



The Symphony Guild of Charlotte  
Financial Policies

Federal ID #58-1998344

State ID # ?

NC Sales & Use Tax ID #006086210

Nonprofit Postal Permit #1226

I. ASSETS

A. CASH

Appropriate bank accounts shall be maintained

B. INVESTMENTS

1. Funds considered by the Budget & Finance Committee to be in excess of foreseeable budgeting needs, including the Reserve Fund, may be invested for maximum income at no risk. The Treasurer, with direction from the Budget & Finance Committee, shall be authorized to make such investments.

2. There are two accounts for the Endowment Fund: a CD and a Money Market account. Donations given during the term of the CD are deposited in the Money Market account and these donations are recorded as a principal in the Endowment Fund. Interest from the CD and the Money Market account is recorded as interest and is available for distribution.

C. EQUIPMENT

1. Equipment shall be purchased, leased, or rented, as needed to keep the organization functioning effectively, bearing in mind budgetary considerations. All leases shall be signed by the President after detailed review and approval by the Budget and Finance Committee.

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2. No personal Property Tax forms shall be filed. Filing will require payment and will void exemption obtained in January 1994.

## II. OPERATING RESERVE FUND

A. Operating Reserve fund is cash or its equivalent set aside to be used when operating expenses exceed available budget monies.

B. All funds available from Guild's year end Undesignated Fund Balance (General Operating Fund) may be transferred annually to the Operating Reserve Fund until the Fund increases to an amount not exceeding the current year's administrative and education approved budgets. At no time shall the Operating Reserve Fund balance be less than (4) four months' operating expenses for Administration and Education, once this goal is reached.

C. The Budget & Finance Committee shall determine the amount to be transferred in a timely fashion after the close of the fiscal year. The Operating Reserve Fund shall be reviewed by the Board of Directors annually at the time of Financial Advisory Committee's report.

D. Withdrawal of funds from the Operating Reserve Fund shall require approval by the Board of Directors after consideration by the Budget & Finance Committee. Any withdrawals shall be replaced on a schedule to be determined by the Budget & Finance Committee and the Board of Directors.

## III. BUDGET

### A. AMOUNT

1. The amount to be budgeted for the coming year shall be the total amount estimated to be received June 1 to May 31 and/or accrued from the previous year from dues, investment earnings, Education and Fundraising activities and other miscellaneous monies.

2. Upon recommendation of the Budget & Finance Committee and at the direction of the Board of Directors, funds from the Operating Reserve Fund may also be drawn upon for the budget when receipts have fallen below average or when unusual or heavy expenditures are foreseen.

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B. BUDGET PREPARATION

1. The Budget & Finance Committee shall begin in winter to prepare a proposed budget for submission to the Board of Directors for approval at its May meeting.

2. The budget is based on a statement of estimated available income, the current year's budget compared to actual and year end expenses, financial considerations drawn from Board and Committee Chairs, socioeconomic factors and forecasts. Board members and Committee Chairs shall analyze their objectives and make budget requests accordingly by March 1 for the following fiscal year.

C. FISCAL YEAR

The fiscal year shall be from June 1 to May 31. The Guild operates on an accrual rather than a cash basis.

D. EXPENDITURES

1. The Treasurer, Assistant Treasurer, President, and President Elect shall be authorized to sign Guild checks.

2. An approved check request form with receipts attached or an approved company invoice shall be required for payment up to budgeted amount. (For additional information see Financial Guidelines.)

3. The Executive Committee and all Standing Committee Chairmen (i.e. Budget & Finance, Policy & Procedure, and Long Range Planning) shall have funds budgeted for expenses they incur because of their office.

4. Meals and other such expenses incurred by individuals attending meeting shall be the responsibility of said attendees.

E. REIMBURSABLE AND NON-REIMBURSABLE EXPENSES

1. Those whose work has necessitated the expenditure of money during the year shall present an itemized statement of expenses to the Treasurer. This statement shall include all expenses, including non-reimbursable expenses above the budgeted amount and shall be submitted on a regular schedule during the year, if possible. The deadline for the submission of this statement for payment is May 15, and bills submitted after this date shall not be reimbursed unless the

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Treasurer has been notified to expect them. The Guild does not pay for parties given for committee members. The Guild shall not be responsible for monies spent in excess of the budgeted amount, unless approved by the Budget & Finance Committee.

2. Ad Hoc Committee Expenses - The officer appointing an Ad Hoc Committee shall be responsible for determining the budget category in which expenses shall be covered and the amount of that category's funds accessible to this committee. She/he shall send in writing a confirmation of this determination to the Area VP, Committee Chairmen, Treasurer, Chairman of Budget & Finance and Ad Hoc Committee Chairman.

F. GUILD OFFICE

1. Part time office staff shall be hired by the Vice President of Management and Planning.

2. Salary & Benefits shall be provided as approved in budget.

3. Office & storage space shall be rented as provided for in the budget.

G. ORCHESTRA ORGANIZATIONS

1. LAO travel, hotel and registration expenses shall be covered for President and President-elect or their representatives.

2. SOVA membership dues shall be paid for The Guild.

3. Travel mileage, including that for Young Artists' Judges, shall not exceed the current IRS mileage allowance.

H. GUILD CONTRIBUTIONS

A memorial contribution of \$25 shall be made by The Guild to the Endowment Fund or the Music Education Fund upon the death of a member, member's spouse, or member's child. Notification to Treasurer and appropriate acknowledgements shall be made by the office Employee. At the beginning of the fiscal year the Budget and Finance Committee will decide which fund should receive the memorial contributions for the year and will present that decision to the Executive Committee for a vote.

I. DISBURSEMENTS

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1. Disbursement requests can be funneled through the Budget & Finance Committee throughout the year.
2. Disbursement decisions (prioritized) shall be made by the current Board at year-end with confirmation made by the Board at the September meeting dependent on the outcome of the Financial Advisory Committee's findings.
3. In case of emergencies, the sitting Board shall make disbursement decisions.

J. REVENUE

1. Funds may be deposited by the Treasurer and others as coordinated with the Treasurer.
2. The Treasurer shall receive a copy of all bank deposit forms for any and all receipts within 7 days.

K. GENERAL AND RESTRICTED CONTRIBUTIONS

1. The Guild may accept monetary and in-kind contributions, which are tax-deductible to the donor.
2. All contributions, either monetary or for goods and services, must be acknowledged with a letter of receipt signed by the Treasurer, Assistant Treasurer or President. This letter is for income tax purposes. The referenced letter will provide a detailed description of any donated goods and services with no value stated.
3. A database of all donors and the amount given shall be maintained by the Office Employee. The Treasurer shall record all monetary donations in the accounting system in such a way that donation reports can be produced.
4. Unrestricted contributions shall be used for general purposes as determined by the Board based on the recommendation of Budget and Finance.
5. Restricted Contributions - The Guild accepts restricted contributions which adhere to its mission statement. These shall be used as directed.  
Currently they are:

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(a) THE MUSIC EDUCATION FUND accepts funds to cover unbudgeted expenses in any area of music education including Youth Orchestra member fee assistance. Funds in the Music Education Fund come from the general membership, the public, and from The Guild in the form of Memorial Contributions upon the death of a member, a member's spouse, or a member's child. As the need arises, determination of disbursements of this fund shall be as follows:

- (1) Vice-President Education - up to \$100
- (2) Budget & Finance Committee - up to \$200
- (3) B&F Committee recommendation to Board for approval - over \$200

(b) The Betsy Knight Scholarship is given annually in her memory by her friend, Ann Thomas. Betsy was a supporter of the Guild office and, for a time, was Ticket Sales Chairperson.

(c) The Endowment Fund was established in 2001 in the amount of \$40,000, with additional principal coming from donations. The yearly interest income from the fund will be disbursed to programs designated by the Education Endowment Committee to best further the mission and purpose of the Education Programs.

(d) The Dr. Meg Hutchins Scholarship was established in 2005 and is given at the Youth Festival to a CSYO member.

#### L. DUES

1. Dues shall be proposed by the Budget & Finance Committee and approved by the Board of Directors. This process should take place very early in the year, so that the Board has adequate time to approve the proposal before Member Renewal forms are printed.

#### 2. Dues Categories

Individual Patron \$200

Patron Couple \$275

Active Member \$35 for member age 35 and under;

\$60 for member over age 35; plus all Active Members shall have financial responsibility for specific tickets designated by the Board of Directors

Active Couple \$50 for member couple age 35 and under; \$90 for member couple over age of 35; plus all Active Couples shall have financial responsibility for specific tickets designated by the Board of Directors

Associate Member \$125 & financial responsibility for specific

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tickets designated by the Board of Directors (fewer tickets than Active Membership)  
Associate Couple \$175 & financial responsibility for specific tickets designated by the Board of Directors (fewer tickets than Active Couple Membership)

3. Notices, deposits and record keeping shall be the responsibility of the Member Renewal and New Member Chairmen.

4. Dues collected by November 30 will be credited to cover the current Guild fiscal year which began June 1 of the same calendar year.

5. Dues collected from new members after December 1 of the current year are credited to the next fiscal year. These monies should be held in liability account for the next fiscal year.

M. PUBLICATIONS

Contributions for ads and underwriting a publication shall be used to offset the expenses of that publication.

N. GENERAL POLICIES

1. The administrative expenses of The Guild projects shall be covered by fundraising income not to exceed 25% of net funds.

2. Three quotes shall be obtained for purchases over \$250.

3. All invoices are to be addressed to The Symphony Guild of Charlotte, Inc., ATTN Treasurer and sent to The Guild address. No bills are to be in a member's name or sent to a home address.

O. BUDGET & FINANCE COMMITTEE

1. The Budget & Finance Committee shall consist of the President, President-elect, Treasurer, Assistant Treasurer, Immediate Past Treasurer, Vice President of Management & Planning, Chairman of Committee, former Committee Chairman and at least one member-at-large. The member-at-large shall be appointed by the President and shall serve as Committee Secretary.

2. The Budget & Finance Committee shall meet prior to each Board meeting to review The Guild finances and shall act in an advisory capacity to the Board of Directors in all transactions involving funds.

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3. Approval for expenditures in excess of a committee's budgeted amount shall be by the Budget & Finance Committee - in advance when possible. A report on budget overruns and unbudgeted or unforeseen expenditures shall be reported by the Treasurer or Chairman at each Budget & Finance Committee meeting. Overruns approved by the Vice-Presidents shall be reviewed at the next committee meeting.

Approval for funds over budget shall be as follows:

- a. \$0 - \$100: Area Vice-President after consultation with Budget & Finance Chairman.
- b. \$101 - \$500: Budget & Finance Committee
- c. \$501 and up: Recommendation from Budget & Finance Committee to the Board of Directors for approval.

4. New projects involving expenditure of funds must be approved by the Budget & Finance Committee.

5. All projects must have current budgets approved by the Budget & Finance Committee.

6. The Budget & Finance Committee shall prepare the ensuing year's budget, which shall be presented by the Committee Chairman to the Board of Directors for approval in May.

#### P. RECORD-KEEPING PROCEDURES

1. Financial Statements: For each Budget & Finance Committee Meeting and Board Meeting, the Treasurer shall provide a Balance Sheet and an Income/Expense Report with Budget comparison statements when activity warrants.

2. Minutes: The Committee Chairman shall keep copies of the minutes of all Budget & Finance and Board of Directors meetings for the annual Financial Advisory Committee review.

#### Q. INSURANCE

Workman's Comp and Liability insurance shall be carried by The Guild. The liability insurance will continue to be under the insurance umbrella of the Charlotte Symphony Orchestra until the Budget & Finance Committee and insurance agent deem it necessary for The Guild to carry independent coverage. The Guild is also to carry an Officer and Director Insurance policy.

#### R. FINANCIAL ADVISORY COMMITTEE (optional)



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1. The Financial Advisory committee is comprised of three past Guild Treasurers or Guild members who have a financial background or an interest in finance. Each member serves a three year staggered term, with the President appointing a new member each year. The Chairman will attend Budget and Finance meetings as a non-voting member.

(a) The Committee shall review the tax return, make sure the recommendations of the accountant are followed, and review the budget mid-year.

(b) The Financial Advisory Committee Report, Financial Statements, and Tax Returns shall be available upon request to any member in good standing and available to the public as prescribed by law.

(c) The Chairman of the Financial Advisory Committee shall present the Financial Advisory Committee's final report to the Board and Membership at the first general meeting following the conclusion of the examination of the books by the accountant.

(d) The Guild President shall present as summary report of Guild profits and disbursements to the CSO Board of Directors. This report shall be published and available to the membership as soon as available.

#### S. TAXES

1. The Guild is classified as a not-for-profit tax-exempt 501 (c)(3) organization under the IRS code.

2. A Federal 990 (or 990-EZ) Income Tax and State Income tax return shall be filed as appropriate in a timely manner at the close of the fiscal year. This shall be filed by a CPA firm, to be paid as provided in the budget.

3. Form 1099 shall be sent by the Treasurer to any unincorporated private contractor (coaches, teachers, student recipients of scholarship or prize money, etc.) showing the total amount paid during the calendar year by January 28 with copies sent to IRS and NC Dept. of Revenue by February 28.

4. Copies of all records filed shall be kept in The Guild office permanent file and in the Treasurer's files.

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5. The Guild shall not file personal property tax forms. If these forms are filed, taxes will have to be paid and the exemption received in January, 1994, will be void.

6. NC Sales Tax

(a) Sales tax shall be collected on any retail sales and shall be paid monthly on the 20th of the month by the Treasurer. The state provides dated coupon books for this purpose.

(b) If the Guild sells goods, the responsible committee should appoint a volunteer to determine total sales and total tax collected. These metrics should be reported to the Guild Treasurer as soon as available.

T. LICENSES

1. Licenses should be applied for by an officer of The Guild, usually the Treasurer of The Guild.

2. City-County Privilege Licenses: This is our Retail Business License, which covers all retail sales by The Guild. The license is applied for once a year and is valid from July 1 to June 30. The renewal form is sent to The Guild Treasurer every year. This license covers any direct sales by The Guild.

3. Alcohol Licenses

(a) City-County Beer and Wine and NC ABC Liquor Licenses: Both City-County and NC state licenses are required for each function at which The Guild sells the tickets and serves alcoholic beverages. Separate licenses are required (one for each venue.)

(b) ABC permits are required for any events at which we sell tickets and alcohol is served, even if the venue already has a license. When applying for permits, add a few hours to the time period on the application in case the event is extended.

4. Zoning and Fire Permits should be obtained by the event Vice-Chair when applicable.

5. A copy of all licenses and permits shall be kept in the permanent records in The Guild storage unit. The originals are required to be on

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the premises during the events that the licenses cover, but they must be placed in The Guild storage after the event.

U. DISPOSITION OF ASSETS

No person shall possess any property right in or to the property of assets of this organization. Upon the dissolution of the organization and after all obligations are satisfied, all assets shall be distributed to organizations currently supported by The Guild.