



Financial policy Danesborough Chorus

Introduction

Danesborough Chorus is committed to ensuring that robust financial policies and procedures are in place to safeguard the assets of Danesborough Chorus. The aim of the policy is to:

- ensure the trustees have proper financial controls of the organisation.
- provide a clear framework for your trustees and volunteers to work with when dealing with money.
- ensure the organisation meets its legal obligations in relation to accounting and financial reporting to the Charity Commission and HMRC.
- ensure the organisation meets the contractual obligations and requirements of funders.

Accounting basis and record keeping

- The accounts will be kept on an accruals basis
- Accounting records
 - A cash accounting spreadsheet analysing all the transactions appearing on the bank accounts.
 - Bank statements
 - A record of invoices received and issued
 - Receipts for payments made, sometimes as email and/or as part of contract
 - A list of amounts owed and owing
 - Expense claim forms
 - Cheque book stub receipts

The financial year end date is: 31 August.

All financial records will be kept for 6 years from the financial year end date they relate to. This can include digital storage.

Annual accounts

- Accounts must be drawn up at the end of each financial year within a month of the financial year end. These will include:
 - Final reconciliation of income and expenditure with bank statements
 - A summary of the financial position at year end
 - An income and expenditure statement
- Scrutiny of accounts
 - Accounts will be subject to Independent Examination
 - They will be presented for approval to members at the AGM
 - They will be sent to the relevant regulator within the relevant period after the financial year end:
 - Charity Commission - 10 months

Budget

- 2 months before the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.
- The trustees will review actual income and expenditure compared with the budget at least quarterly and reforecast the budget as necessary.

Bank account

Danesborough Chorus has a bank account with the Co-operative Bank and NatWest

Account details Co-operative Bank:

- Account number: 67331754
- Sort Code: 08-92-99

All payments require two signatories.

There will always be a minimum of three signatories. The current signatories are:

- Peter Snelling, Trustee, [Treasurer]
- Sian Rees, Trustee, [Secretary]
- Imogen Allen, Trustee, [Gift Aid Secretary]
- David Roberts, Trustee,

Account details NatWest Bank:

- Account number: 72127872
- Sort Code: 60-10-33

All payments require two signatories.

There will always be a minimum of three signatories. The current signatories are:

- Peter Snelling, Trustee, [Treasurer]
- Sian Rees, Trustee, [Secretary]
- David Roberts, Trustee,

Income / receiving payments

The following procedures apply to all Danesborough Chorus trustees, volunteers and freelancers taking and making any payments on behalf of Danesborough Chorus.

Ideally all payments due to Danesborough Chorus should have an accompanying invoice issued to the payee. Where this is not possible the payee should be issued with a receipt confirming payment has been made and what it was for (this could be via email or a digital scan of the receipt)

For any cheque or cash payment received:

- Report receipt of the payment to the treasurer in writing (email) as soon as practically possible. The amount and reason for payment should be recorded.
- Pay any cash or cheques into the bank account within 5 days of receipt.
- Notify the treasurer that the payment has been made to the bank in writing (email)

All payments received into the bank account will be recorded and accounted for in the charity accounts within 1 week of receipt of the payment.

Expenditure – payments made by the charity

The treasurer must approve the cost in writing (by email) before any spending commitment is made.

All payments made from Danesborough Chorus bank account will have a matching corresponding invoice, order form or expense claim form.

Where possible payments will be made by BACS. Payments can also be made by debit cards, cheques.

Dual authorisation

All payments made from the bank account must be authorised by 2 signatories.

- Online BACS payments must be done using the online banking dual authorisation system.
- All cheques must be signed by two signatories
- Blank cheques must never be signed
- Where the payment is for a signatory's expense, the signatory claiming the expense cannot be one of the approving signatories.
- Payments using debit card can only be made by the cardholder for expenditure up to £400 which has been previously agreed with the treasurer.
- All payments made from the bank account must be recorded and accounted for in the charity accounts within 1 week.

Direct Debits and standing orders

- All Direct Debit and standing order payments must be approved by two signatories.
- Payments must be reviewed annually.
- Any change to the amounts must be approved by two signatories.

Claiming expenses back from the charity

Trustees, Staff, freelancers and other volunteers

- All must seek prior written approval from the treasurer before making payments from their personal account on behalf of the charity.
- They must submit a written request for a reimbursement of payment within 10 days of making the payment. This must include:
 - Reason for making the payment on behalf of the charity
 - Evidence of the item or service received.
 - Evidence of the payment
- Payments must then be approved online (see the expenditure section above).

Travel expense policy

Any requirement for travel expenses on behalf of the charity must be approved by the treasurer.

Fixed assets

The trustees have agreed that assets costing more than £1,000 are treated as capital expenditure, recorded as fixed assets on the balance sheet and depreciated (the cost spread) over the estimated useful life of the asset class (e.g.) five years.

HMRC and tax

Danesborough Chorus is a charity and can claim the charity tax exemption on activities related to its primary activity. Any trading that is secondary to its primary activity is expected to be below the exempt trading limit and registration limit for VAT and so will also be exempt from tax.

As such Danesborough Chorus does not have to submit an annual tax return to HMRC or register for VAT.

However, if:

- HMRC request we file a corporation tax return we must comply and can apply a charity tax exemption.

- Non-primary trading activity exceeded taxation limits then a tax return would need to be filed and tax may be due.
- Business income exceeded VAT registration thresholds, the charity must register for VAT.

Gift Aid

Danesborough Chorus claims Gift Aid on donations received from the public and on membership subscriptions paid by members. It can also claim Gift Aid on cash received under the Gift Aid Small Donations scheme (GASDS).

All Gift Aid claims related to donation and membership subscriptions must be supported by an appropriate Gift Aid declaration.

Gift Aid will be claimed twice during the financial year, once in November and once in September.

An annual assessment on the eligibility of membership subscriptions for Gift Aid is carried out in September of each year.

Review

This policy will be reviewed on an annual basis unless the trustees deem it necessary to review the policy sooner.

Date: September 2024

Review date: September 2025