



Financial Policy

Definitions:

Board: The Board is the Board of Trustees of Norfolk Camerata.

Financial Year: Norfolk Camerata's financial year is 1 September to 31 August.

Treasurer and Treasurer: The Treasurer is the member of the Board who leads the strategic and operational responsibility for the financial management of Norfolk Camerata, and is the person who has the day-to-day responsibility for the administration of Norfolk Camerata's financial transactions.

Authorised Person: Authorised persons are those persons authorised by the Board of Trustees to approve financial instruments (cheques, purchase orders, invoices, etc) on its behalf.

Income Policy & Procedures

Purpose:

To safeguard, monitor and control income including grants, donations & contribution in the form of BACS, cheques & cash.

To outline the structure of authorisation for dealing with income, credit-control and cash management.

Invoices:

Invoices should be issued whenever it is appropriate.

Invoices should include the following details:

- Norfolk Camerata's logo;
- A statement that Norfolk Camerata is a registered charity, and its charity number;
- The name and address of the person or organisation being invoiced;
- The date of the invoice, which must be the date it is posted to the accounts;
- The nature of the services and/or goods being charged for;
- The rate at which services and/or goods are being charged for;
- The purchase order number (where available) and/or any other appropriate identification information provided by the person or organisation being invoiced;
- If the invoice is to a funding body it should state the funding period to which it relates;
- The invoice total;
- Norfolk Camerata's payment instruction & terms of payment.

Where acceptable to the person/organisation to which it is addressed, the invoice may be sent electronically in PDF format. Otherwise the invoice shall be printed and sent by post. In either case the invoice must be despatched within 2 working days of being produced.

Outstanding invoices:

The Treasurer will review the outstanding invoices every month.

If an invoice hasn't been paid within 28 days of being issued, then a second invoice should be issued. The second invoice should be a copy of the first, but with "REMINDER" added to it.

Any invoice which remains unpaid for more than 56 days must be brought to the attention of the Board to determine what further action should be taken.

Unless there are extenuating circumstances, debtors with invoices more than 56 days overdue will not be allowed any further credit (e.g.: the provision of goods or services, or access to any of Norfolk Camerata's facilities or resources) until the outstanding debt has been repaid in full.

Bad debts will be formally written off annually by the Board as part of the preparation for the audited/examined accounts.

Recording Payments:

Payment by BACS:

Where payments are made directly into the bank account via the BACS payment system the Treasurer will check for such direct payments each time a bank statement is received, or on-line as circumstances require.

When payment by cheque or cash is received:

When cheques or cash arrive the Treasurer will ensure that cheques are properly signed and made payable to Norfolk Camerata and will record their arrival in the accounts;

Cheques and cash received should be banked the same day where possible but at least once per week. Any cheques or cash not banked immediately must be locked away safely overnight or until it is banked. A maximum of £250 cash may be held overnight.

Cash in Transit:

All persons carrying cash to or from the bank are instructed to put their personal safety first in the event of any attempt to steal the money.

In the event of losses of cash in transit, the Treasurer must be informed immediately and take the appropriate action.

The times and days of taking cash for banking should be varied and an innocuous plain bag or briefcase must be used for carrying the money.

Budgeting Policy and Controls:

Purpose:

To provide a means of balancing projected expenditure against projected income and ensuring resources are allocated fairly;

To provide a structure for monitoring and controlling expenditure and allow authorised budget-holders the flexibility to manage their respective budgets within the limits laid down by the Board.

To ensure that funds cash flows can be effectively and efficiently managed to ensure that there are always sufficient accessible funds available to meet Norfolk Camerata's financial commitments as they arise.

Policy:

The annual budget will provide budget-holders with the authority to spend within the amounts specified under each budget heading.

The amounts budgeted for the income and expenditure, both within budget categories and overall, of Norfolk Camerata cannot be exceeded, transferred or altered without the authorisation of the Board.

The Treasurer will provide budget-holders with regular reports (informal reports will be provided monthly as appropriate, formal reports will be provided biannually) detailing actual expenditure against budget heading and ensure that budgets are not exceeded.

The Treasurer will ensure that the Board is informed where any breaches of this policy may occur.

Budget-setting Process:

A budget is a plan translated into money for a defined period of time. The time period is usually the financial year. The budget is prepared after Norfolk Camerata has clarified its aims and objectives and produced a variety of action plans to achieve them. The purposes of a budget are:

- To co-ordinate different activities towards a single plan;
- To set and communicate financial targets;
- To maximise and allocate resources;
- To identify financial problems;
- To establish a system of control by having a plan against which actual results can be compared;
- To compel planning.

As the budget is a vital element of the procedure for negotiating grants and contracts, it is important that a budget is produced in good time.

The Treasurer will produce a draft budget based on previous income & expenditure patterns and the expected actual income & expenditure for the coming financial year. The draft budget and any explanatory notes will be circulated to the Board for comment.

Monitoring and Revision:

The Treasurer will monitor income and expenditure and ensure that the Board receives accurate and up to date information regarding any shortfall in projected income or increase in expenditure. Where necessary, the Treasurer will make recommendations on various options for remedial action.

Where such action may affect the level of service or staff then negotiations should be initiated with the relevant parties immediately.

Purchasing Policy and Procedures:***Purpose:***

To ensure that all expenditure is properly authorised and provide a standardised procedure for dealing with expenditure items.

Orders - Goods and Services:

The value of an order/purchase to be shown along with delivery charges where appropriate and both inclusive of VAT.

Budget-holders may order items within their own budget and up to £150 in value.

For purchases outside of budget or over £150 and up to £500 value the authorisation of the Treasurer is required.

Items over £500 in value must be authorised by the Board. For any purchase over £1000 in value, at least 3 quotes must be obtained in order to ensure a competitive price is paid unless the Board explicitly waives this requirement and records in the minutes of the Board meeting the justification for the waiver.

Delivery notes must be checked and initialled by the budget-holder and be filed in the delivery notes file. Any discrepancy between the order and delivery notes must be notified to the supplier immediately. In the event that a discrepancy is not rectified by the supplier as soon as is reasonably practical the Treasurer must be informed.

Invoices must be checked against the relevant delivery notes, initialled and dated when received by the budget holder and forwarded to the Treasurer for payment.

In the event of any shortfall in delivery or the return of goods for any reason, the relevant credit-note must be received from the supplier before payment is made.

Payments by Cheque and Other Instruments (e.g.: On-Line BACS, Direct Debit):

Where appropriate, authorised persons who are not Trustees may be established by resolution of the Board. The resolution must state the reason for the authorisation and the date on which it will expire.

Where a cheque or any other form of payment is being made to an authorised person that person may not be a signatory on the cheque or other instruction for payment;

Where a cheque or other instructions to the bank – including instructions made on-line (e.g.: for BACS payments) – is for an amount exceeding £1000 the payment must be authorised by the Board of Trustees unless the purpose for which the payment is being made has already been approved by the Board. The authorisation of the payment can be made by written resolution, including by e-mail where appropriate (i.e.: the authorisation does NOT necessarily require the convening of a Board meeting).

On-Line Purchases Using Credit/Debit Cards:

This section should be deleted/modified if the charity's bank does provide a debit/credit card:

It is recognised that the increasing availability of on-line purchasing means that it is very often possible to secure products at very competitive prices.

Norfolk Camerata's bankers do not provide a credit/debit card to allow such purchases to be on-line with direct charging to Norfolk Camerata's bank account. This means that Norfolk Camerata can only take advantage of competitive on-line pricing where budget-holders are willing and able to make such purchases using their own personal credit/debit card and reclaim the expenditure from Norfolk Camerata. Norfolk Camerata accepts that, provided that due care is taken to ensure probity, that this is a reasonable and beneficial way of proceeding.

All such on-line purchases must have the prior approval of a Trustee who is not otherwise involved in the purchase, in addition to the budgetary approvals specified earlier.

On-line purchases of items for Norfolk Camerata must NOT include within the same order any item for the personal use of the person placing the order.

The procedures for handling delivery notes, credit notes and invoices for purchases charged to a personal credit/debit account shall be the same as those for purchases made directly by

Norfolk Camerata. The reimbursement of individuals for purchases made on behalf of Norfolk Camerata will always be by cheque signed by two Trustees who are not otherwise involved in the purchase (including reimbursement which are within the single-signature limit in Norfolk Camerata's bank account mandate).

Petty Cash Policy and Procedure:

Purpose:

To ensure all cash is properly handled including storage, payments and record keeping.

To establish accountability for the proper handling of cash.

Policy:

Norfolk Camerata will avoid the maintenance of Petty Cash accounts.

The Accounting and Audit Procedure:

Purpose:

To ensure that Norfolk Camerata meets the statutory accounting requirements of the Charities Commission and Companies House

To provide accurate and useful data for the Board and staff.

Procedure:

Norfolk Camerata's accounts will be managed electronically using appropriate software approved by The Board and Norfolk Camerata's Auditor/Examiner;

The Treasurer, will ensure that all financial records, supporting documentation and reconciliations are accurately maintained, up to date and easily retrievable for analysis and examination purposes;

The Treasurer will prepare timely and accurate year-end accounts in the appropriate format with the required supporting working papers and relevant reconciliations.

The Annual General Meeting has agreed that: *“That, for as long as it is entitled to do so under the relevant legislation, Norfolk Camerata will exercise its option to exemption from the requirement to obtain an audit of its financial activities”*

The Treasurer will ensure that accounts are completed and signed within six months of the year end.

The Treasurer will ensure that the accounts are filed with:

- the Charity Commission within 10 months of the year-end.