Policy 79: Trustees Finance Policy

Last updated by: SH, RS

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1 Introduction

The Trustees of Age UK York (AUKY) have responsibilities regarding the overall management and sustainability of AUKY's financial position including arrangements about banking, investments and presentation of annual accounts.

2 Effective Management of Finances

i) AUKY will:
   - be managed with probity to protect the interests of all those who contribute to their business activities;
   - protect the interests of those people for whom AUKY provides services and support;

ii) The Trustees have a legal responsibility to ensure that:
   - AUKY's resources are protected and managed effectively;
   - Proper accounts are kept and published;
   - Various separate AUKY policies relating to finance practices are adhered to;
   - The various policies are reviewed on a regular basis and updated in accordance with changing legislation and AUKY practices.

iii) The Trustees are governed and guided by the AUKY Memorandum and Articles of Association;

vi) The Board is advised by the Honorary Treasurer, Chief Officer CO, Finance Manager and the Finance and Administration team;

3. Delegated Sub-groups

i) A delegated sub-group has been created, known as the Management Finance Group (MFG), to which the Trustee Board has delegated certain tasks. It replaces the Budget Working Group (BWG) and the Finance Sub-group;

ii) The MFG consists of the Honorary Treasurer, the Chief Officer (CO), the Finance Manager and one other Trustee.

iii) An Audit Committee has been created consisting of the CO, Finance Manager and a volunteer trustee whose role is to carry out spot checks on aspects of finance in accordance with arrangements with the Honorary Treasurer;

iv) In all other respects, the Trustees have devolved day to day responsibility on the CO.

4 Accounts

i) The Board of Trustees formally approves the full and audited statements of accounts each year before the AGM;

ii) Audited Accounts are made available to all members of AUKY at the AGM;

iii) The accounts:
   - Comply with charity legislation;
   - Follow SORP.
iv) The Honorary Treasurer, Chief Officer, Finance Manager and Administration Team work in co-operation to:

- Advise the Board of Trustees on all matters relating to the financing and financial management of AUKY;
- Advise the Board so that AUKY’s financial management and control systems are working effectively;
- Give advice on major issues outside the agreed areas of management authority;
- Ensure all VAT/PAYE/NIC and other pension, tax or legal requirements are met;
- Prepare for submission to the MFG and full Board:
  - The annual budget forecasts;
  - Monthly reports on current income and expenditure with forecasts to the end of the financial year;
  - Annual accounts;
  - Annual risk assessment.

4 Receipt of Reports

i) Monthly finance figures will include:

- Income and expenditure for the period;
- Performance against budget;
- Reserve levels;
- Cash flow.

ii) The Chair, CO and Treasurer will receive finance figures on a monthly basis;

iii) The Management Finance Group (MFG) will receive finance figures every two months;

iv) The full Trustee Board will receive finance figures every two months alternately with the MFG.

5 Duties of the Honorary Treasurer

i) AUKY has an Honorary Treasurer who is a Trustee and who works with the Finance Manager and the Chief Officer;

ii) The Honorary Treasurer commissions the audit of the annual accounts from the registered auditor;

iii) The Honorary Treasurer presents reports to the Trustees at each Trustee Board meeting, answers questions and advises the Board where decisions are to be taken;

iv) The Honorary Treasurer, as one of the Trustees, is responsible for the accuracy of the advice they give but is jointly and not solely responsible for decisions taken by the Trustee Board;

v) The Honorary Treasurer checks the bank balances on a monthly basis; and undertakes spot checks across the whole organisational business.

vi) The Board will consider the relationship and contribution of the business to AUKY after the end of every financial year.
7. Reserves

1. The Board of Trustees will:
   - Annually request the Treasurer to assess the amount of reserves that AUKY requires;
   - Annually request the Treasurer to make the appropriate recommendation to the Board;
   - Ensure that the level of reserves never falls below that required to make redundancy payments to all staff;
   - Ensure that there are sufficient funds to be independent of statutory funding;
   - Ensure that there are sufficient funds for the maintenance of levels of service in accordance with AUKY's contractual obligations;
   - Endeavour to ensure that reserves are held of at least three months' salaries and rents.

8. Investments

i) AUKY has the power to invest, contained in Section p. of the AUKY Memorandum of Association;

ii) AUKY works within the Trustee Investment Act, 1961 and the relevant sections of the Charities Acts;

iii) Any decision to widen AUKY's investments beyond the existing bank or building society accounts must be taken:
   - By the Board of Trustees;
   - Guided by the Charity Commission booklet, 'Investment of Charitable Funds';
   - With written professional advice;

iv) The investment policy of the Board of Trustees is:
   - To strike a balance between a good return on investment and capital growth and security;
   - To re-invest income;
   - To review investments at least quarterly;
   - To consider ethical factors insofar as these reflect the charitable objects of AUKY and are consistent with charity law;
   - To invest funds in a manner that is consistent with this ethical fundraising policy;
   - To ensure that an appropriate level of accessible funds is maintained.

v) Investment information is:
   - Kept in a secure place in the Finance Manager's office;
   - Reported, including investment changes, to the Board of Trustees quarterly;
   - Checked against interest received by the Finance Manager.