



### **Introduction:**

Wessex Concert Orchestra (WCO) is committed to ensuring that robust financial policies and procedures are in place to safeguard the assets of WCO. 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.
- ensure the organisation meets the contractual obligations and requirements of funders.

### **Accounting Basis and Record Keeping:**

- The accounts will be kept on a receipts and payments.
- Accounting records:
  - A cash accounting spreadsheet analysing all the transactions appearing on the bank accounts or paid in cash.
  - Bank statements.
  - A record of invoices received and issued.
  - Receipts for payments made.
  - Expense claim forms.
  - Cheque book stub receipts.
  - A record of any cash held for operational purposes, such as floating funds for concerts and rehearsal refreshments.
- The financial year end date is 31 August.
- All financial records will be kept for six 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 one 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 committee review and are not required to be examined by an external person with financial knowledge.
  - They will be presented for approval to members at the AGM.
  - They will be sent to the Charity Commission within 10 months after the financial year end.

### **Budget:**

- At the start of the financial year, before the AGM the trustees will review the finances to determine the level of subscriptions based on budgeted income and expenditure account for the following year.



- The trustees will review actual income and expenditure compared with the budget at every committee meeting, as necessary.

**Budget Holders and Approved Spending Limits:**

The following trustee roles are approved to sign off expenditure at the trustees' discretion. Larger and/or one-off purchases require committee approval. The table below includes, however is not limited, typical expenditures.

Committee Role	Approved Budget Management
Librarian	Music hire/purchase including postage Light Music Society subscription
Marketing Manager	Advertising and posters Concert tickets and programmes Website domain and hosting
Financial Manager	Making Music membership, including insurance and any PRS Membermojo subscription Temporary event notice (TEN) Rehearsal refreshments
Concert Manager	Refreshments including soft and alcoholic drinks, and consumables. Gifts for soloists, conductor and players

**Bank Account:**

WCO has a business bank account with Lloyds Bank. The account details are:

- Account number: 03001517
- Sort Code: 30-91-99.

All payments require two signatories. There will always be a minimum of three signatories.

The current signatories are:

- Hannah Robertson, Trustee, Orchestra Manager
- Heather Locke, Trustee, Financial Manager
- Catherine Oliver, Trustee, Administration Manager.

**Income/ Receiving Payments:**

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

Ideally all payments due to WCO 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 two weeks of receipt. Note: up to £250 may be retained for future concert floats.
- An account signatory must check and confirm the amount paid into the bank has been received within seven days.

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

**Expenditure/ Payments Made by the Charity:**

- Trustees can approve spending in line with the approved spending as detailed above. Where a cost is outside the stated responsibilities, the trustees must approve the cost before a commitment is made.
- All payments made from WCO bank account will have a matching corresponding invoice, order form or expense claim form, excluding the conductor fees.
- Where possible payments will be made by BACS.

**Dual Authorisation:**

All payments made from the bank account must be authorised by two 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 other approving signatories should review the payment prior to approval.
- All payments made from the bank account must be recorded and accounted for in the charity accounts within one month.

**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:**

- 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 a receipt for the payment.
- Payments must then be approved online: refer to the Expenditure Section.
- If a trustee expects to make a payment beyond the approved spending limit as detailed above, they must get prior written approval from another trustee.

**Staff, Freelancers and other Volunteers:**

- All non-trustees must seek approval from a trustee 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: refer to the Expenditure Section.

**HMRC and Tax:**

WCO 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 WCO 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 filled and tax may be due.
- Business income exceeded VAT registration thresholds, the charity must register for VAT.

**Gift Aid:**

- WCO 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 is claimed once during the financial year in arrears.
- An annual assessment on the eligibility of membership subscriptions for Gift Aid is carried out in September of each year.

**Reserves:**

WCO aims to maintain sufficient reserves to cover one year of expected expenditure.



# Wessex Concert Orchestra

Established 1940

## Financial Policy

### Version History

Date	Details
October 2024	Adopted Making Music August 2023 template.