

HAY2TIMBUKTU

Financial Policy

Approved by the Trustees on 23 August 2021

Financial Policy

1. Banking

Hay2Timbuktu (“the charity”) shall maintain a single sterling bank account. All Trustees may be signatories; the Treasurer for the time being shall always be a signatory. A Trustee who resigns and is a signatory may remain a signatory until arrangements can be made to amend the list of signatories.

Any payment out of the account shall require approval by two signatories.

The Treasurer for the time being shall be the contact point for the bank and his or her home address may be notified to the bank as the address of the charity for banking purposes in addition to the official address of the Town Council of Hay-on-Wye.

2. Payments

Subject to the requirement for two signatories set out in section 1 above, payments may be made from the charity’s account electronically.

A Trustee requiring a payment to be made will send the related invoice or other supporting document to the Treasurer and confirm that it is appropriate to make the payment. If the Treasurer agrees that the payment is appropriate, he or she will arrange for it to be made in accordance with the approval process set out in section 1. Where practicable, neither of the bank signatories approving the payment will be the Trustee who requested the payment. If it is not possible to obtain the approval of two signatories other than the Trustee who requested the payment, that Trustee may be one of those approving the payment, but any such payments shall be reported at the next meeting of Trustees.

Payments to suppliers shall be made directly from the charity’s account or, in exceptional cases, made in the first instance by a Trustee and reimbursed on production of receipts. Payments of daily subsistence to visitors from Mali shall be made in cash and a receipt obtained.

3. Procurement

Trustees may delegate to any Trustee the responsibility for procuring goods or services up to the value of £200, and the Trustee so mandated shall be responsible for ensuring that value for money is obtained. Proposals to procure goods or services above this limit shall generally be accompanied by three quotations, which shall be considered by Trustees at a regular meeting. In some cases it may not be practicable to obtain three quotations, in which case the Trustees shall consider how they are nevertheless satisfied that value for money is being obtained.

4. Foreign payments

The charity shall not retain any foreign currency reserve, buy currency in advance of need, or enter into any forward purchase agreement. When a foreign payment is required, the charity shall normally buy the required currency at a spot rate through a dealer with FCA permission to undertake money transfer activities. In exceptional cases and for small amounts, when the recipient does not have a bank account, Western Union may be used.

The foreign payment shall be recorded in the charity’s accounts as the sterling amount paid to the dealer for the foreign exchange purchase. The exchange rate obtained shall be recorded in the charity’s records.

5. Foreign exchange budget

The charity may set budgets in sterling or in francs CFA. When the budget is set in francs CFA, the charity shall pay the CFA amounts required to meet its obligations up to the limit, if any, of its sterling commitment. It shall remain in close touch with partners over the implications of any exchange rate changes affecting the project.

Where foreign project is financed by a third party, the charity shall report budget expenditure in sterling or francs CFA as required by the third party.

For project budgeting and reporting the methodology used for translating between GBP and Malian CFA is as follows:

- all exchange rates used in the currency translation will be verifiable through documentary evidence.
- exchange rates used in the currency translation will be either the observable prevailing market rate or the actual lump sum rates. H2T operates a system of periodic lump sum disbursements from the UK in GBP to a bank account in the implementing country, at which point funds are converted to the local currency. Grant holders may choose to use the exchange rate applied at the point of transfer of the lump sum in reporting all transactions for the quarter

6. Reporting and audit

The Treasurer shall prepare a report for each meeting of Trustees which includes summaries of:

- the financial position at the latest practicable date before the meeting.
- transactions since the previous meeting.
- cumulative transactions for the current financial year.

The Treasurer shall submit at the end of each financial year (1 June to 31 May) a report on the financial position and income and expenditure in the year for approval by the Trustees and inclusion in the annual report.

The requirement for audit or independent examination shall be in accordance the requirements of the Companies Act and the Charity Commission. When income in any year is above the relevant threshold the charity shall seek the appropriate opinion on its accounts.

The Treasurer shall ensure that the annual accounts are prepared in accordance with applicable laws and regulations and shall, subject to approval by the Trustees, file them with Companies House and the Charity Commission (if applicable).