



# Financial Policies

## Content & Document Control

<b>Content &amp; Document Control</b>	<b>1</b>
<b>Investment Policy</b>	<b>2</b>
<b>Reserves Policy</b>	<b>3</b>
<b>Financial Controls</b>	<b>4</b>
<b>Procurement Policy</b>	<b>6</b>
<b>Statement on Commercial Funding</b>	<b>8</b>

Title	Financial Policies
Prepared By	Dr David Hughes - ASO Secretary
Approved By	ASO Trustees
Date of Approval	20 <sup>th</sup> October 2021
Version Number	

## Status Control

Version:	Date:	Status	Prepared by:
		DRAFT	

## Investment Policy

The trustees have considered at intervals, the most appropriate policy for investing the funds of the charity. It has been decided that in the current phase of the ASO development, the majority of funds will be invested safely in such avenues as money market short term, high interest earning deposit accounts, Government Bonds or Securities. The investment policy will allow for liquid funds of up to £100,000 to address any short-term requirements or equivalent to 1 year of operating costs.

## Reserves Policy

In order to secure the viability of the organisation beyond the immediate future, to provide reliable service and required funding over the longer term, ASO must be able to absorb financial setbacks. It is therefore necessary to set aside some of the current income as a reserve against future uncertainties.

In view of the financial needs of the organisation, the trustees have agreed to maintain a reserve policy to retain sufficient funds to cover the operating expenses of the organisation for one year. The reserve would cover: secretariat expenditure, supporting funds for agreed projects, and other liabilities such as legal expenses, and other miscellaneous expenses that are necessary for the operation of the charity.

The trustees will review the reserves policy at a Trustee meeting each year held prior to the AGM to ensure that:

- 1) the policy is adequate for its need in the coming year
- 2) reserve level is enough to cover one-year operating expenditure
- 3) take necessary steps if reserve falls short of the funding requirement.

# Financial Controls

## 1. High level Controls

- Monthly reconciliation between Xero accounts and bank accounts by the ASO secretariat (Joyce McCleary, book-keeper)
- Twice yearly review of accounts provided to each meeting of the Trustees
- All banking and payments by appropriate and authorised banks and payment processors (PayPal). No cash transactions permitted.

## 2. Expenditure Controls

### 2.1 Current Account: Internet and Cheque Banking

- All transactions reviewed and verified for payment by secretariat
- Treasurer approval required for all payments over [value]
- Dual authorisation needed for all transactions.
- Limit of [£value] set for payments made by secretariat
- No individual may authorise payment to themselves or to their own organisation
- Bank mandate (i.e. LCNUK signatories) approved by Trustees:-
  - Mandate signatories
    - Chairman of the ASO
    - Secretary of the ASO
    - Treasurer of the ASO
  - Internet authorisers
    - Chairman of the ASO
    - Secretary of the ASO
    - Treasurer of the ASO
    - Secretariat - designated bookkeeper/accountant
    - Secretariat - director
- Any changes to the personnel appointed to one of the signatory positions must be approved by the Trustees via a change to the bank mandate. All new signatures to the bank mandate require a Trustee resolution for acceptance by Unity Bank.

### 2.2 Deposit Accounts

- Transfers can only be made to and from deposit account and ASO current account
  - Deposit account details
  - Signatories for deposit account

### 2.3 PayPal Account

- Used only for online transactions – membership fees and event registrations.
- Access to PayPal accounts available only to the Treasurer, book-keeper and database manager. Withdrawals from PayPal account can only be made to ASO current account or ASO deposit account

### 2.4 Expenses

- Expenses are only payable if submitted on agreed ASO expenses claim form (WEBFORM) and supported by original copy of receipt.

- Expenses reimbursed at standard class rates and in line with HMRC recommendations on reimbursement of expenses.
- All reasonable standard class travel costs incurred by the individual will be reimbursed for trustee, committee, and sub-committee meetings. Car travel costs will be reimbursed at a rate of 45p per mile and rail or air fares will be refunded at standard class upon presentation of a valid receipt.
- Expenses for additional items such as accommodation, food and drink expenditure may be claimed in exceptional circumstances at the discretion of the Chair.

#### 2.5 Cheque Signatories

- All cheques must be issued against numbered invoices and/or reconciled statements only. Two signatories are required for each cheque raised.

#### 2.6 Purchase Orders

- All orders for supplies placed must have an accompanying purchase order or an order reference number. The designated secretariat book-keeper must be notified of any orders placed directly with a supplier. Any order over £500 must be approved by the Chair. Any order for capital items must be authorised for purchase by the Chair and Treasurer.

### 3. **Contracts**

- Contracts involving financial expenditure greater than £3k must be entered into in accordance with procurement policy.
- Any contract must be authorised within the approved annual budget for that project or area of work. Any expenditure outside the agreed budget for the project must be authorised by the chair of the committee or chair of the trustees

# Procurement Policy

## Policy statement

Procurement means the way that we buy the goods, services and work needed to support the work of the charity. At all stages of procurement, the charity uses procedures that are fair, competitive and auditable and that meet the relevant legislation.

## This policy covers:

- appointment of (non-staff) personnel, such as consultants and contractors
- purchase of all services, goods and equipment
- This policy is based on:
  - principles of non-discrimination, fairness and transparency,
  - the promotion of efficiency and effectiveness, and
  - minimising risk to the charity and our beneficiaries.

## Policy:

Purchases estimated to cost £10,000.00 or more will normally follow a competitive procedure based on invited proposals from a short list of qualified firms. The selection process for suppliers will normally involve the following steps:

- defining the scope, objectives and estimated budget, timescales, including any anticipated follow-on services and determining the selection procedure to be followed (the brief or specification)
- identifying suppliers that are qualified to deliver the required services and preparing a short list of qualified firms / people
- inviting proposals from the short-list
- evaluating and comparing capabilities and proposals and selecting the preferred consultant / supplier
- negotiating a contract with the selected consultant / supplier
- managing the process properly

Some of these steps may be simplified, depending on the value of the contract or services to be performed, for example

For contracts or purchases estimated to cost £3-10k, selection may be made on the basis of an evaluation of short-listed, qualified candidates / suppliers and the rationale for the choice must be recorded.

For contracts or purchases estimated to cost less than £3k, a supplier may be selected directly, without the requirement to prepare a shortlist, and a contract negotiated with the selected consultant.

Short lists shall normally include no less than three and no more than six qualified and experienced consultants (individuals or firms, as the case may be). Ideally the list shall normally comprise at least one qualified consultant from the local area.

**Evaluation and Selection:**

When formal proposals are requested from a short list of suppliers, the invitation for proposals must clearly state the criteria for evaluating them. The evaluation of consultants should normally be based only on technical considerations including, but not limited to, experience in similar assignments, local experience and presence, qualifications of key personnel proposed for the assignment, and suitability and quality of the work plan.

For some assignments of a straightforward technical nature, the price of the services must be a consideration but quality and value for money should remain the principal factor in selection. When formal proposals have been requested, the supplier that submits the highest rated proposal should be selected.

In some circumstances it may be necessary or advantageous to engage or continue with a specific consultant where:

- the consultant has unique expertise or experience; or
- the consultant has been or is involved in the early phases of the project such as feasibility or design and it has been determined that continuity is necessary and no advantage would be gained from following competitive procedures; or
- additional services not included in the original contract have, through unforeseen circumstances, become necessary for the performance of the contracted services, on condition that those additional services cannot be technically or economically separated from the original contract without major inconvenience to the contracting authorities or when such services, although separable from the performance of the original contract, are strictly necessary for its completion.

**Governance and organizational capability**

In the planning and development of major (capital) projects, it may be necessary to review the organisation's capacity skills and experience in procurement. The Charity should assess the strengths and weaknesses of the Board of Trustees, as well as of staff and volunteers, in this respect.

It may be necessary to set up a dedicated procurement group that has collective responsibility for overseeing the procurement and monitoring its progress and to take into consideration the following:

- being clear about the roles and skills required to oversee a complicated procurement
- being confident you have these skills on the group
- establishing a process for ensures this

## Statement on Commercial Funding

ASO seeks to work in collaboration with any organisation who shares its aims to develop an understanding of obesity through the pursuit of excellence in research and education, the facilitation of contact between individuals and organisations, and the promotion of action to prevent and treat obesity. This includes commercial companies and government as well as other professional societies/charities. Our primary consideration in any collaboration is ensuring that our independence is not in any way compromised and we are free to act in the best interests of our members and what we consider to be the best interests of patients and the public.

Written agreements are in place for all commercial membership programmes and other funding. The sources of funding are declared and made transparent on the ASO website and on relevant materials.