

Policy	Financial Control Policy and Procedures
Effective Date	1 February 2017
Date Last Reviewed	June 2024
Authorised by	Trustees Meeting / email consultation
Scheduled Review Date	March 2025
Supersedes	All previous Policies and/or Statements

1 Introduction

- 1.1 The Harrogate Choral Society (HCS) ensures it has a budget which matches key objectives and priorities. This enables decisions to be made on accurate financial projections and enables accurate reporting. This is essential in order for HCS to meet commitments and key objectives. This will enable it to continue to function as a going concern
- 1.2 HCS has systems in place to identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud
- 1.3 HCS ensures that the Trustees comply with charity law and regulation relating to finance
- 1.4 This policy applies to the whole HCS family including all associated choirs.

2 HCS Budgets

- 2.1 The Treasurer keeps accurate records of all financial transactions, ideally using an appropriate software package.
- 2.2 The Treasurer prepares a draft budget for each financial year in advance of that year to enable the planning of each concert to take place within the constraints of the budget.
- 2.3 The Treasurer reports regularly to the HCS Trustees on the performance of actual vs budget following each concert.

3 Procedures for Income

- 3.1 Cheque and cash receipts are kept safely and recorded promptly by the Treasurer or appropriate deputy. Cash income above £100 will be checked and signed for on receipt by a Treasurer/Trustees plus the person paying over cash.
- 3.2 Cheques and cash receipts are banked regularly and promptly by the Treasurer or appropriate deputy (i.e. Librarian banking hire monies, etc)
- 3.3 Funds are banked gross, without deduction for costs or expenses.
- 3.4 Details of income, i.e. paying in slips, which are banked by authorized people other than the Treasurer are checked against bank statements by the Treasurer.
- 3.5 BACS transactions for member subscriptions are checked regularly by the Treasurer.
- 3.4 Insurance cover for cash in hand and in transit should be considered (Note: this is covered by our 'Making Music' Annual Insurance policy)

4 Payment for Goods / Services

- 4.1 Cheque books are kept in a safe place.
- 4.2 Blank cheques are not pre-signed.
- 4.3 Cheques are signed by two authorized signatories as required by the bank. Details of the payment being made are recorded on the cheque book stub.
- 4.4 The Treasurer obtains and files documentation to support the validity of all payments, including relevant invoices and confirmation that goods or services ordered have been received.
- 4.6 Online banking may be used if supported by a dual authorisation scheme.
- 4.7 Subject to a 'bank waiver' a debit card is held by the Treasurer, Business Manager and Co-Chair to facilitate certain purchases which would otherwise necessitate regular or substantial refunds to a member of HCS. This will be subject to regular review by the Trustees.
- 4.8 Payment by standing order may be authorised by the Trustees in appropriate circumstances and will be subject to regular review.

5 Payments to Officials (HCS, Halcyon)

- 5.1 Officials are asked to submit claims for rehearsal time in line with their contract.
- 5.2 Payment for such will be made in accordance with section 4.
- 5.3 Claims for other expenses are made in accordance with section 7.
- 5.4 Officials are engaged by HCS on a self-employed basis and are expected to account for their own income tax, VAT and Class 4 National Insurance contributions.

6 Checks / Authorisation for payments

- 6.1 Records of payments received or made should agree with bank paying in slips, invoices and receipts
- 6.2 Records of payments made or received should reconcile with the bank statements.
- 6.3 Payments made should be authorised by the Trustees or be within the specific remit of a designated HCS Role. *(eg purchase of members' scarves was authorised by the Trustees; purchases by Librarian are authorised by the Trustees via budget approval for each concert; rehearsal room hire is paid monthly by the Treasurer after invoice and does not require separate approval each time)*
- 6.4 Orders for goods or services made under 'delegated authorisation' are within the agreed budget amount for the expenditure (e.g. contracting soloists, musicians)
- 6.5 Online payments received or made are identified and verified against supporting paperwork.

7 Cash

- 7.1 Cash payments are for small amounts only (e.g. refund for rehearsal refreshments, purchase of envelopes) and will be processed by the Treasurer.

- 7.2 Cash thus refunded is paid from a 'cash in hand' float and not from incoming cash or by direct withdrawal from the bank account.
- 7.3 A separate account is kept of 'cash in hand' by the Treasurer.
- 7.4 A cash float may be provided by the Treasurer on request for certain events e.g. cake sale, sales of programmes at concerts.

8 Expense Claims

- 8.1 The same expenses claim procedure will apply for Members, Trustees, Officials and Volunteers.
- 8.2 For amounts over £20 a formal claim form may be requested by the Treasurer and will be authorised by a second Trustee. This will require a 'self-declaration of accuracy' by the claimant.
- 8.3 Mileage claims, when allowed, will be refunded at no more than the HMRC rate.
- 8.4 For all expense claims a receipt is required, or other acceptable evidence of the expenditure.
- 8.5 Expense claims will be usually be paid by BACS or cheque in order to minimise cash payments.

9 Internal Box Office Arrangements

- 9.1 If HCS organizes tickets for a concert without engaging a professional box office services ticket sales are managed in such a way that all monies can be safely accounted for.
- 9.2 All tickets are numbered, even if seating is unreserved, to enable this.

10 Gift Aid

- 10.1 Donations made under Gift Aid are treated as if the donor had already deducted basic rate tax from them. HCS can reclaim this tax to increase the value of a donation.
- 10.2 All HCS Members and Friends will be asked to complete a gift aid form indicating, if they are a tax payer, that Gift Aid may be claimed by HCS in order that complete and accurate returns are made maximising the value of donations to the charity.

11 Legacy Income

- 11.1 Records are maintained of all legacies and bequests notified to the charity.

12 Assets

- 12.1 A list or register is maintained of all assets whether purchased by, or donated to, the charity for its continuing use. This record will show the cost (or value) of the asset and provide sufficient detail to enable an asset and its location to be identified
- 12.2 Fixed assets are inspected at regular intervals to ensure that they exist, remain in good repair and are being put to appropriate use
- 12.3 The disposal or scrapping of fixed assets is appropriately authorised and recorded in accounting records and in any fixed asset register, held by the Treasurer.

12.4 Capital items are normally depreciated on a 20% straight line basis.

12.5 The adequacy of insurance cover is reviewed at regular intervals.

13 Investments

13.1 Any monies invested in line with the Reserves Policy shall, so far as is possible, be invested in an account earning the best rate of interest available, subject to an acceptable 'notice of withdrawal' period.

14 Independent Examiner

14.1 HCS will engage the services of an Independent Examiner to check the annual accounts before they are submitted to the Charity Commission.

15 Retention of Records

15.1 The retention of financial documents is in line with the HCS policy on document retention.

15.2 All records of income and expense transactions (receipts, invoices, bank statements, petty cash record, reconciliations, bank paying in books, cheque books) are retained for at least six years from the end of the financial year in which the transaction was made.

15.3 Invoices for capital items (i.e. assets subject to be depreciation) will be retained for at least 10 years.

15.4 Gift Aid declaration records are retained for at least 6 years after the last payment was made.

15.5 Legacy records are be retained for 6 years after the estate has been wound up.

15.6 Correspondence regarding donations is retained for 6 years after the financial year in which the donation was made. Copies of such correspondence should be passed to the Treasurer for filing.

Change Control History

Date of Change	Summary of Revisions Made
March 2018	Various amends and updates, also numbering corrected
March 2019	Various amends to clarify matters
March 2020	No changes needed
March 2021	No changes needed
March 2022	Sent to all by email, no changes needed
April 2023	Sent to all by email, no changes needed
June 2024	Update on which trustees hold a debit card (Treasurer, Business Manager and Co-Chair)