

Birmingham Ladies Barbershop Harmony Club
(Second City Sound)

Policy Regarding Internal Financial Controls

Registered Charity Number 1153445

Policy Regarding Internal Financial Controls

The Birmingham Ladies Barbershop Harmony Club (hereafter referred to in this policy as Second City Sound – SCS) is a registered Charity and the Trustees have a responsibility to protect the assets of the charity. This paper sets out the guidance notes regarding internal financial controls, as suggested by the Charity Commission.

A. MONITORING

1. The Trustees will carry out an annual review of the internal financial controls during their January meeting.
2. The Trustees will appoint an internal auditor to periodically check the Treasurer's records.

B. TRUSTEE'S RESPONSIBILITIES

1. The Treasurer will be required to keep accounting records of all transactions and to give a report at every Trustees' meeting.
2. The Trustees consider that an amount of £6000 should be kept in reserve to ensure the payment of LABBS subscriptions and the annual rental of the rehearsal room.
3. The Trustees will appoint an external auditor and require that person to provide an independent examination of the accounts annually by the 31st May. Also to provide a written signed report on those accounts. This report to be formally approved at a committee meeting before the AGM.
4. Newly appointed Trustees will be given a copy of the latest accounts, plus any other relevant documents.
5. Trustees will ensure that the annual report and accounts are filed with the Charity Commission on time.
6. The trustees will ensure all policies and procedures are kept up to date, that they are posted on the website and that all members are made aware of them.

C. MANAGING THE RISKS OF FINANCIAL CRIME AND ABUSE

The Trustees will ensure that there are robust procedures in place so that all risks of financial crime and abuse are minimised

D. MANAGING INCOME

1. A lockable cash box will be provided during fund raising events, with two people involved in counting and recording any income. Any cash will be banked as soon as possible.
2. For ticketed events pre numbered tickets will be sold and reconciliations made against tickets sold.
3. Records will be kept for all financial transactions

E. GIFT AID

1. Each member will be offered the chance to make a Gift Aid donation via the standard form. These forms to be sent to the Charities Commission for claims to be made annually.
2. The Club will keep records of all Gift Aid claims.

F. TRADING INCOME

1. The Club will make a charge for singouts, concerts, shows as follows:-
 - a) Appearance at an event organised by a charity - £50 which maybe donated back to the charity at the discretion of the Trustees.
 - b) Appearance at an event organised by a voluntary organisation - £100
 - c) Appearance at an event for which the audience is paying for us to entertain them - £200 minimum.
 - d) These charges can be changed or negotiated if necessary and only with the full consent of the Trustees
2. The Treasurer will be asked to provide an invoice for these performances.

G. BANKING AND CUSTODY PROCEDURES

1. The Treasurer will be asked to bank any incoming receipts as soon as possible.
2. Insurance is held via Making Music to cover the contents of the cash box and cash in transit.

H. CHECKS ON INCOME RECORDS

1. The Treasurer will be asked to reconcile the bank statements periodically and have these checked by the internal auditor as at A.2.

I. PURCHASES AND PAYMENTS

1. The Trustees will allocate a budget (e.g. for education, advertising etc) and will require receipts to be provided.
2. The Trustees will allocate a budget for educational grants and hardship grants and should monitor this on an annual basis.
3. The Trustees will allocate a budget for the M.D. to purchase music, songs and guest coaches, which will be monitored on an annual basis
4. The Trustees will allow the Chair, Treasurer and Secretary to sign cheques, with at least two signatories. No blank cheques will be signed. Cheque books will be kept in a safe place by the Treasurer. Cheque expenditure to be recorded in the cash book and noted with the relevant cheque number, nature of payment and payee. Cheques will only be signed with documentary evidence of the payment (e.g. an invoice).
5. No payments will be made by debit/credit/charge card.
6. The Trustees will allow the Treasurer to set up direct debits, standing orders and direct credits. The Treasurer must ensure that automatic payment arrangements are cancelled when goods/services are no longer being supplied.
7. The Trustees will allow the Chair, Treasurer and Secretary to set up BACS payments, with a dual authorisation system.
8. The Treasurer will make every effort to minimise cash payments, although reimbursements of expenses may be made by cash. Records of these cash payments must be entered in a petty cash book and periodic checks made of the petty cash book and records by the internal auditor as at A.2.
9. Expenses will be reimbursed upon receipt of an invoice.
10. Expenses agreed by the Trustees, must be recorded on the claim form and must state that the claim is accurate and incurred on the business of the charity.
11. Mileage rates for travel must be in accordance with HMRC approved rates.

12. Regular checks are to be made ensure expenditure records are accurate and agree with the bank records
13. Regular checks are to be made to ensure that there are no discrepancies between the payments made and the original invoice or payments records
14. Checks must be made by someone other than the person who made the entry into the accounting records

J. ASSETS

1. Fixed Assets - The Club owns risers and a trailer and jointly owns a sound system. All these pieces of equipment should be reviewed annually. They are insured as part of the Making Music insurance policy.
2. Monetary Assets -
 - i) The Treasurer will be asked to reconcile the bank statements on a regular basis.
 - ii) The Trustees will ensure that electronic banking requires authorisation by two individuals (see I.6). Each authorised individual will have her own PIN and password which should be kept securely.

Signed

Date

**Chair
Second City Sound**