



## Drum and Brass finance policy and procedures

### 1. Introduction

- 1.1 Financial records will be kept so that Drum and Brass can:
  - a. Meet its legal and other obligations, e.g., Inland Revenue, Customs and Excise, Common Law.
  - b. Enable the Directors to have control of the organisation's finances.
  - c. Enable the organisation to meet contractual obligations and the requirements of funding bodies. Drum and Brass logo.
- 1.2 The organisation will keep proper books of account, which will include:
  - a. A cashbook analysing all the transactions in the organisation's bank account(s) with separate linked sheets for significant projects (value over £3000).
- 1.3 The financial year for Drum and Brass will end on 31st December of each year.
- 1.4 Accounts will be drawn up within three months of the end of each financial year and presented to the next annual general meeting (AGM).
- 1.5 Before the start of each financial year, the directors will approve a budgeted income and expenditure account for the following year.
- 1.6. A paper comparing actual income and expenditure with the budget will be presented to the directors every three months and on a monthly basis to both the Chair and the Treasurer.

### 2. Bank

- 2.1 The bank mandate (list of people who can sign cheques on the organisation's behalf) will always be approved and minuted by the directors as will all changes to it.
- 2.2 Drum and Brass will use online methods to obtain statements every month and these will be reconciled with the cash back every month and the Treasurer will spot check that this reconciliation has been done at regular intervals, and sign the cashbook.

### 3. Receipts (income)

The aim is to demonstrate that Drum and Brass has received all the income to which it is entitled and that it is all reasonably evidenced.

- 3.1 All monies received will be recorded promptly in the cash analysis book and banked without delay (note this includes sundry receipts such as payments for telephone calls, photocopying, etc.) The organisation will maintain files of documentation e.g. letters from funding bodies to back this up.

### 4. Payments (expenditure)

- 4.1 The directors will be responsible for holding the cheque book (unused and partly used cheque books), which should be kept under lock and key.
- 4.2 Blank cheques will never be signed.
- 4.3 Whenever possible, the same person should not be responsible for ordering, processing and checking invoices as well as raising cheque requisitions, signing cheques and making payments.
- 4.4 Cheques will require the approval of the directors.



4.5 The relevant payee's name will always be inscribed on the cheque before signature, and the cheque stub will always be filled in.

4.6 No cheques will be signed without original documentation.

4.7 Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives of the constitution.

4.8 The Chair and/or the Treasurer with (in either case) one other director shall not approve expenditure of more than £100.00. This approval should be written down, signed by both people approving it, and reported to and minuted at the next directors meeting.

## **5 Payment documentation**

5.1 Every payment out of the organisation's bank account will be supported by an original invoice (never against a supplier's statement or final demand). That original will be filed and kept for six years. Payments shall generally be made via bank transfer from the Drum and Brass bank account. Details shall be added to the monthly running totals and shared with the directors. If cheques are written, both the signatories shall check that the Drum and Brass cheque requisition slip is fully completed. This includes the following:

- Cheque number
- Date cheque drawn
- Amount of cheque
- Invoice to which each cheque relates to

5.2 Petty cash - if implemented - will always be maintained on the imprest system whereby the treasurer is trusted with a float as agreed by the directors. When it is more or less expended, a cheque will be drawn for a sufficient amount bringing up the float to the agreed sum (currently agreed at £50.00), the cheque being supported by a complete set of expenditure vouchers and when possible receipts, totalling the amount spent. The expenditure will be analysed in the petty cashbook.

5.3 Expenses/Allowances: Drum and Brass will reimburse at cost price if the following information is provided:

- Fares are evidenced by tickets (where possible).
- Other expenditure is evidenced by original receipts.
- Car mileage

## **6. Cheque signatures**

6.1 Each cheque will be signed by at least two people, if at all possible one should be the treasurer

## **7. Other undertakings**

7.1 Drum and Brass does not accept liability for any financial commitment unless properly authorised.

7.2 All fundraising and grant applications undertaken on behalf of Drum and Brass will be done in the name of the organisation with prior approval of the directors.

7.3 Drum and Brass undertakes to pay at least the living wage for all work assigned to third party suppliers.



## **8. Confidentiality**

8.1 Directors, volunteers and employees will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information.

## **9. Other rules**

9.1 The directors will consider the level of reserves that is prudent for Drum and Brass to have at its first meeting after the AGM. Consideration will be given to any significant factors that should be taken into account were Drum and Brass to close.

9.2. Drum and Brass will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location of the asset(s).

This policy will be reviewed yearly.

Signed (Chair): Julie Maxwell

Dated: 16.07.2019

1st Review Date: 03.12.2021 JH