



DURHAM CHORAL SOCIETY

FINANCIAL POLICIES AND PROCEDURES

These policies are reviewed and updated annually.

1. RESPONSIBILITIES

- 1.1. **Trustees:** The Trustees have overall responsibility for the stewardship and application of choir funds.
- 1.2. **Committee:** The Committee meets regularly to discuss the activities of Durham Choral Society and make decisions about the allocation of funds as thought appropriate.
- 1.3. **Executive committee:** This is Chair, Secretary and Treasurer. The Committee can delegate authority to the Executive Committee, to take any urgent decisions relating to financial matters.
- 1.4. **Sub Committees:** may present advice but financial decisions must go through Committee.
- 1.5. **Treasurer:** Durham Choral Society elects a Treasurer, who has overall responsibility for day-to-day handling of the choir finances and advising the Committee on its financial position.

2. BUDGET SETTING

- 2.1. **Annual process:** Durham Choral Society reviews the accounts of the preceding financial year at the AGM and votes on a decision to set the annual subscription based on estimates of expenses and income for the forthcoming year.
- 2.2. **Budgetary considerations:** In setting budgets the Treasurer will bear in mind:
 - 2.2.1. The cost of rehearsals, including the hire of premises, the payment of honoraria, insurance, and the hire and loan of music
 - 2.2.2. The expenses incurred in public performances. These may include the hire of venues with staging and lighting, the hire of orchestra and soloists, and the projected income from sale of tickets which may help offset expenses.
 - 2.2.3. The Committee encourages members to claim any expenses they incur on behalf of the society,

3. RESERVES AND INVESTMENT POLICIES

- 3.1 **Cash Funds:** These are held in a Cooperative Bank charities account. Most income and expenditure pass through this account.

3.2 Restricted funds: Money received in the form of restricted donations for specific purposes will be kept distinct within our accounts to ensure that money is spent only upon those restricted purposes. A small hardship fund exists of donations given to subsidise subscriptions where members are unable to pay the full subscription. Money from this is allocated after an application from has been to the Committee.

3.3 Investment accounts: A specified amount of money is held in a COIF Charities Deposit Fund investment account, which is there to cover major financial losses which the insurance policy might not cover. This money is to protect Trustees from financial liability. The fund could also be used to cover a cash flow problem. The amount is maintained at **approximately** £13,000 and will be reviewed annually.

4. ACCOUNTING AND REPORTING

- 4.1. **Book-keeping:** The Treasurer will be responsible for maintaining accurate records of the choir finances.
- 4.2. **Receipt and Payment accounts:** The Treasurer prepares annual accounts on a receipt and payment basis.
- 4.3. **Reconciling Statements:** This is to be done as statements appear.
- 4.4. **Reporting:** The Treasurer will report to the Committee on the choir's financial position at least once a quarter.
- 4.5. **Independent examination:** The AGM will approve the appointment of an independent examiner.
- 4.6. **Approval of annual accounts:** These are prepared for the financial year beginning September 1st to August 31st of following year. The are approved by the membership in the following October. Accounts are put on Public Record with the Charity Commission.

5. INCOME

- 5.1. **Bank Transfer:** The intention is that most income is added to the account by bank transfer with accurate referencing. The largest income item is member subscriptions, and these may be paid in one lump sum or by instalments by arrangement with the Membership Secretary.
- 5.2. **Cheques and Coin:** Can be given to the Treasurer if members feel this is preferable, with a note about the intended purpose. Cash is discouraged but inevitable with music hire charges and other low value transactions. Cash collected needs to be counted and put in a money bag or envelope with the source, amount and intended purpose marked clearly. The Treasurer recounts later and receipts the cash by email to leave an evidence trail. The Treasurer fills in an income slip for the file.
- 5.3. **Banking:** The treasurer banks cheques and coin as soon as is conveniently possible, using a cash to bank slip. Receipts are clipped to slip as evidence. The account card can be used at a Post Office.
- 5.4. **Gift Aid:** can be collected on subscriptions and eligible donations with permission of the donor who needs to be a UK taxpayer. The donor needs to inform the Treasurer of a change in circumstances.
- 5.5. **Petty Cash:** is not held by the choir and all monies pass through the bank account.
- 5.6. **Cash Floats:** occasionally are needed for programme and ticket sales. The provision of these need to be discussed with the Treasurer or a member of the Committee who will inform the Treasurer.

6. EXPENDITURE

Payment of sums owed: Durham Choral Society will always endeavour to pay invoices within the credit period agreed with a supplier, as a matter of good practice. Payment by bank transfer is preferred. Cheques can be written if necessary. No payments are made by coin or banknotes.

7. REQUESTS FOR PAYMENT

- 7.1. **Reimbursing members:** Where a member of the committee or choir has incurred an expense on behalf of the choir and wishes for reimbursement, they should, wherever possible, submit receipts. Such reimbursements should be sought without delay.
- 7.2. **Invoices:** Hard copies of invoices should be filed with payment print outs. Invoices can be submitted by email.
- 7.3. **Sums up to £100:** may be authorised by the Treasurer and the verbal agreement of a Trustee
- 7.4. **Sums over £100:** should be approved by Committee.

8. BANKING TRANSACTIONS:

- 8.1. **Two signatories:** All cheques or electronic payments must be signed or authorised by at least two signatories, or persons appointed as online approvers by the Committee. Signatories are normally the Chair, the Secretary, and the Treasurer. These signatories will not be members of the same family or household. Persons may be nominated for view only access to the online accounts.
- 8.2. **Payments:** are usually drawn up by the Treasurer. However they can be drawn up by any of the signatories in a case of conflict of interest, or in an emergency.
- 8.3. **Electronic payments:** Hard copies of the bank payments should be attached to the invoice.
- 8.4. **Conflicts of Interest:** Authorised signatories should not normally be involved with the final authorisation of payments to themselves or to family members or to organisations in which they have a financial interest.

9. DOCUMENT HISTORY

Date	Action	Done
July 2023	Draft policy drawn up by Treasurer and Chair	Y
28 September 2023	Policy approved by committee	Y