regularly provide the Committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose 'material' shall be in excess of £100 or 10% if the budget, whichever is larger.
- 4.7 Changes in earmarked reserves shall be approved by Committee as part of the budgetary control process.

### **5 Banking arrangements and authorisation of payments**

- 5.1 The Society's banking arrangements, including the bank mandate, shall be made by the Treasurer and approved by the Committee. They shall be regularly reviewed for safety and efficiency.

- 5.2 All invoices for payment shall be examined, verified and certified by the Treasurer to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Committee.
- 5.3 The Treasurer shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The Treasurer shall take all steps to pay all invoices submitted.
- 5.4 The Treasurer shall have delegated authority to authorise the payment of items only in the following circumstances:
  - a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of the Committee, where the Treasurer can certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of Committee;
  - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of Committee or
  - c) fund transfers within the Society's banking arrangements up to the sum of £10,000, subject to signatory requirements, provided that a list of such payments shall be submitted to the next appropriate meeting of Committee or Financial Management Working Party.
- 5.5 For each financial year the Treasurer shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) utility contracts, regular maintenance contracts and the like for which the Committee may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Committee.
- 5.6 A record of regular payments made under 5.5 above shall be drawn up quarterly and be signed by two members of the Committee - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.7 Members should not authorise or instruct payment that is made in respect of a matter in which they have a pecuniary or other interest.
- 5.8 Any changes in the recorded details of suppliers, such as bank account records, shall be verified and approved in writing by the Treasurer and a Committee Member.

## **6 Instructions for the making of payments**

- 6.1 The Committee will make safe and efficient arrangements for the making of its payments.
- 6.2 Following authorisation under Financial Regulation 5 above, the Treasurer shall give instruction that a payment shall be made.
- 6.3 All payments shall be affected by cheque or other instructions to the Society's bankers, or otherwise, in accordance with a resolution of Committee.
- 6.4 Cheques or orders for payment drawn on the bank account shall be signed by two members of the members of the Committee who have been nominated as bank signatories. A member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.
- 6.5 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.

- 6.6 If thought appropriate by the Committee, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to Committee as made. The approval of the use of a variable direct debit shall be renewed by resolution of the Committee at least every two years.
- 6.7 If thought appropriate by the Committee, payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Committee at least every two years.
- 6.8 If thought appropriate by the Committee payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.9 Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the Society's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of the Committee in a sealed dated envelope. This envelope may not be opened other than in the presence of two other Committee Members. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the Committee. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.10 No Committee Member shall disclose any PIN or password, relevant to the working of the Society or its bank accounts, to any person not authorised in writing by the Committee.
- 6.11 Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.12 The Committee, and any members using computers for the Society's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.
- 6.13 Where internet banking arrangements are made with any bank, the Treasurer shall be appointed as the Service Administrator. The bank mandate approved by the Committee shall identify a number of Committee Members who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.14 Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Society banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.15 Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Treasurer and a Committee member. A programme of regular checks of standing data with suppliers will be followed.
- 6.16 The Treasurer will maintain a Petty Cash float of up to £500 for the reimbursement of expenditure incurred by volunteers in accordance with the rules laid out at 4.1.

## **7 Loans and investments**

- 7.1 All borrowings shall be affected in the name of the Society, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Committee as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by the Committee.
- 7.2 The Committee will arrange with the Society's banks and investment providers for the sending of a copy of each statement of account to the Treasurer.
- 7.3 All loans and investments shall be negotiated in the name of the Society and shall be for a set period in accordance with Society policy.
- 7.4 The Society shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Investment Strategy and Policy shall be reviewed by the Committee at least annually.
- 7.5 All investments of money under the control of the Committee shall be in the name of the Society.
- 7.6 All investment certificates and other documents relating thereto shall be retained in the custody of the Treasurer.
- 7.7 Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Banking Arrangements and authorisation of payments) and Regulation 6 Instructions for payments).

## **8 Income**

- 8.1 The collection of all sums due to the Society shall be the responsibility of and under the supervision of the Treasurer.
- 8.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Committee, notified to the Treasurer and the Treasurer shall be responsible for the collection of all accounts due to the Society.
- 8.3 The Committee will review all fees and charges at least annually, following a report of the Treasurer.
- 8.4 Any sums found to be irrecoverable and any bad debts shall be reported to the Committee and shall be written off in the year.
- 8.5 All sums received on behalf of the Society shall be banked intact as directed by the Treasurer. In all cases, all receipts shall be deposited with the Society's bankers with such frequency as the Treasurer considers necessary.
- 8.6 The origin of each receipt shall be entered on the paying-in slip.
- 8.7 Personal cheques shall not be cashed out of money held on behalf of the Society.
- 8.8 Where any significant sums of cash are regularly received by the Society, the Treasurer shall take such steps as are agreed by the Committee to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **9 Contracts**

- 9.1 All members and officers are responsible for obtaining value for money at all times and shall ensure as far as reasonable and practicable that the best available terms are obtained.
- 9.2 Procedures as to contracts are laid down as follows:
  - a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (v) below:

- (i) for the supply of gas, electricity, water, sewerage and telephone services;
  - (ii) for specialist services such as are provided by legal professionals acting in disputes;
  - (iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - (iv) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Society;
  - (v) for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Committee.
  - c) Such invitation to tender shall state the general nature of the intended contract and the Treasurer shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Treasurer in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
  - d) All sealed tenders shall be opened at the same time on the prescribed date by the Treasurer in the presence of at least one Committee member.
  - e) Any invitation to tender issued under this regulation shall and shall refer to the terms of the Bribery Act 2010.
  - f) When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Treasurer shall obtain 3 quotations (priced descriptions of the proposed supply) Where the value is below £3,000 and above £500 the Treasurer shall strive to obtain 3 estimates. Otherwise, Regulation 9.1 above shall apply.
  - g) The Committee shall not be obliged to accept the lowest or any tender, quote or estimate.
  - h) Should it occur that the Committee does not accept any tender, quote or estimate, the work is not allocated and the Committee requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

## **10 Payments under contracts for building or other construction works]**

- 10.1 Payments on account of the contract sum shall be made within the time specified in the contract by the Treasurer upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 10.2 Where contracts provide for payment by instalments the Treasurer shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Committee.
- 10.3 Any significant variation to a contract or addition to or omission from a contract must be approved by the Committee and Treasurer to the contractor in writing, the Committee being informed where the final cost is likely to exceed the financial provision.

## **11 Stores and equipment**

- 11.1 The member in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 11.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 11.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 11.4 The Treasurer shall be responsible for periodic checks of stocks and stores at least annually.

## **12 Assets, properties and estates**

- 12.1 The Treasurer/Secretary shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Society. The Treasurer/Secretary shall ensure a record is maintained of all properties held by the Society, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held.
- 12.2 No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Committee, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £250.
- 12.3 No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Committee, together with any other consents required by law. In each case a report in writing shall be provided to the Committee in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 12.4 No real property (interests in land) shall be purchased or acquired without the authority of the full Committee. In each case a report in writing shall be provided to Committee in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).
- 12.5 Subject only to the limit set in Regulation 12.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Committee. In each case a report in writing shall be provided to the Committee with a full business case.
- 12.6 The Treasurer/Secretary shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

## **13 Insurance**

- 13.1 Following the annual risk assessment review (per Regulation 14), the Secretary shall effect all insurances and negotiate all claims on the Society's insurers.
- 13.2 The Secretary to be notified of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.]
- 13.3 The Secretary shall keep a record of all insurances effected by the Society and the property and risks covered thereby and annually review it.
- 13.4 The Treasurer shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Committee at the next available meeting.

13.5 All appropriate members and the Committee shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Committee.

#### **14 Risk management**

14.1 The Committee is responsible for putting in place arrangements for the management of risk. Risk policy statements and consequential risk management arrangements in respect of all activities of the Society shall be reviewed by the Committee at least annually.

14.2 When considering any new activity, the Secretary shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Committee.

#### **15 Suspension and revision of Financial Regulations**

15.1 It shall be the duty of the Committee to review the Financial Regulations of the Society from time to time. The Treasurer/Secretary shall make arrangements to monitor changes in legislation or proper practices and shall advise the Society of any requirement for a consequential amendment to these Financial Regulations.

15.2 The Committee may, by resolution of the Committee duly notified prior to the relevant meeting of Committee, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Committee.