

FINANCIAL POLICY

Initially agreed by the Trustees: -

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Reviewed and approved:-

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Next Review Date:-

Dec 2028

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This policy shall be reviewed every three years unless a material change occurs before

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1. Mission Statement

- 1.1. The Treasurer reports to the Board of The Herefordshire and Gloucestershire Canal Trust Ltd (HGCT) to report and make recommendations on financial policy and associated executive matters.
- 1.2. Annual budgets will be produced, through the inputs of the budget holders and the maintenance of budgetary control and the financial procedures that are to be operated by the Trust.

2. Budgets

- 3.1 At least four months prior to the start of any financial year, all functional areas of the Trust shall submit to the Treasurer a quarterly breakdown for the coming financial year of their expenditure requirements and income forecast. A summary of where budgeted money is to be spent should be included.
- 3.2. The Treasurer shall present to the Board a proposed budget of income and expenditure for that year for review and approval. Any change to the requirements submitted shall have been notified to those making the submissions prior to this and either agreement reached on a new figure, or the difference noted for resolution by the Board.
- 3.3 Trust budget items may not be spent until released by the Board. Should it be expedient to do so the Treasurer may approve further expenditure prior to Board approval.

4. Expenditure Systems

- 4.1. Each budget group will have a Budget Holder. The Budget Holder must approve expenditure against their Budget.
- 4.2 All payments will be approved by two signatories if the amount is greater than £750. This will apply to both cheques or electronic payments, and to inter-account transfers. If electronic dual signatories are not available a second approval can be obtained by email.
- 4.3 The Wharf House Company Ltd - All expenditure over £750 will be approved by any two Directors of the Wharf House Company.

5. Expenses Policy

- 5.1. Each item of an expense claim must be clearly identified against which budget it was spent and be supported by an appropriate receipt.
- 5.2. All claims to be submitted monthly. If expenses are claimed later than six months after being incurred, they will not be reimbursed unless approved by the Board which will not be given except if the delay in claiming is for health or hardship grounds.
- 5.3. Personal expenses:

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5.3.1. Telephone calls. Exceptional phone bills must be substantiated.

5.3.2. Broadband. Claims must relate to Trust usage & approval must be gained from Board prior to the first claim.

5.3.3. Mobile Phone bills. Claims must relate to Trust usage & approval must be gained from Board prior to the first claim.

5.3.4. Postage claims may be grouped to show number of items and total cost.

5.3.5. Mileage claims are split into 2 categories:

5.3.5.1. A volunteer needing to claim for fuel will state reason for journey, how many miles travelled and will be reimbursed at the current HMRC rate for business miles over 10,000 in the year.

5.3.5.2. A volunteer needing to claim full compensation for travel must submit a case to The Treasurer for approval. Reimbursement will be paid at the rate as in 5.3.5.1 and reviewed every year. Claims must state reason for journey, how many miles travelled.

5.3.5.3 Before any claim for mileage. The volunteer needs to supply a copy of their transport insurance policy and driving licence to the treasurer. This needs to be repeated yearly.

5.3.6. Prior to the first claim for travel via public transport approval must be gained from the Board.

5.3.7. Two members of the Board must approve, prior to any commitment, the claiming of overnight accommodation expenses.

5.3.8. Expense claims approved for attendance at external meetings are paid subject to the recipient making a report of the meetings proceedings to the Board.

5.3.9. Hiring of Cars. Claims must relate to Trust usage and approval must be gained from Board prior to the first claim. Each subsequent request must be approved by the Treasurer prior to the hire. In the event of an emergency when the hire of a car cannot be pre-authorised and when it can be demonstrated that it is essential for the needs of the business, designated individuals may proceed to hire an appropriate class of car and submit details after the event to the Treasurer.

5.3.10 All claims above totalling less than £750 may be approved by the Treasurer instead of the Board.

5.3.11 To avoid any issues, the above expenses policy is for volunteers and Trustees.

6. Information Reporting

6.1. Every quarter the Treasurer shall provide a report to the Board detailing income, expenditure against budget items, committed funds, land funds and the resulting cash flow.

7. Insurance

7.1. Any incident which may result in a claim or action against the Trust must be reported to the Trust's

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insurers with a copy to the Treasurer and the Chairman within 24 hours.

- 7.2. When hiring plant, the Site Leader should notify the Trust's insurers with a copy to the Trust's Treasurer that plant is being hired with details of type of plant, location of usage and length of hire in order to ensure the usage is covered by insurance.
- 7.3. When hiring plant, the Site Leader must assess risk and if he believes it is appropriate pay an additional premium to cover insurance.
- 7.4. Chainsaw usage. Volunteers are only insured to use a chainsaw if the Trust's Treasurer has confirmed that the Trust's insurers approve them. All users are responsible for gaining an appropriate certificate of competence a copy of which should be forwarded to the Treasurer who is responsible for gaining approval from the Trust's Insurers.

8. Sale of Redundant Goods

- 8.1. Before disposal of any significant material, equipment or plant belonging to the Trust, a report on the item's economic viability must be submitted to the Board for their approval.

9. Restricted Funds Policy

- 9.1. Income obtained in respect of income whose use is prescribed will be identified separately and separate bank account will be maintained for all funds classed as Restricted for accounts purposes.

10. Reserves Policy

- 10.1. The HGCT reserves policy covers a period of six months to ensure that funds are available to pay commitments for this period. This enables other funds to be used for the continued restoration of the canal.

11. Internal Risk Management Policy

- 11.1. The HGCT Risk management policy within this document is dealing with the risk of financial impact.
- 11.1 Our funding comes in from several sources, and we continue to manage these sources to enable their continuance.
 - 11.1.1 With covenants on properties along the canal corridor we ensure they are legal and inform the owner yearly of their cost to be paid to HGCT. These funds go in to reserved accounts to ensure we are legally compliant.
 - 11.1.2 With our rented properties, regular reviews are held with the renter to ensure any issues are dealt with quickly.
 - 11.1.3 Donations to the HGCT are seen as a bonus, not as part of our finance numbers running costs.

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11.1.4 When we are awarded a grant. The reporting requirements will be reviewed at the following board meeting to ensure we align with reporting and delivery requirements of the grant award.

11.2 Any contracts for work to be carried out along the canal corridor are limited in time period to the length of our reserves policy as in 10.1

11.3 The board of Trustees actively review the financial information at board meetings each qtr.

12. Investing Charity Funds Policy

12.1. The HGCT does not invest in the markets. The money is used for the restoration of the canal.

13. Campaigns and Political Activity Policy

13.1. The HGCT does not support any political party. It may be involved in supporting the Inland Waterways Association for the greater good of the canals in the UK. Any funding will be done following the budget process.

14. Financial Policy Distribution

14.1. The Financial Policy will be distributed to Board members, Budget Holders and posted on the external web site.

14.2 This policy has been reviewed against current Charity Commission guidelines and updated as suitable.

1. Appendix

Cheque and Internet Banking Signatories

Trust	The Wharf House Company Ltd
Treasurer	Two Directors
Chairman	
Two further named Trustees	

The Treasurer is authorised to approve urgent expenditure requests up to £ 750 in Total, and above £750 the payment must be countersigned.

15.2 Claims less than £100 per month may be claimed quarterly. i.e. quarterly total £300.

15.3 Postage claims over £1 per item must be itemised.