

Western Chan Fellowship CIO (“the Charity”)

Financial Risk Management Policy - 2021

Definition

Financial risk management is defined as the practices and procedures that an organisation uses to optimize the amount of risk it handles with its financial interests. Senior leaders of an organisation that practices financial risk management should produce a written policy on financial risks that they are willing to accept and then follow that policy. They should also monitor the risks taken, and release reports on the results of these risks to help with analysing them.

Policy

1. Usual commercial risks for the Charity will be insured through both a Commercial Combined Insurance Policy (comprising buildings, public liability etc.), a Trustee Indemnity Insurance which protects Trustees from financial risk an an Excess Layer policy that adds a further level of cover.
2. Two authorised signatories/approvers will be required for every payment. If one of the signatories/approvers is a recipient of a payment by the Charity, then prior to such a payment being made details of the payment will be given to an (separate) Officer (i.e. the Chair, Secretary, Treasurer or Guiding Teacher).
3. There is a spending limit of £500 per purchase for the debit cards held by the Chair, Guiding Teacher and Treasurer (“the Officers”).
 - 3.1. Any purchases above this sum using a debit card must be discussed and agreed between the Officers, using a “veto by email” approach.
 - 3.2. There are general checks in place on the use of debit cards as follows:-
 - 3.2.1.the Treasurer will check the Guiding Teacher and Chair’s use through the relevant bank account and
 - 3.2.2.the Treasurer will submit a monthly report to the Chair of his/her card use
4. Any new venture for the Charity involving expenditure of over £500.00 shall need prior approval from the Trustees after production of a budget in relation to such a venture.
5. Annual unaudited accounts are drawn up and examined by an independent firm of Chartered Accountants and submitted to the Charity Commission and the AGM.
6. The Charity has a very low attitude to risk. Even in this time of low interest rates,
 - 6.1. There will be no investment in Equities, Unit Trusts, Government or Commercial Bonds or other market-traded assets.
 - 6.2. all financial assets of the Charity will be held in Bank accounts.
7. To protect the Charity against bank failure, funds are distributed between independent banks (ethical if possible) within FSCS compensation limits (currently £85,000.00).

8. Assets provided for volunteer use

8.1. The Charity does not provide assets for the use of volunteers on a regular basis. If a physical asset is to be provided or where a service with metered usage is to be paid for then appropriate arrangements will be made regarding financial reimbursement to the Charity for any private use by the volunteers. Where the Charity pays a subscription fee for a service required to meet Charity objectives and that fee covers all usage then the volunteer(s) will endeavour to keep non-WCF use to less than half of the total use. If half or more of the subscription is paid for non-WCF purposes (e.g. in relation to work with other organisations and/or for personal calls) then it is not appropriate that WCF bears the full costs of the subscription and the call on WCF funds should be reduced in proportion to non-WCF use.

9. Group Finances:

9.1. Some UK local groups have Co-op Bank Community Directplus accounts opened under the aegis of WCF ("Group Accounts") all of which accounts are part of the Charity's assets and reflected in the Charity's annual accounts

9.2. All Group Accounts shall need 2 signatories to withdraw money on cheques etc.

9.3. In order to both give local Groups the ability to operate their accounts independently and retain the ability for the Charity to control our Accounts centrally if needed, all Group Accounts shall have 4 signatories, 2 from the local group and 2 Officers

Sara Elloway – Treasurer (updated 21/03/21)