



Braintree Youth Project Charity

Accounting Standards

Braintree Youth Policy Charity aims to be transparent and open in its accounting policies, applying concepts of materiality, consistency, prudence and accruals to its accounting procedures.

Materiality

Non-current assets will be capitalised above £100.00. Assets which may be deemed to have a useful life of more than one accounting period but cost under £100.00 (eg office calculator) will be considered an expense and accounted for within the accounting period it is purchased.

Consistency

These standards will set out limits and thresholds which will be relevant to preparing the accounts for the charity, and will therefore guide the bookkeeper and accountant in determining aspects of the accounts, ensuring a valid comparison of financial information from period to period.

Prudence

The concept of prudence in relation to BYPC's assets and liabilities will ensure that assets are not valued too highly, nor any liabilities be understated. All assets will be valued at the lower of cost or net realisable value. In practice, this means that items donated to the charity for free will be valued at £0.

Accruals

Depreciation will be charged on non-current assets at 15% annually on a straight line method.

Petty Cash

A petty cash tin will be kept in the office for the purposes of purchasing food for sessions and other consumables such as washing up liquid/paper etc. This will be reconciled on a monthly basis. Petty cash vouchers must be filled in for any amount taken out of the petty cash tin. The petty cash tin will be topped up as necessary to ensure an amount of around £50 is available. When the petty cash tin has over £100 in it, the excess must be paid in to the bank. This ensures only a limited amount of cash is kept on the premises.

Quotations

It is best practice to arrange for three quotations of any equipment or work on the property. In practical application, staff and board members should take into account quality and any other relevant factors, as well as price, in making decisions on purchases.



Reserves

Unrestricted reserves will be kept in the accounts, equivalent to one months' salary payments and three months' rent and utility payments.

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