

Policy	Financial Control Policy and Procedures
Effective Date	1 February 2017
Date Last Reviewed	March 2026
Authorised by	Trustees by email consultation
Scheduled Review Date	March 2027
Supersedes	All previous Policies and/or Statements

1 Introduction

- 1.1 The Harrogate Choral Society (HCS) ensures it has a budget which matches key objectives and priorities. This enables decisions to be made on accurate financial projections and enables accurate reporting. This is essential in order for HCS to meet commitments and key objectives. This will enable it to continue to function as a going concern
- 1.2 HCS has systems in place to identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud
- 1.3 HCS ensures that the Trustees comply with charity law and regulation relating to finance
- 1.4 This policy applies to the whole HCS family including all associated choirs.
- 1.5 **Trustee Responsibilities:** In accordance with Charity Commission guidance CC8 (2024), all Trustees retain collective responsibility for ensuring that adequate internal financial controls are established, implemented and regularly reviewed. Trustees must ensure that controls are appropriate to the charity's size, activities and risks, and that all individuals handling funds understand and follow these controls.

1.6 Fraud and Financial Crime Prevention

HCS will maintain proportionate measures to prevent fraud, bribery, money laundering and cyber-enabled financial crime. Trustees will review fraud risks annually and ensure appropriate controls, including segregation of duties, verification checks, and secure online banking practices.

1.7 Conflicts of Interest

Trustees and volunteers involved in financial decisions must declare any actual or potential conflicts of interest. Individuals with a conflict must not take part in decisions relating to that matter. All conflicts will be recorded in the HCS Register of Interests.

2 HCS Budgets

- 2.1 The Treasurer keeps accurate records of all financial transactions, ideally using an appropriate software package.
- 2.2 The Treasurer prepares a draft budget for each financial year in advance of that year to enable the planning of each concert to take place within the constraints of the budget.

- 2.3 The Treasurer reports regularly to the HCS Trustees on the performance of actual vs budget following each concert.

3 Procedures for Income

- 3.1 Cheque and cash receipts are kept safely and recorded promptly by the Treasurer or appropriate deputy. Cash income above £100 will be checked and signed for on receipt by a Treasurer/Trustees plus the person paying over cash.
Cash must be stored in a locked container with restricted access. Cash counts must ideally be conducted by two unrelated individuals and recorded on a cash-counting sheet.
- 3.2 Cheques and cash receipts are banked regularly and promptly by the Treasurer or appropriate deputy (i.e. Librarian banking hire monies, etc.)
- 3.3 Funds are banked gross, without deduction for costs or expenses.
- 3.4 Details of income, i.e. paying in slips, which are banked by authorized people other than the Treasurer are checked against bank statements by the Treasurer.
- 3.5 BACS transactions for member subscriptions are checked regularly by the Treasurer.
- 3.4 Insurance cover for cash in hand and in transit should be considered (Note: this is covered by our 'Making Music' Annual Insurance policy)

4 Payment for Goods / Services

- 4.1 Cheque books are kept in a safe place.
- 4.2 Blank cheques are not pre-signed.
- 4.3 Cheques are signed by two authorized signatories as required by the bank. Details of the payment being made are recorded on the cheque book stub.
- 4.4 The Treasurer obtains and files documentation to support the validity of all payments, including relevant invoices and confirmation that goods or services ordered have been received.
- 4.6 Online banking may be used if supported by a dual authorisation scheme. Online banking access must be protected by strong passwords, multi-factor authentication (MFA) where available, and restricted to authorised individuals. Passwords must not be shared and must be changed regularly.
- 4.7 Subject to a 'bank waiver' a debit card is held by the Treasurer, Business Manager and Co-Chair to facilitate certain purchases which would otherwise necessitate regular or substantial refunds to a member of HCS. This will be subject to regular review by the Trustees.
- 4.8 Payment by standing order may be authorised by the Trustees in appropriate circumstances and will be subject to regular review.

5 Payments to Officials

- 5.1 Officials are asked to submit claims for rehearsal time in line with their contract.
- 5.2 Payment for such will be made in accordance with section 4.
- 5.3 Claims for other expenses are made in accordance with section 7.

- 5.4 Officials are engaged by HCS on a self-employed basis and are expected to account for their own income tax, VAT and Class 4 National Insurance contributions. HCS will assess the employment status of all officials and contractors in line with HMRC's IR35 and employment status guidance. Written agreements will clarify that officials are responsible for their own tax and National Insurance.

6 Checks / Authorisation for payments

- 6.1 Records of payments received or made should agree with bank paying in slips, invoices and receipts
- 6.2 Records of payments made or received should reconcile with the bank statements.
- 6.3 Payments made should be authorised by the Trustees or be within the specific remit of a designated HCS Role. *(e.g. purchase of members' scarves was authorised by the Trustees; purchases by Librarian are authorised by the Trustees via budget approval for each concert; rehearsal room hire is paid monthly by the Treasurer after invoice and does not require separate approval each time)*
- 6.4 Orders for goods or services made under 'delegated authorisation' are within the agreed budget amount for the expenditure (e.g. contracting soloists, musicians)
- 6.5 Online payments received or made are identified and verified against supporting paperwork.

6.6 Fraud Prevention Controls

All payments must be subject to verification to reduce the risk of fraud, including:

- independent review of bank reconciliations
- verification of supplier bank details before first payment
- dual authorisation for online banking
- monitoring for unusual or unexpected transactions

6.7 Cybersecurity Controls

All financial systems must be protected by up-to-date antivirus software, secure devices, and encrypted connections. Financial data must not be accessed on unsecured public Wi-Fi.

7 Cash

- 7.1 Cash payments are for small amounts only (e.g. refund for rehearsal refreshments, purchase of envelopes) and will be processed by the Treasurer.
- 7.2 Cash thus refunded is paid from a 'cash in hand' float and not from incoming cash or by direct withdrawal from the bank account.
- 7.3 A separate account is kept of 'cash in hand' / 'petty cash' by the Treasurer.
- 7.4 A cash float may be provided by the Treasurer on request for certain events e.g. cake sale, sales of programmes at concerts.

8 Expense Claims

- 8.1 The same expenses claim procedure will apply for Members, Trustees, Officials and Volunteers.
- 8.2 For amounts over £20 a formal claim form may be requested by the Treasurer and will be authorised by a second Trustee. This will require a 'self-declaration of accuracy' by the claimant.
- 8.3 Mileage claims, when allowed, will be refunded at no more than the HMRC rate.
- 8.4 For all expense claims a receipt is required, or other acceptable evidence of the expenditure.
- 8.5 Expense claims will be usually be paid by BACS or cheque in order to minimise cash payments.

9 Internal Box Office Arrangements

- 9.1 If HCS organizes tickets for a concert without engaging a professional box office services ticket sales are managed in such a way that all monies can be safely accounted for.
- 9.2 All tickets are numbered, even if seating is unreserved, to enable this.

10 Gift Aid

- 10.1 Donations made under Gift Aid are treated as if the donor had already deducted basic rate tax from them. HCS can reclaim this tax to increase the value of a donation.
- 10.2 All HCS Members and Friends will be asked to complete a gift aid form indicating, if they are a tax payer, that Gift Aid may be claimed by HCS in order that complete and accurate returns are made maximising the value of donations to the charity.

10.3 Gift Aid Data Requirements

Gift Aid declarations must be stored securely in accordance with UK GDPR. Donors must be informed of their right to withdraw consent. HCS must maintain an audit trail linking each declaration to the relevant donation.

11 Legacy Income

- 11.1 Records are maintained of all legacies and bequests notified to the charity.

12 Assets

- 12.1 A list or register is maintained of all assets whether purchased by, or donated to, the charity for its continuing use. This record will show the cost (or value) of the asset and provide sufficient detail to enable an asset and its location to be identified
- 12.2 Fixed assets are inspected at regular intervals to ensure that they exist, remain in good repair and are being put to appropriate use. The asset register must be independently verified annually by a Trustee not involved in day-to-day asset management. Any discrepancies must be reported to the Trustees.
- 12.3 The disposal or scrapping of fixed assets is appropriately authorised and recorded in accounting records and in any fixed asset register, held by the Treasurer.

12.4 Capital items are normally depreciated on a 20% straight line basis.

12.5 The adequacy of insurance cover is reviewed at regular intervals.

13 Investments

13.1 Any monies invested in line with the Reserves Policy shall, so far as is possible, be invested in an account earning the best rate of interest available, subject to an acceptable 'notice of withdrawal' period.

14 Independent Examiner

14.1 HCS will engage the services of an Independent Examiner to check the annual accounts before they are submitted to the Charity Commission.

14.2 Appointment and Independence

The Independent Examiner will be formally appointed by the Trustees annually. Trustees must confirm the examiner's independence and competence in accordance with Charity Commission guidance CC32.

15 Retention of Records

15.1 The retention of financial documents is in line with the HCS policy on document retention.

15.2 All records of income and expense transactions (receipts, invoices, bank statements, petty cash record, reconciliations, bank paying in books, cheque books) are retained for at least six years from the end of the financial year in which the transaction was made.

15.3 Invoices for capital items (i.e. assets subject to be depreciation) will be retained for at least 10 years.

15.4 Gift Aid declaration records are retained for at least 6 years after the last payment was made.

15.5 Legacy records are be retained for 6 years after the estate has been wound up.

15.6 Correspondence regarding donations is retained for 6 years after the financial year in which the donation was made. Copies of such correspondence should be passed to the Treasurer for filing.

15.7 Data Protection Compliance

All financial records containing personal data (including donor information, member subscriptions, Gift Aid declarations, payroll/contractor details and expense claims) must be processed in accordance with the UK GDPR and the Data Protection Act 2018.

Personal data must be:

- collected lawfully and transparently
- stored securely with access limited to authorised personnel
- retained only for the minimum statutory period
- disposed of securely when no longer required

A record of processing activities (ROPA) will be maintained to demonstrate compliance.

Change Control History

Date of Change	Summary of Revisions Made
March 2018	Various amends and updates, also numbering corrected
March 2019	Various amends to clarify matters
March 2020	No changes needed
March 2021	No changes needed
March 2022	Sent to all by email, no changes needed
April 2023	Sent to all by email, no changes needed
June 2024	Update on which trustees hold a debit card (Treasurer, Business Manager and Co-Chair)
March 2025	Section 5 Payments to Officials - brackets with named choirs taken out as this policy applies to the whole HCS family including all associated choirs (see 1.4)
March 2026	Updated to align with Charity Commission CC8; strengthened fraud-prevention and authorisation controls; added cybersecurity requirements for online banking; introduced data-protection wording for financial records; added independent verification of the asset register; clarified Gift Aid data requirements; updated procedures for cash handling, delegated authority and employment-status compliance; strengthened monitoring and documentation expectations.

Policy Review Statement

This policy will be reviewed annually by the Trustees to ensure continued compliance with Charity Commission guidance, UK GDPR, and relevant financial legislation. All revisions will be recorded in the Change Control History.