

British Toxicology Society Finance Policy and Financial Reserves Policy.

Finance Policy:

1. The Society will aim to balance income and expenditure, with the majority of annual income being applied in the pursuit of the Society's remit: *The advancement of education and professional training in the science of Toxicology.*
2. As a registered charity, The Society will comply with guidance from UK charity commission.
3. The Financial operation of the Society will be overseen by the Treasurer, with support of the Finance Subcommittee. Financial administration will be provided by staff employed by the Society.
4. The Treasurer will set an annual budget, which will be reviewed and approved by the Trustees. Assets of the Society will be managed and invested to minimise risk, while maintaining a level of financial flexibility.
5. Members serving the Society are entitled to reimbursement of their costs, in accord with the Expenses Policy. Trustees of the Society cannot be employed by the society.
6. The annual accounts will be subject to an independent inspection by a qualified accountant, prior to their presentation to the Annual General Meeting and subsequent submission to the UK Charity Commission.

Financial Reserves Policy:

To safeguard the Society's financial stability and secure Society's ability to fulfil its public service remit, the BTS should hold unrestricted financial reserves* sufficient to cover the total operating costs for a period of 18 - 30 months - based on the average operating costs of the previous 5 years.

This policy accords with the practice of, similar, Professional & Scientific Societies.
This policy will be reviewed at 2 yearly intervals. Next review date, Dec 2019

Financial reserves Background : the British Toxicology Society, as a registered charity, should have a regularly reviewed plan for financial reserves (financial resilience) which is accessible to Members of the society, stakeholders and to other relevant individuals and organisations¹.

In assessing an appropriate level of financial reserves, distinction should be made between *unrestricted funds and restricted funds: such as legacies or endowments for specified awards/prizes, or of capital sums already committed to near/medium term planned projects, or assets which the Society requires to fulfil its normal operation – and these should be excluded from the calculation².

For a small organisation, with expenditure heavily weighted to a single large annual event (The Annual Congress) an appropriate level of reserves for the BTS should reflect

- (i) an acceptable level of financial risk, (key risks identified as: financial losses on meetings, loss of membership, litigation, loss of key staff or services)
- (ii) take into account the variability and uncertainty of income streams over time,
- (iii) the flexibility (or otherwise) of assets, expenditure and commitments.

References:

1. Charity reporting and accounting: the essentials March 2015.
<https://www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-march-2015-cc15c/charity-reporting-and-accounting-the-essentials-march-2015>
<https://www.gov.uk/guidance/charity-financial-reserves>
UK Charity Commission guidance, Charity reserves: building resilience,(CC19)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589406/CC19.pdf Feb 2017.
2. *The Trustee's Dilemma: To Spend or to Save?* <http://www.cfficiency.org.uk/wp-content/uploads/2015/09/Trustees-Dilemma.pdf>