

# VALENTINE SINGERS

## **Financial Control Policy**

### **Trustees Responsibilities**

The trustees are responsible for preparing The Trustees Report & Financial Statement in accordance with applicable law & UK Accounting Standards (UK Generally Accepted Accounting Practice – GAAP).

Company Law requires the trustees to prepare financial statements for each financial year, which give a fair view of the state of affairs of the Choir, application of resources including income & expenditure of the Choir for that period. In preparing these financial statements, the trustees are required to:

- Select & apply consistently, suitable accounting policies.
- Observe the methods & principles of the Charities SORP (Statements Of Recommended Practice).
- Make reasonable & prudent judgements & estimates.
- State whether UK Accounting Standards & practices have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Choir. They are responsible for safeguarding the assets of the Choir & hence for taking reasonable steps for the prevention & detection of fraud and other irregularities.

Trustees should monitor costs against the budget agreed by the committee.

### **Trustees Position**

All trustees give their time and expertise voluntarily & receive no remuneration or other benefits.

### **Funding & Expenditure to support Objectives**

The trustees have planned expenditure for the year with regard to the Choir's published objectives, whilst also complying with the policy on reserves & within the bounds of sound accounting practice. Detailed records are kept of all income & payments and this is analysed regularly and projected & actual figures are produced for all Trustee meetings.

- The trustees will annually review the manner & level of payment to our Musical Director & Accompanist based in the Retail Price Index.
- Our main source of funding is through membership subs, donations and ticket sales. Additional funding is through the government 'Gift Aid' scheme, through any fundraising activities and occasional local government funds.
- Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

### **Policy on Reserves**

All the Choir's funds are unrestricted. The committee aims to maintain the combined current and deposit account funds at a minimum balance of three month's expenditure or around £3,000.

### **Policy on Deficit Management**

There is no allowance for a deficit budget at any point in time. All actions by the trustees must be financially viable.

## Checks & Examination of Accounts

- All cheques must be signed by one of the three trustees, mandated. All expenditure must be agreed by the committee. In unforeseen circumstances between committee meetings expenditure up to £200 may be agreed by 2 out of 3 mandated signatories.
- The Treasurer is the primary user for online banking & the Chair is the secondary user. The Chair should check the online account at least once a month & report that this has been carried out at the next meeting, reporting any observations.
- Banking should be carried out promptly.
- The current financial position must be a standing item at all committee meetings.
- The Treasurer will reimburse the cost of agreed expenditure against receipts or online evidence of payment.

All choir accounts will be examined by an external Auditor, qualified for the purpose in line with legal requirements (CIPFA), at the end of the choir financial year (31<sup>st</sup> March).

The Treasurer, directed by the trustees, will submit the accounts and accompanying documents required by law, to the Charity Commission as soon as possible after the examination of accounts & within 10 months of the end of the choir financial year.

Valentine Singers follows the following internal financial controls as recommended by the Charity Commission:

- At least two people are involved in handling and recording any money received
- Cash collected is banked by the Treasurer or nominated committee member as soon as possible without deduction of expenses
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For fundraising events, the Charity Commission recommends that the following controls are in place:

- Records are maintained for each fundraising event, in sufficient detail to identify gross receipts or takings and costs incurred
- For all events for which there is a ticket income or gate money:
  - (i) Tickets are all pre-numbered
  - (ii) A record is kept of all persons who have been issued with tickets to sell, and the ticket numbers that have been allocated to each person
  - (iii) A record is kept of which tickets have been sold
  - (iv) All money from tickets and any unsold tickets are collected
  - (v) A reconciliation is made of receipts against tickets sold

## Gift Aid – Controls

Donations made under Gift Aid are treated as if the donor had already deducted basic rate tax from them. Valentine Singers can then reclaim this tax to increase the value of a donation. Internal controls help ensure complete and accurate returns are made maximising the value of donations to the Choir.

Maximising the value of donations is important for all charities. Internal controls ensure that proper records are maintained reducing the risk of amounts being reclaimed by Her Majesty's Revenue and Customs (HMRC). Accurate records and timely returns ensure the Choir receives the tax recovery promptly and with confidence. Full details of the records that must be maintained are set out on the HMRC's website. Other controls recommended include:

- Checks to ensure that amounts expected from committed donors have been received
- Checks to ensure tax repayments due have been received

## **Role of the Treasurer**

### **Overall**

- Oversee the financial affairs of the organisation and ensure they are legal, constitutional and within accepted accounting practice.
- Ensure proper records are kept and that effective financial procedures are in place.
- Monitor and report on the financial health of the organisation.
- Oversee the production of necessary financial reports/returns, accounts and audits.
- Make fellow committee members aware of their financial responsibilities and take a lead in interpreting financial data to them.
- Ensure monies are promptly banked.
- Arrange payments as appropriate and arrange appropriate signatures on payments.
- Make the necessary arrangements to collect payments from any debts due.

### **Specifically**

- Liaise with committee members & MD to ensure the financial viability of the organisation.
- Appraise the financial viability of plans, proposals and feasibility studies.
- Regularly report the financial position at committee meetings.
- Publish annual accounts as required by current legislation.
- Ensure proper records are kept and that effective financial procedures and controls are in place, i.e:
  - Cheque signatories
  - Purchasing costs are agreed by the committee
  - Payments
  - Banking
- Lead on appointing and liaising with auditors/an independent examiner.
- Undertake bookkeeping duties ensuring posting and bookkeeping is kept up-to-date (electronic spreadsheet used).
- Regularly carry out reconciliations.
- Ensure the 'Gift Aid' system is in place; liaising with the Membership Secretary to ensure the records & systems are in line with current GDPR and with current relevant taxation laws.
- Oversee and liaise with the Ticket Secretary in the organisation & selling of concert tickets & ensure proceeds are banked promptly and adequate record systems are maintained.
- Liaise with Making Music & ensure annual membership is paid promptly, including any outstanding PRS payments not covered by venue licence.
- Ensure appropriate insurance cover is attained & maintained (keeping records of the cover)
- Booking of rehearsal venue and payment thereof.

### **Qualities**

- Knowledge and experience of current fundraising finance practice relevant to voluntary and community organisations.
- Knowledge of bookkeeping and financial management (as necessary).
- Good financial analysis skills.
- Ability to communicate clearly.

Reviewed: April 2021