

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 mission: *"To provide the principal forum for toxicology in the UK, to support and enrich the careers of toxicologists, and to promote the importance and advancement of toxicology in the wider scientific and lay communities."*
2. As a registered charity, the Society will comply with guidance from the UK Charity Commission.
3. The Treasurer will oversee the financial operation of the Society, with support of the Finance Subcommittee. Financial administration will be provided by the secretariat which is included within the contractual agreement with the Society.
4. The Treasurer will set an annual budget with input from the Finance Subcommittee, The Treasurer will then recommend this annual budget for review and approval by the Executive Committee in October of each year preceding the start of the Financial Year which for the Society currently runs from 1st of January to 31st December.
5. Assets of the Society will be managed and invested to minimise risk, while maintaining a level of financial flexibility. The Executive Committee of the Society must approve all investments following advice from the Treasurer and the Finance Subcommittee.
6. Members serving the Society are entitled to reimbursement of their costs, in accordance with the Travel Policy and Procedure Policy.
7. Trustees, or those co-opted to the Executive Committee to undertake specific tasks, cannot be employed by the Society.
8. The annual examined 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.
9. The Treasurer is responsible for overseeing the availability of the examined accounts from the qualified accountant for the Annual General Meeting (AGM).
10. The draft examined accounts should be available to the Executive Committee on the 1st of March each year to review before the General Secretary circulates the draft examined accounts to the membership for their approval at the AGM.

Financial Reserves Policy

To safeguard the Society's financial stability and secure the 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.

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 (in the case of the BTS 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) the variability and uncertainty of income streams over time,
- (iii) the flexibility (or otherwise) of assets, expenditure and commitments.

**Note that unrestricted funds may be used for any legal purpose appropriate to the organization*

References

1. Charity reporting and accounting: the essentials November 2016 (CC15d.)
<https://www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-november-2016-cc15d>
2. UK Charity Commission guidance, Charity reserves: building resilience,(CC19)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589406

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