

RMVC Financial Controls Policy

1. Introduction

This policy outlines the financial controls and procedures to be followed by Reading Male Voice Choir (RMVC), a registered charity, to ensure the proper management and protection of its assets, compliance with legal requirements, and prevention of fraud and financial mismanagement.

This policy aligns with the guidance provided by the UK Charity Commission.

2. Responsibilities

- Trustees (forming the Committee): Overall responsibility for the RMVC's financial management and implementation of internal financial controls.
- Treasurer: Oversees financial operations and ensures compliance with this policy.
- Committee: manage RMVC's charitable activities
- Office Holders: RMVC members who have accepted responsibility for managing choir operational functions. Office Holders observe and advise the Committee.
- Committee, Music Directors, Office Holders and choir members: Adhere to the financial controls and procedures outlined in this policy.

3. Financial Planning and Budgeting

The Treasurer will:

- Prepare an annual budget for the upcoming choir year (with input from Trustees and Office Holders) which is reviewed and agreed by the Committee in the final committee meeting of the year and approved and adopted in the Annual General Meeting.
- Regularly monitor and review financial performance against the budget and report to the Trustees in each committee meeting.

4. Financial Management

The Treasurer maintains RMVC's financial accounting system that includes:

- Recording: All income and expenditure recorded accurately and promptly in the accounting system.
- Banking: Deposit all cash and cheques received into the RMVC's bank account regularly, without exceeding cash limit covered by RMVC's insurers.
- Bank Accounts: manage RMVC's Reserve and Current bank accounts.
- RMVC's card payment "point of sale" device and mobile phone application: The Treasurer will
 - o Maintain the physical security of the device and application.
 - o Use the card reader device and application only to capture card-purchases on behalf of RMVC.
 - o Ensure all sales are transferred to the RMVC's Current Account as soon as possible with a zero-balance maintained in any accounts provided by the point-of-sale service provider.

5. Income Management

RMVC's income sources are:

- Concert fees: a fee paid to the choir in return for performing at a fund-raising concert
- Sale of concert tickets & programmes on behalf of charities convening fund-raising concerts or for the RMVC's own concerts.
- Membership subscriptions: All choir members pay an annual subscription that has been agreed in the AGM
- Sale of choir music recordings
- Regular raffles for members held at rehearsals
- Other sources, including Gift Aid, Community Lotteries, donations and grants

All income is managed, recorded and appropriate documentation (receipts, statements) issued on receipt of income.

6. Expenditure Management

The Treasurer will manage RMVC's finances while ensuring:

- Authorisation: All expenditures must be authorised by designated individuals as per the approval matrix.
- Documentation: Ensure proper documentation is recorded for all expenditures, including invoices and receipts.
- Payments:
 - o Make payments through secure methods, such as bank transfers or cheques, and avoid cash payments where possible.
 - o Where cash payments are justified (sundry expenses, guest artists), they are suitably recorded.
 - o Hold and secure the choir account debit cards and use them to purchase goods or services where necessary and appropriate to the charitable activities.

7. Expenses

The Treasurer will record and manage the payment of expenses to Trustees, Music Directors and Members that they incur in the delivery of the choir's charitable activities.

Expenses that will be repaid must meet the following criteria:

- Trustees are not paid for their time in delivering their duties.
- Trustees and choir members will be repaid reasonable and sundry expenses they have incurred in delivering the choir's purpose or on behalf of the choir. These expenses include:
 - o Music purchases
 - o Hire of vehicles and equipment needed to stage concerts
 - o Repair or replacement of choir's equipment
 - o Publicity
 - o Web hosting services and choir email accounts
 - o Other sundry expenses
- Trustees and choir members will not be repaid any costs they may incur in their contribution to RMVC's normal activities, rehearsals and concerts, including travel and parking.

- Direct expenses reasonably incurred by the Music Director and Deputy Music Director, including use of personal vehicles in travelling to concerts and accommodation may be reimbursed, with approvals recorded as required by the approval matrix in section 15.
- Any claim for expenses must include suitable proof of the expense incurred.

8. Asset Management

Trustees will ensure that the RMVC's assets are managed responsibly to meet the charitable purpose of the choir.

- Inventory: Maintain an up-to-date inventory of all assets owned by the RMVC.
- Security: Implement measures to safeguard assets, including physical security and insurance coverage.
- Disposal: Follow proper procedures for the disposal of assets, ensuring authorization and documentation.

9. Trustee Conflicts of Interest

The Trustees will manage any conflict of interest that may arise as follows:

- Trustees, Office Holders, Music Directors and choir members must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the charity or in any transaction or arrangement entered by RMVC.
- Should any such perceived or actual conflict of interest exist, absent himself or herself from any discussions in which it is possible that a conflict will arise between his or her duty to act solely in the interests of RMVC and any personal interest (including but not limited to any personal financial interest).

10. Financial Reporting

The Treasurer is responsible for:

- Management Accounts: Prepare regular management accounts, including performance against budget and financial forecasts, for presentation to, and review by, the Committee.
- Annual Accounts: Prepare annual accounts in accordance with Charity Commission requirements.
- Charity Commission:
 - o Manage and maintain RMVC's registration as a Charity with the Charity Commission
 - o Maintain the registration of Trustees and other required information.
 - o Any reporting required by the Charity Commission.
- HMRC: comply with any reporting requirements required by HMRC, including Gift Aid claims.

11. Internal Controls

Controls, appropriate to the charity's size and nature are as follows:

- Segregation of Duties: The choir size does not justify the segregation of duties among persons managing the choir's finances. To reduce the risk of fraud and errors:
 - o The Treasurer will obtain authorisation for transactions defined in the payment approval matrix in Section ~~15+4~~ prior to making any payments from the charity bank accounts

- At least two other Trustees have on-line access to the choir's bank accounts
- The Treasurer will ensure all income and expenditure is accurately recorded in the financial system and available for examination by Trustees and reporting.
- Appropriate documentary proof (receipts, invoices, statements etc.) are recorded for all payments.
- Reconciliations: The Treasurer will perform monthly bank reconciliations and review them for discrepancies.
- The Treasurer will obtain an external examination of accounts annually to ensure compliance with financial controls and identify areas for improvement.

12. Risk Management

The Trustees will review, and question Treasurer's reports to Committee meetings and continue to:

- Regularly assess financial risks and any measures to mitigate them.
- Consider procedures to prevent, detect, and respond to fraud.

13. Data Protection and Security

In managing the charity's financial records, accounting software and membership data, the Treasurer will ensure:

- GDPR Compliance: Ensure compliance with the UK General Data Protection Regulation (GDPR) when handling member's personal data.
- The financial management software, data and membership records are stored on a computer suitable for current operating systems with cyber-security protection installed that is kept up-dated.
- Data back-up: All choir financial data will be backed up using a suitably secure cloud service.
- The Treasurer will securely hold any online service (banks, Charity Commission, HMRC) log-in details, passwords and PINs and take appropriate care in responding to any request to share sensitive information.

14. Tours and Events

Occasionally, the choir will arrange a tour or events to further the charitable activities that will require the use of RMVC's accounts.

- Choir tours: travel by the choir members as a group to perform away from the Reading area.
 - This may require the purchase of group accommodation and transport services for the whole travelling party, with the costs then split appropriately and paid by members of the travelling party.
 - The Treasurer will work with the planning team to secure the required services, make block bookings and pay the service providers. allocate the costs to the travelling party members.
 - The Treasurer will calculate each travelling member's share of the costs and ensure receipt of payment into the choir's account before paying the service providers
- Events: when an event or performance is produced by the choir to further its charitable activities, the Treasurer will work with the planning team to prepare appropriate budgets, purchase required services and venues and manage income.

The costs of all tours and events will be paid by participating members and there will be no use of RMVC funds to support or subsidise tours and events.

15. Payment Approval Matrix

Payment type/Value	Treasurer	Chairman plus 1 Trustee
1. Any claim for any expenses incurred by the Treasurer.		Approve in advance
2. Payment of the choir's normal running costs that are anticipated in the budget agreed in the AGM. This includes: <ul style="list-style-type: none"> a. Honoraria b. Re-imburement of expenses incurred by trustees, members and Musical Directors c. Concert expenses d. Payments to suppliers 	Approve	
3. Payment of travel and accommodation costs required for tours and events that have been planned and budgeted by the Committee. This includes: <ul style="list-style-type: none"> a. Any refunds of members' partial payments towards their travel and accommodation costs, where agreed by the organising committee. b. Music Director's costs 	Approve	
4. Payment of expenses to Trustees, choir members and Musical Directors, or to suppliers for: <ul style="list-style-type: none"> a. Unusual or unanticipated costs that are not part of the Choir's usual activities b. Expenditure not anticipated in the agreed budget c. Can be justified but may contravene the expenses policy in section 7 or present a possible conflict of interest. 		Approve in advance
5. Any use of the Choir's reserve funds		Approve in advance

All "Approve in advance" approvals will be recorded by the Treasurer.

16. Review and Update

The Trustees will review this policy annually and update it as necessary to reflect changes in legal requirements and best practices.

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