

# **Administrative Policy Handbook**

August 2016

## **Purpose**

The Loudoun Community Band, Inc., is a non-profit charitable corporation. Operating funds for the Corporation are received from three main sources: The members themselves, gifts in appreciation for performances, and gifts made to support the objectives of the Corporation. With all of the income based on giving, the Corporation has a fiduciary responsibility to account for those funds in a transparent and responsible manner.

These policies have the purpose of clarifying the procedures used by responsible persons within the Corporation to insure that not only are funds spent appropriately, but that they can be fully and transparently accounted for. The guiding principle is that any donor has the right to know how their donation is being spent, and the Corporation has the responsibility to be able to provide this information with demonstrable accuracy. Thus, the policies herein are targeted to make sure that all revenues and expenses are fully and separately accounted.

The Internal Revenue Service has determined that the Loudoun Community Band, Inc., is a tax-exempt charitable organization in accordance with IRS Code 501(c)(3). The Loudoun Community Band is required to maintain a complete set of books and to account for all revenues and expenses to be able to demonstrate that its operation remains consistent with that determination at any time. Thus, proper accounting is a legal requirement of the Corporation's status as a tax-exempt charitable organization.

The mission of the Loudoun Community Band is to provide satisfying musical experiences for its members and audiences. These policies establish practices to further this mission.

This policy handbook is created and approved by the Board of Directors and may be modified at any time by the Board.

## **Definitions**

**Corporation:** The Loudoun Community Band, Inc., which includes all its various performing ensembles.

**Board:** The Board of Directors of the Loudoun Community Band, Inc.

**Corporate Officer:** The President, Vice President, Treasurer, and Secretary of the Corporation.

**Loudoun Symphonic Winds Administrative Officer:** Music Director, Business Manager, Section Leader, Librarian, Marketing Director, Web Master/Graphics, Stage Manager, Door Sales/Concessions Manager, and Fundraising Manager. These officers may assemble a team to assist them in their administrative responsibilities.

**Responsible Person:** Any person charged with a particular duty by the Board. An example is the Librarian making purchases of music. Another example is the Music Director arranging for guest musicians.

**Donation:** Any gift of money or property to the Corporation for use in fulfilling its objectives.

**Donor:** Anyone who gives money or property to the Loudoun Community Band.

**Revenue:** Any monetary income received by the Corporation.

**Expense:** Any money spent on behalf of the Corporation.

**Guest Musician:** Any non-member musician invited to perform with the group to fill a vacancy.

**Objectives of the Corporation:** The charitable purposes for which the Corporation received tax-exempt status by the IRS.

## ***Duties of LSW Administrative Officers***

**Music Director (Gil Corella):** Responsible for all aspects of the musical activities of the LSW, including but not limited to, conducting; scheduling of concerts; selection of music; selection of guest conductors and guest musicians; determining concert programs and coordinating with the Librarian; determining rehearsal order and coordination of the concert schedule with the Business Manager; coordinating concert stage sectional seating arrangements with the Stage Manager; and making all other musical decisions.

**Business Manager (Ed Fleming):** Works with all positions as necessary to ensure that all required tasks are being accomplished; Approves all band announcements; Confirms rosters for each concert with Section Leaders and ensures that the information is provided to the Web Master, Librarian and Stage Manager; Works with the Conductor regarding rehearsal schedule and any personnel issues; Coordinates with PVHS band director.

**Section Leader:** Confirms section roster for each concert with the web master; is aware of rehearsal attendance; coordinates parts distribution; resolves member issues that may arise within the section; defers to the Conductor concerning any questions regarding the equitable distribution of parts based on player strength. Musical decisions are made by the Conductor. Should issues arise among members in the section that the Section Leader is unable to resolve he/she shall bring the matter to the attention of the Business Manager.

**Librarian (Debbie Overson):** Works with the Conductor to ensure that he/she has complete scores; prepares music folders; ensures that a master list exists for each program piece; ensures that a master set and extra folders are brought to all rehearsals and performances; prints the concert program and delivers to the venue on performance day; updates the Library Catalogue as necessary and provides to the Conductor.

**Marketing Director (Anne Hennessey):** Sends press releases; coordinates Twitter and Facebook postings; and coordinated email campaigns to stake holders and other distribution lists.

**Web Master/Graphics Design (Angelika Kirchmeyer):** Updates the web site for each event; facilitates new member registration; and confirms with the Business Manager regarding section roster prior to printing concert programs. Creates all artwork, including for programs and ads. All artwork created by the graphics designer remains the property of the artist unless otherwise agreed to in advance of use.

**Stage Manager (Eric Showalter):** Coordinates with Potomac Falls HS regarding concert venue needs, including percussion equipment needs, audio and lighting, and chairs and stands; works with Section Leaders to ensure that each section provides assistance in arranging chairs and stands on stage for performances; and ensures that the stage is returned to proper order after a concert.

**Door Sales/Concessions (Anne Hennessey):** Primary POC for all concerts; recruits volunteers to handle event day activities; coordinates food/drink donations; and coordinates/manages event day activities.

**Fundraising (Brad Prentice):** Recruits and coordinates sponsor support.

## ***Dues***

Members' annual dues are paid to the **Corporate Treasurer, Debbie Herbert.**

## ***Donations***

Donations may be received at any time and any place. In return for donations of any size, and at the request of the donor, those receiving the donation must either (1) provide a written receipt signed by an officer of the Corporation, or (2) obtain a name and address from the donor so that an officer of the Corporation can provide a receipt at a later date.

Donations larger than \$250 require a name and address of the donor. A check in the donor's name fulfills this requirement. The Corporation will keep the identity of the donor anonymous at the donor's request. An officer of the Corporation must provide a letter of appreciation to the donor, which also serves as an acknowledgement of receipt. The Corporation is required to maintain a record of each donation larger than \$250, including donations from its members.

## ***Grants***

The Corporation may receive general and special-purpose grants. All general grants must be provided to the Corporation directly, and all expenses incurred in support of grant-supported activities must be paid by the Corporation directly. Exceptions may be made for some special-purpose grants that reimburse the expenses of a single responsible person for a specific activity. For example, the Virginia Commission on the Arts provides Technical Assistance grants for training in fund-raising, providing reimbursement of the expenses of an individual for attending that training. In such cases, the responsible person may be reimbursed directly by the grant organization, but must:

1. Receive approval from an Officer before submitting the application. The officer must seek and receive approval from the Board if the activities are not clearly and fully consistent with the objectives of the Corporation.
2. Provide all necessary documentation directly to the grant organization.
3. Provide a file copy of all documentation to the Treasurer.

An officer must approve applications before they are submitted to a grant agency. The officer must seek and obtain approval from the Board for any grant not clearly consistent with the objectives of the Corporation.

## ***Paid Performances***

The Corporation's non-profit status does not prevent the Corporation from accepting paid performances. All proceeds from the performance must go to the Corporation directly. The Corporation must pay all expenses for the performance directly.

## **Contracts**

Only the President of the Corporation may sign contracts. In case of the unavailability of the President, signature authority may be delegated to the Vice President. The signing officer must seek Board approval if the contract includes terms that may significantly increase the liability of the Corporation. For example, requirements for extraordinary insurance coverage or for naming the client on an insurance policy require Board approval because of the associated expenses. Contract terms that require services other than musical performance also require Board approval. An example of such services would be to collect gate receipts, or to serve food. Any contract that requires payments must be approved by the Board in accordance with the policy on expenses (see below).

The performing ensembles of the Loudoun Community Band must not hire themselves out on a commercial basis with direct payment made to the musicians or to any one person other than the Corporation. The Corporation does not exist to compete with working professional musicians. If an ensemble of the group wishes to be available for direct commercial work under different auspices, then they should form a separate entity that rehearses and performs independent from the Loudoun Community Band performance ensemble. For example, the Loudoun Symphonic Winds may accept a paid performance, with the proceeds going to the Corporation. The LSW may not, however, accept a performance for which the members of the group are paid directly, or for which a promoter within the group is paid directly. Members of the LSW may, however, individually form an alternate group that is clearly not under the auspices of the Corporation to accept such performances on a commercial basis. Such performances must not be advertised or promoted as being in any way connected to the Corporation.

## **Insurance**

The Corporation has obtained general liability coverage for each occurrence. We do not usually indemnify other agencies, including members, from responsibility for their own negligence. Any requirement of a venue owner or client to indemnify them against responsibility for their own negligence must be approved in advance by the Board before commitment.

## **Money Handling**

All proceeds from the activities of the Corporation must be provided in full to the Treasurer. Specifically, expenses **MUST NOT** be paid from cash donations accepted at the door of a performance, or from payments made to the Corporation for services rendered. It is a requirement of both the IRS and all grant organizations that we account for revenues and expenses separately and fully.

## ***Expenses***

### **Allowable Expenses**

All expenses must be approved by the Board before the expense is incurred. This approval may take two forms:

1. The expense is specifically budgeted in the annual budget approved by the Board and provided to the membership at its annual meeting. The responsible person for that activity may incur expenses within the budgeted amount for that activity, consistent with the approval of the Board. For example, the Librarian may incur expenses for obtaining music within the amount budgeted for music. These amounts are considered to have been approved by the Board. If the budget is in danger of not being fully funded within a given year, the Treasurer may suspend this approval, in which case only Item 2 applies.

2. The Board may elect to spend funds not budgeted for any purpose, consistent with the objectives and tax-exempt status of the Corporation. This approval may be obtained by email ballot, by telephone poll, in an *ad hoc* meeting, or in a regular meeting. A majority of the board is required for approval. Documentation for the approval must be provided to the Treasurer for filing.

Responsible persons are not permitted to approve or incur expenses outside the amount budgeted for the activity for which they are responsible.

### **Excluded Expenses**

By law, the Corporation cannot incur expenses for any political purpose or in support of any political candidate.

By policy, the Corporation will not reimburse travel expenses for member or Board member participation. Travel expenses may be offset in some cases at the sole discretion of the Board. The responsible person must obtain approval by the Board for such expenses (1) before a performance requiring such expenditures is accepted, and (2) before being promised to regular member performers. Generally, such expenses will NOT be approved except for paid performances where the revenue from the performance more than offsets the expenses. Receipts for actual expenditures as described below must accompany expenses over \$25 per member per performance.

By policy, the Corporation will not hire employees or reimburse any person for time spent in support of or participating in the activities of the organization. Honorariums paid to professional musicians and conductors are not reimbursements for time, but rather gifts of appreciation by the Corporation for their participation (see below).

### **Expense Reimbursement**

No expense will be reimbursed without a receipt that shows both the amount expended and the purpose for which it was expended. For example, a charge slip showing only the amount is not an acceptable receipt. It must also show what was purchased. These are required by generally accepted accounting practice for tracking expenses, and would be required documentation in any audit. These receipts may be difficult to obtain after the fact, so responsible persons should check the receipts for the necessary information at the time of purchase. Any normal invoice will routinely provide the necessary information. The Corporation will reimburse sales tax paid for items purchased on behalf of the Corporation.

The receipts must be provided to the Treasurer, who will first determine that the expense is within the budgeted amount under the charge of that Responsible Person, or that the expense is explicitly approved by the Board. The Treasurer will then determine that the receipt provides the necessary information as required above. The Treasurer will then write a check to be provided to the responsible person. Cash payments will not be made except by special arrangement because of the difficulty in providing appropriate documentation after the fact.

### **Donated Expenses**

If a responsible person incurs expenses but does not wish to be reimbursed, the Corporation requests that the expense documentation be provided so that the Corporation's books can show it as a donation.

### **Guest Musicians**

The Corporation routinely invites musicians and conductors to participate with the Corporation's performance ensembles in order to enhance the Corporation's objectives. These musicians are often professionals, and they are usually invited to fill vacancies not filled by regular members.

**Selection**

Selection and invitation of guest musicians will be made by the assigned responsible person. For the Loudoun Symphonic Winds this is the Music Director. For the Loudoun Jazz Ensemble this is usually their Business Manager. Honoraria for guest musicians is an expense and subject to this policy regarding expenses (see above).

**Guest Musician Status**

Guest musicians are not members of the organization, and must never displace the participation of regular members for any reason. Doing so violates the mission of the Corporation. It is the policy of the Board that guest musicians should be used as utility performers and not used to perform solo, lead, or section material that has been prepared by a regular member, except at the request of the affected regular member. It is the policy of the Board that the quality of the organization depends on musical well being and continued motivation and commitment of the regular members, not on their technical prowess. Responsible persons who identify and invite guest musicians are required to be clear about their role in order to establish proper expectations. This policy does not, however, preclude inviting guest soloists to perform in front of the group.

**Honoraria**

The Corporation customarily provides an honorarium to guest musicians in appreciation for their participation. The responsible person must provide the Treasurer with a list of names of persons and the honoraria to be provided to them, in accordance with the budgeted amounts. This list must be provided at least one week in advance of the performance if the guests are to receive their gifts at the performance. The treasurer will routinely provide cash to the guests directly if the amounts are \$50 or less, and checks for larger amounts. When not able to attend the performance, the Treasurer will provide checks (made out to the guest musicians) to the responsible person for distribution to the guests.

Guest musician honoraria or expenses **MUST NOT** be paid directly from the proceeds of the performance. The entire proceeds must be provided to the Treasurer, and the guest’s honoraria and other expenses must be paid by the Treasurer.

The Treasurer will maintain a list of guest musicians in the file.

**Media Coverage**

All contacts with the media must be fully reported as soon as possible to the Music Director, Business Manager or Marketing Manager. The officer will then report them to the Board.

All invitations to be interviewed or to provide materials to the media must be approved by the Music Director, Business Manager or Marketing Manager before the interview or before the materials are provided. All materials provided to the media must be approved before they are provided, with the exception of a pre-printed brochure or upcoming performance program. The web page address should be included in all media contacts. The above officer(s) may elect to be present for the interview.