

# Suffolk Poetry Society Finance Rules

## 1. Scope

1.1 This document details policy and procedures relating to Suffolk Poetry Society (SPS) finances. Its intended audiences are the Trustees and the committee of SPS.

## 2. Financial Year

2.1 The financial year of the society is 1st January to 31st December.

## 3. Strategy

3.1 The main focus of the financial dealings of SPS must be the stability of the society. The society will operate at least two bank accounts, a current account and a savings account. The society will maintain a reserves policy as detailed below. The purpose is to have a reserve that would see the society through difficult times. Any excess may be used to support events and projects as detailed below.

3.2 Until this state is achieved, risks must be minimised as described here. Beyond this state risks must still be managed carefully.

## 4. Risks

4.1 Financial risks are to be minimised by costing all events and projects. Costs must be balanced by income generated by each event or project and/or sponsorship and/or SPS resources.

4.2 Ticket prices must be set according to predicted audience size.

4.3 Use of existing resources to defray any shortfall must be agreed with the committee before any event or project may go ahead.

4.4 Costings must be prepared and agreed with the committee in advance.

*Definition:* 'Artist' refers to a guest poet, performer, musician or other invited guest engaged for an SPS event.

4.4.1 Costs to be considered are:

- Artist fees
  - Members engaged as an artist may be paid fees, as they are providing a service.
  - Fees will be negotiated on a case by case basis.
- Artist expenses, e.g. travel and accommodation.
- Hall hire
- Equipment hire, e.g. PA system, projection equipment

- Promotional costs, including posters, flyers, mail shots, postage, telephone calls, other advertising
- Travel and subsistence expenses for Trustees and other persons acting for the society (see below)

4.5 Although some of the items under 4.4.1 will be zero cost for particular events, either because they are not required or they are covered by sponsorship or are provided free of charge in some other way, they should still be included in order to show that they have been considered and accounted for, and so that the society can learn what its true running costs are.

## 5. Trustee Expenses

5.1 The constitution details that Trustees may claim "reasonable expenses". Formal guidance, although broad in scope, can be found online here:

<https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11/trustee-expenses-and-payments>.

5.2 Travelling expenses, e.g. fuel, parking costs, public transport are all reasonable expenses when incurred in the society's business. Also permissible are postage, phone calls, stationery, or equipment bought specifically for the society. If the equipment is shared with other, e.g. personal, uses, then a charge may be apportioned.

5.3 The Charities Commission says that expenses are also unreasonable if the society cannot afford them.

5.4 Expenses incurred by trustees related to hosting an artist for an event must be agreed in advance by the committee, be reasonable, fall within acceptable Charity Commission guidelines and not confer undue benefit to the trustee. The relevant trustee must not be present at specific committee discussion of costs payable to them personally.

## 6. Trustee Services

6.1 Trustees may be paid for services they offer to the society outside of their role as a Trustee, such as performances or workshops, as detailed here:

<https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11/trustee-expenses-and-payments#paying-trustees-for-services>. However, we operate on the basis of a presumption against trustees providing services to the society on a paid basis unless there is a compelling reason to do otherwise.

6.2 A Trustee offering a service may not take part in committee discussions about the service, in order to avoid any conflict of interest.

## 7.7. Bank Account

7.1. Two bank accounts will be held by the society. One will be a current account and one a savings account.

7.2. Surpluses exceeding £1000 each year will be transferred to the savings account, as will similar accumulated surpluses. However, sufficient funds will be maintained in the current account to enable the smooth running of the society.

7.3. Cheques will be signed by either the Treasurer or the Chair. The cheque will be supported by documentation detailing its purpose. This will take the form of an exchange of emails or letters between the person requiring the payment to be made and another authorised Trustee. The authorised Trustees will typically be the officers, Chair, Treasurer and Secretary. This may be changed by the committee if required to suit the society's circumstances. The exchange of letters or emails will always include the Treasurer, who

will maintain the record of correspondence. A cheque will only be issued when all parties are satisfied that its purpose is justified. Any Trustee benefitting from the cheque will not be party to the supporting correspondence.

- 7.4. All the Officers i.e. the Chair, Treasurer and Secretary may have access to the Society's bank accounts on line and by telephone after fully meeting the Bank's security requirements.

## 8. Bookkeeping

- 8.1. The society's financial records will be kept in a double entry bookkeeping system. Preferably this will be on a computer using a proper bookkeeping tool such as GnuCash ([gnucash.org](http://gnucash.org)).
- 8.2. Paper receipts will be kept for expenses for a period of seven years.
- 8.3. The Treasurer may use secure electronic means (for example Slack.com) to share financial information with Trustees and also store financial documents for ease of reference.

## 9. Auditing

- 9.1 Although the society is too small to require the books to be audited in law, they will be audited annually after the year end by a competent person in order to give confidence to the members and other Trustees that the finances are in order.

## 10. Insurance

- 10.1 The society will insure its property with an appropriate body such as Suffolk ACRE.
- 10.2 The society will hold Public Liability Insurance with an appropriate body such as Suffolk ACRE.

## 11. Reserves Policy

- 11.1 The society aims to hold a minimum of 50% of turnover in a savings account as a reserve. This will only be used in exceptional circumstances, e.g. to cover a shortfall in subscriptions or sponsorship, or when necessary to fund an event and there is a high expectation of replacing it from proceeds. If the reserve falls below 50% of turnover then efforts will be made to bring it up to that level within the society's financial year. If this is not successful, then a statement will be made in the annual report describing a proposed strategy for achieving the required level.

## 12. Gift Register

- 12.1 Suffolk Poetry Society ('the charity') will maintain a register of gifts (the 'Gift Register') made to the society and in particular to Trustees.
- 12.2 Trustees must declare gifts made to them as a result of their position in the charity.
- 12.3 Trustees receiving gifts must realise that receiving that gift creates an interest that they must declare in any discussion concerning the gift or organisation or person donating the gift, and must, in the usual way, follow the rules and procedures concerning a declaration of interest.
- 12.4 Gifts to the Society become assets of the charity.
- 12.5 The Gift Register may be held as part of the charity's Asset Register, but must be marked as gifts in that register with the circumstances regarding the gift recorded, e.g. the donor, recipient and reason must be recorded.

12.6 Any conditions attached to the gift must be recorded.

12.7 The register will be made available to members on application. If the Gift Register is part of the Asset Register, then only the records of gifts should be made available.

12.8 The Society reserves the right to decline gifts.

## 13. Assets

13.1 The society will maintain an Asset Register that lists all of its property.

13.2 This may take the form of a written record or a computer database.

13.3 The Asset Register will hold the location of each asset.

13.4 The Asset Register will identify the current keeper of each asset.

13.5 The Asset Register will record the source of the asset, e.g. institution, company, donor.

13.6 The Asset Register will record the initial cost of the asset.

13.7 The Assets will be categorised as fixed assets (for example, banners, PA system) and saleable assets (for example, *Singing Stone* anthology, other publications).

13.8 The Asset Register will give a monetary value to each asset. This value may well depreciate over time, so should be assessed at least annually.

13.9 The Asset Register may or may not be part of the bookkeeping records, but the value of each asset will form part of that record.

13.10 The Asset Register will record whether the asset is a gift (if the Gift Register is part of the Asset Register).

13.11 The Asset Register will record the purpose of the asset (unless obvious. This could also be used to record the reason for a gift and any conditions attached to the gift).

13.12 It is the responsibility of someone moving an asset from one location to another to inform the person managing the Asset Register.

13.13 Members are entitled to know the state of the charity's assets. This will be made available on request.

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6.3 Resolution 1: Add § 7.4

6.5 Resolution 2: Add § 8.3