



BELFAST MUSIC SOCIETY  
CHAMBER MUSIC SINCE 1921

## BMS FINANCIAL PROCEDURES

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### 1. Purpose of this document

To define the financial procedures used by Belfast Music Society (BMS) and how they relate to the organisation. Amendments/updates to this document must be approved by the Board of Directors.

### 2. Budget

Each year, prior to the submission of our application to the Arts Council, a provisional annual budget will be prepared by the Concerts Manager for the approval of the Board. The budget will include a detailed projection of our income and expenditure. In particular, it will name the artists we intend to employ and their estimated cost.

After the Arts Council makes its decision the Concerts Manager will prepare a revised budget, in a similar format, for the approval of the Board.

If cash flow problems are anticipated within the financial year, the approved budget will be used as a base to construct a cash-flow forecast for the year.

### 3. Ordering and procuring supplies and services

It is vital that everyone is aware that expenditure is committed when an order is placed on behalf of BMS, not when the cheque, bank transfer or card payment is requested. Therefore, it is important that all orders are placed properly, are within the agreed budget and delegated powers, and provide best value for money.

The Concerts Manager is responsible for placing all orders. All orders are subject to cash-flow constraints. Variations from budget which would result in overall expenditure increasing by more than £1,000 require the Treasurer's approval.

For artistic reasons it is not considered appropriate to use a competitive tendering process to engage artists or a piano tuner. The Concerts Manager is entitled to vary the budgeted artists etc. to be engaged, and their remuneration, subject to no variation in the number and content of the concerts, and the limit in the previous paragraph. Such variations should maintain the quality and type of artists originally envisaged; any significant changes require the approval of the Chair.

All other procurement must comply with the following:

- Purchases below £100: apply common sense to ensure value for money
- Purchases of £101 to £500: a price check with at least 2 contractors/suppliers
- Purchases of £501 to £5,000: 2 written (by email) quotations should be sought
- Purchases of £5,001 to £30,000: 2 tenders should be sought
- Purchases above £30,000 will require a full tender process.



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Price checks and/or quotations should be documented and retained on file for verification purposes.

Any lease, hire purchase agreement or other service contract involving expenditure, will be subject to the same authorisation procedure as above, with the appropriate expenditure amount being the total committed expenditure over the total period of the contract. Board approval is required for expenditure over more than one year.

### 4. Payment authorisation

All invoices for payment must be authorised by the Concerts Manager or the Treasurer. The authoriser is responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, confirming that the services or goods have been received, and following up any problems. The Treasurer must be informed if there are queries delaying authorisation or if payment is to be withheld for any reason.

Once authorised as above, suppliers should be paid within the appropriate timescale. This is generally up to 30 days from the invoice date, unless there are exceptional cash-flow difficulties or specific supplier arrangements. The latter must be communicated to the Treasurer.

### 5. Credit card use

The BMS credit card is kept securely in the BMS office, and is solely intended for emergencies when normal payment methods (such as BACs transactions) are not possible.

However small the amounts, secondary authorisation for credit card transactions must be obtained.

### 6. Bank payments

Cash payments should be avoided if possible. Bank payments include cheques, payments through the BACs system and standing orders. The three signatories are the Chair, the Treasurer and the Concerts Manager. Any additional signatories or changes to the number of signatories must be approved by the Board.

- All electronic payments below £500 may be authorised by one signatory; no one signatory may act as sole signatory for more than a total of £1,500 in any 30-day period.
- If an authorised signatory is paying themselves, the payment must be authorised by a second signatory regardless of the amount being paid.
- All other payments, including cheques or withdrawals, require authorisation by two signatories.



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Signatories must check that the expenditure has been properly authorised.

Signatories must not sign blank cheques.

Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed. In exceptional circumstances the cheque amount can be left blank with the full payee name on the cheque.

A stipulated maximum amount must be securely indicated under the amount box of a blank cheque and also signed in initial format by the signatory.

### 7. Handling of cash

Petty cash will be topped up on the 'imprest' system, where the amount spent is reimbursed. It is intended for small items, up to £20 (approx.). The imprest has a balance limit of £100. The petty cash balance will be reconciled when restoring the imprest balance, or monthly if this is more frequent.

Specific extra cash floats (for events etc.) should be arranged with the Concerts Manager and signed for. The person signing for the float is responsible for ensuring cash and receipts are returned as soon as possible after the event etc.

Any cash income must be banked and not used for petty cash expenditure.

Cash will be kept in locked cabinets wherever possible.

### 8. Salaries, payroll and freelancers

At present BMS has no employees. It is the nature of BMS's activities that freelance consultants may be used. Freelance contractors will only be taken on when authorised in accordance with section 3 above and will be treated as self-employed; contracts with such people must clearly indicate this.

### 9. Income

Where circumstances mean that income should be invoiced, all invoices should be raised on official BMS letterhead.

Copies of letters confirming grants, sponsorship income or restricted funds must be passed to the Treasurer who will ensure the conditions of the income are met.

### 10. Bank accounts

BMS's bankers are Danske Bank, Donegal Square West, Belfast BT1 6JS



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All income will be paid into the current account as soon as possible.

### 11. Accounts and records

Proper accounting records will be kept. The accounts system is based around computer facilities, using Excel, but manual/paper records will also be used if appropriate.

Petty cash and bank accounts will be reconciled monthly.

All individual grants/funds will have a separate cost centre on the accounting system to record income and expenditure specifically for each funder.

All fixed assets costing more than £1,000 (or such other level as may from time to time be agreed by the Board) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and, in due course, details of disposal.

Original invoices and bank statements will only leave the BMS office for the annual independent examination and where a funder requires sight of an original bank statement to make payment. Where originals are required for any other reason, e.g. funders, verification, BMS will accommodate the process in the BMS office or a BMS representative will take the originals to the alternative address and remain with them until they can be returned.

### 12. Financial monitoring and audit

The Board will receive appropriate reports of income and expenditure against budget at each Board meeting. At the first Board meeting after the end of each financial quarter, the reports should be backed up by bank statements for the period. Cash-flow reports will be produced as appropriate.

BMS's financial year is from 1 April to 31 March. Annual accounts will be submitted for an independent examination, as required under the Companies Act, charity regulations and grant conditions, and any other relevant accounting conventions. Final draft should be ready for and passed by the Board of Directors in September, with independently examined accounts signed at the November AGM.

### 13. Roles

The Treasurer's specific responsibilities are to:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework
- Keep the Board informed about its financial duties and responsibilities



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- Advise the Board on the financial implications of BMS's strategic plans and key assumptions
- Confirm that the financial resources of BMS meet present and future needs
- Understand the accounting procedures and key internal controls, so as to be able to assure the Board of BMS's financial integrity
- Ensure that the final accounts are properly independently examined, and that accepted recommendations of the examiner are implemented
- Formally present the accounts, drawing attention to important points
- Monitor BMS's investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities
- Propose, as necessary, changes to signatory, mandate and procurement policies, all of which would then need to be approved by the Board.


The Board is responsible for:

- approving the budget for the year
- approving signatories to the bank accounts
- appointment of staff and the Concerts Manager
- receiving reports from the Treasurer and Concerts Manager on areas of concern
- approving exceptional items of expenditure
- monitoring the financial position based on monthly reports, with advice from the Treasurer and the Concerts Manager.
- approving the annual accounts, Independent Examiners report and appointment.

The Concerts Manager is responsible for:

- the day-to-day financial management within the above Financial Procedures
- ensuring that adequate security precautions are taken to safeguard financial and other assets.

Signed:



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John Harmar-Smith  
Chair, BMS

January 2021