Chesterfield Canal Trust Ltd. Financial Policy

Introduction

1.1 The financial policies provide the framework for managing the Trust's financial affairs. They apply to every Trustee, employee and volunteer of the Trust and anyone acting on its behalf.

1.2 All Trustees, employees and volunteers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and provides value for money.

1.3 The Treasurer is responsible for maintaining a continuous review of the financial policies and submitting any additions or changes necessary to the full Trustees' meeting for approval. The Treasurer is also responsible for reporting, where appropriate, breaches of the financial policies to the Trustees.

1.4 The Trust's detailed financial procedures, setting out how the policies will be implemented, are contained in a separate document to be prepared and maintained by the Treasurer in consultation with the officers of the Trust.

1.5 The Trustees and officers of the Trust are responsible for ensuring that all employees and volunteers are aware of the existence and content of the Trust's financial procedures and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their areas of responsibility. Copies of these financial procedures are available on the Trust's website.

1.6 The Treasurer is responsible for issuing advice and guidance to underpin the financial policy that anyone acting on behalf of the Trust are required to follow.

A: Financial delegations

Area of authority:	Limits applied:	Designated persons:
Budget variations	A budget holder is authorised to amend the delegated budget as long as the total does not exceed the total budget (excluding restoration)	Approved cost centre budget holder
Ordering goods	Set out in B.6	
Authorisation of employee expenses		Chair or Section Head
Trust Board Member expenses		Any Officer of the Trust
Petty cash expenditure	Up to £100 (single transaction) Over £100	Budget holder Section Lead or Officer
Current account cheques		Any **two** bank signatories
Transfers between Unity bank accounts	Up to £20,000 Above £20,000	Any officer of the Trust Treasurer

Area of authority:	Limits applied:	Designated persons:
Receipt and banking of cash & cheques		All Boat managers, Membership Secretary, Merchandise Officer, Treasurer, Finance Officer, Shop managers
Employment contracts		Chair and in his/her absence, any Officer
Legal documents (where not covered above)		Chair and in his/her absence, any Officer

B: Financial management

B.1 Financial management covers all financial accountabilities in relation to the running of the Trust, including the policy framework and budget.

B.2 The Board of Trustees are responsible for:

- Approving the finance strategy, risk management policy and reserves policy.
- Approving the Chesterfield Canal Trust Limited's financial policies.
- Establishing financial management priorities, responsibilities and levels of delegated authority.
- Approving properly budgeted annual plans.
- Monitoring performance against these plans and budgets, and approving budget variations where these are above delegated limits.
- Approving the Trustees' Annual Report and Accounts.
- Appointing the Independent Examiner/Auditor.
- Approve the Contract Procedure Rules that set out the processes to be followed to enter into formal
orders / contracts.
- Approving movements between service budgets.

B.3 The Chair of the Trust is responsible for:

- Preparing, and presenting for approval, properly budgeted annual plans, in collaboration with the Treasurer.
- Reviewing the Chesterfield Canal Trust Limited's activities regularly, monitoring compliance with organisational policies and reporting to the Board of Trustees against agreed performance standards.
- Ensuring that all staff and volunteers understand their responsibilities under these procedures.
- Maintaining a robust approach to managing risk.

B.4 The Treasurer is responsible for:

- Ensuring that finance systems and processes which support these policies are set up, documented and implemented in consultation with the Chair of the Trust.
- Ensuring that sufficient records are maintained to show and explain The Chesterfield Canal Trust Limited's transactions, in order to disclose accurately, the financial position of The Chesterfield Canal Trust Limited at any time.
- Managing the budgeting process for the annual plan.
- Presenting financial reports at each Trustees' meeting which give the Board of Trustees an understanding of The Chesterfield Canal Trust Limited's overall finances, and giving advice and information to support decision making.
- Liaising with the independent Examiner/Auditor to produce the statutory accounts and formal communications with them.
- Selecting accounting policies and ensuring that they are applied consistently.
- Determining the accounting procedures and records for the Trust.
- Ensuring that the annual statement of accounts is prepared within 3 months of the year end date in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published October 2019.

B.5 Trustees are responsible for:

- Ensuring that Trustees, employees and volunteers understand the financial policies and undertake any financial activities in accordance with the financial policies.
- Manage any budgets that have been delegated to them.
- Consult with the Treasurer and seek approval on any matter liable to affect the Trust's finances materially, before any commitments are incurred.
- Advise the Treasurer or, in his absence, the Chair of the Trust, of any matters of financial concern at the earliest opportunity.

B.6 Spending and Income

- Incurring spend or receiving income is delegated to the Trustees within the limits delegated within the financial budget.
- In order to ensure value for money for significant purchases, research should be carried out on the goods or services in question and a relevant specification drawn up. Written quotes should then be obtained, or the contract put out for tender, dependent on value as follows:

Value of Purchase	**Included in Budget**	**Not Included in Budget**
£0 - £250	Manager approves	Responsible Trustee or Section Lead approves
£251 - £500	Responsible Trustee or Section Lead approves	Responsible Trustee or Section Lead approves
£501 - £2,000	Responsible Trustee or Section Lead approves	Responsible Trustee or Section Lead approves

	3 written quotes or waiver signed by 2 Trustees with an explanation why 3 written quotes are not possible A written purchase order.	3 written quotes or waiver signed by 2 Trustees with an explanation why 3 written quotes are not possible A written purchase order. Discussion and approval with 3 Trustees including 1 Officer of the Trust
Above £2,000	Responsible Trustee or Section Lead approves. 3 written quotes or waiver signed by 2 Trustees with reasons why 3 written quotes are not possible. A written purchase order.	Responsible Trustee or Section Lead approves 3 written quotes or waiver signed by 2 Trustees with reasons why 3 written quotes are not possible. A written purchase order. Discussion and Approval by Trustees at a meeting of the Trust
Contracts for the supply of goods and services		
£2,001 to £10,000	Quotations must be obtained from more than one supplier A written purchase order or formal contract as appropriate Responsible Trustee approves	Quotations must be obtained from more than one supplier A written purchase order or formal contract as appropriate Discussion and Approval by Trustees at a meeting of the Trust
£10,001 to £50,000	Three written competitive quotations must first be obtained (advertising is not mandatory but advised) A written purchase order or formal contract as appropriate	Three written competitive quotations must first be obtained (advertising is not mandatory but advised) A written purchase order or formal contract as appropriate

	Responsible Trustee and Chair of Trustees approve	Discussion and Approval by Trustees at a meeting of the Trust
£50,000 to the EU threshold in force (£213,477 inc VAT as at 1 Jan 22)	The opportunity must be advertised on 'Contract Finder' and the procurement carried out in accordance with Part 4 of the Public Contract Regulations 2015. Formal Contract Discussion and Approval by Trustees at a meeting of the Trust. Towns Fund Project - Discussion and Approval by the Staveley Towns Fund Project Board	The opportunity must be advertised on 'Contract Finder' and the procurement carried out in accordance with Part 4 of the Public Contract Regulations 2015. Formal Contract Discussion and Approval by Trustees at a meeting of the Trust
Above the EU threshold	Comply with the Public Contracts Regulations in force Formal Contract Discussion and Approval by Trustees at a meeting of the Trust. Towns Fund Project - Discussion and Approval by the Staveley Towns Fund Project Board	Comply with the Public Contracts Regulations in force Formal Contract Discussion and Approval by Trustees at a meeting of the Trust
Contract for works		
£2,001 to £100,000	Written quotations must be obtained from more than one supplier A written purchase order or formal contract as appropriate Responsible Trustee and Chair of Trustees approve	Written quotations must be obtained from more than one supplier A written purchase order or formal contract as appropriate

		Discussion and Approval by Trustees at a meeting of the Trust
£100,001 to £450,000	Three written competitive quotations must first be obtained (advertising is not mandatory but advised) Formal Contract Discussion and Approval by Trustees at a meeting of the Trust Towns Fund Project - Discussion and Approval by the Staveley Towns Fund Project Board	Three written competitive quotations must first be obtained (advertising is not mandatory but advised) Formal Contract Discussion and Approval by Trustees at a meeting of the Trust
£450,001 to the EU Threshold (£5,336,937 inc VAT as at 1 Jan 22)	The opportunity must be advertised on 'Contract Finder' and the procurement carried out in accordance with Part 4 of the Public Contract Regulations 2015 Formal Contract Discussion and Approval by Trustees at a meeting of the Trust Towns Fund Project - Discussion and Approval by the Staveley Towns Fund Project Board	The opportunity must be advertised on 'Contract Finder' and the procurement carried out in accordance with Part 4 of the Public Contract Regulations 2015 Formal Contract Discussion and Approval by Trustees at a meeting of the Trust
Above EU threshold	Comply with the Public Contracts Regulations in force Formal Contract Discussion and Approval by Trustees at a meeting of the Trust	Comply with the Public Contracts Regulations in force Formal Contract Discussion and Approval by Trustees at a meeting of the Trust

C: Financial planning

C.1 The Board of Trustees is responsible for:

- Agreeing the Trust's policy framework and budget.
- Approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework.
- Setting the level at which budget holders may reallocate budget funds from one service to another.
- Approving a prudent level of reserves as prepared by the Treasurer in consultation with the Chair of Trustees.

C.2 Individual Trustees assigned budget responsibilities are responsible for:

- Taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Board of Trustees.

D: Risk management and control of resources

D.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Trust. This shall include the proactive participation of all those associated with planning and delivering services.

D.2 The Board of Trustees is responsible for:

- Approving the Trust's risk management policy statement and strategy and for reviewing the effectiveness of risk management.
- Appointing external examiners/auditors
- Approving the treasury management policy, stating the policies and objectives of its treasury management activities produced for consideration by the Treasurer.
- Determining what staffing is required to fulfil the strategic objectives of the Trust by determining an approved establishment on an annual basis. Levels of remuneration will be agreed according to affordability and consideration of the market value of the job.

D.3 The officers of the Trust are responsible for:

- Ensuring that proper insurance exists where appropriate
- Ensuring that records and assets are properly maintained and securely held. They shall also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

D.4 The Chair of Trustees in consultation with the officers of the Trust will review at least annually:

- Consider the effectiveness of the Trust's risk management arrangements.
- Ensure that the Trust's assurance statements properly reflect the risk environment.
- Seek assurances that action is being taken on risk-related issues identified by examiners/auditors and inspectors.

- Providing overall management of employees. Line management responsibilities will be approved by the Chair of Trustees, such arrangements reflecting the number and levels of staffing in place at the time.
- Ensuring that the appropriate level of Human Resources support is obtained to support the level of direct employment undertaken by the Trust.

D.5 The Treasurer is responsible for:

- Preparing a statement on internal control, to be presented to the Board of Trustees with the statement of accounts demonstrating how the systems of control devised by management to help ensure the Trust's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Trust's assets and interests are safeguarded.
- Advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- Preparation of the statement of accounts, liaising with the external examiner/auditor and reporting the accounts to the Board of Trustees in accordance with statutory requirements.
- Report the findings to the Board of Trustees of any audit, inspection or investigation by external bodies such as HM Customs and Excise and the Inland Revenue, who have statutory rights of access.
- The development and maintenance of an anti-fraud and anti-corruption policy to be approved by the Board of Trustees.
- Adopting suitable treasury management practices, setting out the manner in which the Trust will seek to achieve those policies and objectives and prescribing how these activities will be controlled and managed.
- The execution and administration of treasury management decisions in accordance with the Trust's policy and practices.

D.6 All Budget Holders are responsible for:

- Ensuring that income and expenditure is managed in accordance with the policies and procedures approved by the Trust. Any queries on such financial matters should be referred to the Treasurer.

E: Systems and procedures

E.1 Sound systems and procedures are essential to an effective framework of accountability and control. The Treasurer is responsible for the operation of the Trust's accounting systems, the form of accounts and the supporting financial records.

E.2 Trustees and budget holders are responsible for applying the policies and procedures and ensuring that all volunteers are aware and understand the financial procedures where appropriate. Where required, the Treasurer will provide appropriate training.

E.3 Any changes to agreed procedures will need to be agreed by the Treasurer in advance of implementation.

E.4 Trustees must ensure that, where appropriate, computer and other systems are registered in accordance with the Data Protection Act 2018. Where appropriate Trustees must ensure that staff and volunteers are aware of their responsibilities under the Act.

E.5 The Treasurer is responsible for:

- All payments of salaries and wages to all employees, including payments for overtime and for payment of allowances.
- Advising where appropriate on any guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Trust.
- Maintaining the Trust's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

F: External arrangements

F.1 The Board of Trustees is responsible for:

- Approving setting up formal partnerships, including frameworks for partnerships.

F.2 The Treasurer is responsible for:

- Ensuring that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies.
- Ensuring risks have been fully appraised before agreements are entered into with external bodies.
- Properly recording external partnership funding and grants in the Trust's accounts.

F.3 Budget Holders are responsible for:

- Ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- Notifying the Treasurer of all applications and approvals of external funding over £2,000 in advance of submission.
- Ensuring that the Contract Procedure Rules on the Provision of Work, Goods or Services by the Trust are followed in appropriate circumstances.