

## **Cheltenham Film Society**

### **Financial Principles**

#### **Introduction**

This set of Financial Principles is used by the CFS Committee as the basis for the financial operation of the Society. They are the key underpinning of most decisions, including but not limited to setting the level of annual membership fees.

#### **Financial Principles**

1. On an annual basis, the Committee will, under normal circumstances, aim to prepare a budget for the next season which is broadly break-even, based on agreed assumptions for membership numbers (consistent with recent experience), the number of films, etc. Note however the special provisions below for any innovation expenditure and donations.
2. The Committee will monitor actual performance against the budget on at least a quarterly basis, taking appropriate actions as necessary to deal with any material adverse variances.
3. The Society will always aim to carry a minimum level of reserves that the Committee believe to be adequate to guarantee the future financial stability of the Society. This includes, inter alia, the need to cover for short-term costs before the main annual income from membership fees is received; the ability to periodically 'loan' money to the Bacon Theatre for equipment replacement (for an appropriate return); and to allow short-term actions to be taken to deal with a sudden loss of membership.
4. When the level of reserves exceeds this minimum level, the Committee will consider whether any special action, consistent with the Objects clause of the Constitution, is necessary to reduce the level of reserves. This could include (but is not restricted to) innovation expenditure.
5. Innovation expenditure for new initiatives agreed by the Committee that is not self funding may be financed from reserves if there is not scope within the annual budget.
6. The Committee will have freedom to agree appropriate donations (which may also be funded from reserves) up to a limit of £1,000 per single donation and a total of £1,500 in any year without direct recourse to the members. Any donation amounts outside these limits will require specific approval of the membership at a properly convened General Meeting of the Society.

Updated and approved by the CFS Committee on 28 January 2020