Financial Controls and Reserves Policy

Pendle Ladies' Choir

1. Purpose

This policy sets out how Pendle Ladies' Choir manages its finances to ensure:

- Proper stewardship of charitable funds
- Transparency and accountability
- Compliance with charity law and good practice
- Financial sustainability

The committee recognises their legal duties under guidance issued by the Charity Commission for England and Wales.

---

2. Roles and Responsibilities

Committee

The committee is responsible for:

- Safeguarding the choir's assets
- Ensuring funds are used only to further the choir's charitable purposes
- Approving budgets and monitoring income and expenditure
- Ensuring proper financial records are kept

Treasurer

The Treasurer is responsible for:

- Maintaining accurate financial records
- Banking income promptly
- Paying invoices and authorised expenses
- Reporting regularly to the committee
- Ensuring appropriate insurance cover is obtained and maintained (keeping records of the cover)
- Preparing annual accounts
- Ensuring the 'Gift Aid' system is in place keeping records in line with current GDPR and with current relevant taxation laws.

No one person should have sole control over all aspects of financial management.

3. Bank Accounts

- The choir shall maintain a bank account and savings account in its name.
- The bank mandate must require at least **two authorised signatories**.
- Online banking access must be restricted to authorised officers.

4. Income Controls

Subscriptions and Ticket Sales

- Income from members, concerts, and events must be recorded.
- Cash received should be counted by two people where practical.
- All income must be banked promptly and in full.

Grants, Donations and Refundable deposits

- Restricted funds must be recorded separately.
- Funds must be used only for their intended purpose.

5. Expenditure Controls

- All expenditure must support the choir's charitable objectives.
- Payments must be supported by invoices or receipts.
- Where practical, competitive quotes should be obtained for major purchases or venue hire.
- There is no allowance for a deficit budget at any point in time. All actions by the committee must be financially viable.

The Treasurer can authorise

- Repeat payments for subscriptions, insurance etc
- Regular payments for rehearsal costs
- Transactions between current and deposit accounts
- Payments of less than £100 against invoices for appropriate purchases

Payments of more than £100 must be pre-approved by the committee.

Trustees must follow the choir's Conflict of Interest Policy where payments involve a trustee or connected person.

---

6. Budgeting

- A budget of the choir's running costs will be prepared and agreed by the committee prior to the AGM in order to propose the level of subscriptions for the following year.
- The budget should include anticipated:
  - Musical Director and accompanist honoraria
  - Rehearsal Venue hire
  - Insurance and administration costs
  - Piano tuning

The trustees will monitor performance against the budget during the year.

---

7. Financial Reporting

- The Treasurer will present a financial report at each committee meeting, including:
  - Current bank balance
  - Income and expenditure since the last meeting
  - Comparison against the anticipated budget
- Annual accounts will be prepared in accordance with charity reporting requirements and presented to members at the AGM.
- The treasurer shall arrange for a competent, impartial person to carry out an independent examination of the choir's accounts
- The Treasurer will submit the accounts and accompanying documents required by law, to the Charity Commission as soon as possible after the examination of accounts and within 10 months of the end of the choir financial year.

8. Reserves Policy

Purpose of Reserves

The choir maintains unrestricted reserves to:

- Cover essential running costs if income falls unexpectedly
- Manage cash flow between concerts
- Meet contractual commitments (e.g. Musical Director, venue hire)
- Provide financial stability

Level of Reserves

The committee aims to maintain unrestricted reserves of between £4,000 and £8,000, representing approximately three to six months of normal operating expenditure based on the typical annual budget of the choir.

The committee will review this figure annually.

If reserves fall below or significantly exceed the target range, trustees will consider appropriate action (e.g., rebuilding reserves or allocating surplus funds to musical development).

---

9. Restricted and Designated Funds

- **Restricted funds** must only be used for their specified purpose.
- The trustees may designate funds for a specific future project (e.g., anniversary concert or commissioned work), but these remain unrestricted in law.

All such funds must be clearly identified in the accounts.

10. Expenses

- Committee members can claim reasonable out-of-pocket expenses e.g. for printing, postage, etc.
- Expenses greater than £20 require prior approval from the Committee.
- Claims to be submitted to the Treasurer with invoices.
- Trustees must not receive payment for services unless permitted by the constitution and charity law.

---

11. Financial Records

The Treasurer will retain financial records, including:

- Bank statements
- Invoices and receipts
- Gift Aid documentation
- Grant correspondence

Records will be kept for at least six years.

---

12. Review

This policy will be reviewed annually by the trustees.

Adopted by the Committee of Pendle Ladies' Choir

Date: ____________________

Chair: ____________________

Treasurer: ______________________