

Finance Policy



Change Control

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1 Budgets and Reforecasts

Annual Budgets are prepared annually, in advance of the academic year to support the Business Plan presented by the CEO and Senior Management team. The Annual Budget includes a statement of Income and Expenditure, Capital, Major project and Sinking fund expenditure alongside cashflow models for both Petty Pool and the Petty Pool Trust.

Meetings with Departmental heads and Budget holders enable the construction of an initial Budget which is reviewed by the Finance Committee before revision, finalisation and presentation to the full Board. The Board agree the Budget in advance of the Academic year.

The annual Budget is devised to meet the following criteria:

- Each entity to at least break even
- PP to have a budgeted surplus in excess of £20k
- Cash balance not to go below 1 months operating costs during the year
- The annual cash balance to budget to remain constant (ie the capital budget for the year is effectively the depreciation charge for the year any excess should then be financed with fundraising).
- Support funding (eg Fundraiser salary) to be shown as a donation in TPPT and as a donation received and cost in PP
- Management charge to PP equivalent of building depreciation
- All spend anticipated in excess of £5k included in the commentary

Following the first term, Budget holders and the Finance team review the current budget and produce a reforecast for the academic term. This is presented to the Finance Sub Committee and Trustees meeting for discussion and approval.

1.1 Reporting Expenditure against budgets and reviewing Forecasts

The budgets once agreed cannot be altered, without approval from the Board.

Management Accounts are prepared each month, by 28th, reporting actual activity against budget. Management accounting procedures must include bank reconciliation, journal listing, debtor and creditor listing, fixed asset report, prepayment, and accruals.

Management Reports including SOFA analysis separating College activities from Outdoor Centre, Enrichment, and other activities along with

commentary and Balance sheet reports are added to Governor hub for Trustees to review.

Termly Finance Sub Committee Meetings consider performance to date and reforecast elements. A further Finance report is presented to Full Board Meetings.

2 Committing to Spend Money.

2.1 Spending Authorisation

It should be recognised that a commitment to spend money is created as soon as an order is placed NOT when the invoice is received. Only Authorised budget holders, usually the senior managers of the organisation, are permitted to commit the organisation to expenditure and limits are applied according to the below: .

	Level	Type	Limit
Trustees	Capital & Revenue	Any	none
Finance Sub Committee	Capital & Revenue	Any	£10,000
CEO	Capital & Revenue	Single or up to 3 yr contracts	£5,000
Director of Education	Revenue	Non contractual within scope –all educational / requirements	£1,500
Director of Enrichment & partnership	Revenue	Non contractual within scope –Work Experience / PPP	£1,500
Estates Manager	Revenue only	Non contractual including building & maintenance work, IT, forestry	£1,500
Finance Manager	Revenue only	Non contractual including utilities, IT, legal, accounting	£1,500
Director of Quality Director of Curriculum & Planning	Revenue only	Non contractual within scope – education, course supplies, staff training, trips and functions	£500
OEC Manager	Revenue only	Non contractual within scope – course and instructor equipment, staff training, trips	£500
PPP & Job Coaches	Revenue only	Student related travel / welfare items	£30

Admin/ Senior LM/ LM	Revenue only	Student and college related purchases on behalf of other managers – pre authorised	£30
Maintenance	Revenue only	Minor parts / spares / tools / building materials – pre authorised only	£50

A purchase request must be authorised in line with the above limits to enable staff member to make a financial commitment for Petty Pool. An offsite visit request must be completed and authorised before travel and residential holiday costs are incurred. The cumulative effect of purchasing decisions must be considered and approval is required where the cumulative effect of a purchasing decision is in excess of the authorised limits, for example a project or spend with one or more suppliers where individual invoices are below the authorised limit but the cumulative effect of the commitment is in excess of the limit.

2.2 Contracts and Service Agreements

All Contracts and Service Agreements below £5,000 are agreed by the Site Manager or Finance Manager and authorised by the Chief Executive. Commitments to new suppliers or to terms longer than a year must follow the full purchasing procedure outlined later in this policy.

All expenditure, contracts and Service Agreements over £5,000, irrespective of any conditions, must be reviewed by the Finance Sub Committee. Arrangements over £10,000 must be authorised by a meeting of the full board. Legal advice to be obtained on any new contracts over £100,000.

A copy of all contracts and service agreements, letters of obligation over £1,000 should be held by Finance for the purposes of proper accounting.

The following financial limits/procedures should be observed. The thresholds apply to the total order and in the case of contracted services to the total contract cost. Contracts must not be artificially split to avoid appropriate tendering.

1. For goods and services between £3,000-£10,000 two written quotes should be obtained.
2. For goods and services between £10,000-£50,000 three written quotes should be obtained.
4. For goods and services over £50,000 a closed tender system should be issued in accordance with section 21.

The Finance Manager will advise Managers and ensure the process is followed with compliant documentation in place. A completed and

authorised Expenditure Approval form, with attached formal quotations is required to support expenditure over £3,000.

The Finance Manager can support in comparing quotes and in arranging the authorisation of the goods/services by the Chief Executive and Finance Sub Committee, and in turn the Chief Executive is able to take tenders/ quotes to the Full Board for approval.

5. Single tender action may be justified in certain circumstances, for example, where there is a sole supplier with a unique service or product. For Single Tender Action, a description of the item and the justification for Single Tender Action should be approved by the CEO and retained in the procurement file.

2.3 Approval for Expenditure over £5k

The Petty Pool Board must approve all expenditure items over £5,000. Items between £5,000 and £10,000 can be approved by the Finance Sub Committee.

The annual budget, will include an outline of potential projects, estimated costs and operational priority. Selected items will be included in the approved budget, others will be considered 'discretionary' where additional funding or change in circumstance may present an opportunity to progress.

Expenditure items that are ready to progress must be presented to the Finance Sub - Committee ahead of consideration by the Board. Each item must be documented using the 'Expenditure Approval Form' showing supplier alternatives, quotation details and full justification. Once the Finance Sub Committee have considered the expenditure this will be presented to the full Board. The conclusion will be either a request for more information or authorisation to proceed, accompanied by a signed form.

Progress on projects over £5k that have been authorised by the Board should be reported at each Board meeting. Single purchases of £5,000 and above require authorisation by a Trustee which can be in the form of:

- explicit approval at a Trustee meeting
- written email confirmation

2.4 Approved Suppliers

Achieving value for money will not always mean accepting the lowest price but, making decisions based on a wider set of criteria below:

- Price
- Quality of product or service

- Fit of product with need
- Reputation and capacity of provider
- Range of goods and services and suppliers available
- Reliability
- Responsiveness
- Delivery times
- Environmental impact
- Sustainability Policy to be shared
- Match to Petty Pool Health & Safety Policy
- Match to Petty Pool Safeguarding Policy
- Match to Petty Pool Equal Opportunity Policy

The Budget holder should always ensure they have considered the principles laid out above before entering into a supply agreement with any external supplier. They may be asked to evidence their decision for a particular supplier they utilised, so ensure the Petty Pool Expenditure Approval form is completed for £5,000 plus, particularly if not choosing the least expensive option.

A record of approved suppliers, the area they are appointed for, alternative suppliers and the period of appointment must be kept ensuring performance is monitored for preferred suppliers. Any non-conformances in performance or price must be monitored and will prompt reassessment before the term has completed.

2.5 Sign Off Process

In all cases the authorised signatory should ensure that PP receives value for money for any item purchased. This means consideration of the following three areas prior to commitment: -

- ECONOMY - having decided on what it is necessary to buy then paying the lowest cost for that item, eg, having two or more quotes for price comparison.
- EFFICIENCY – maximising the outputs or benefits from any item purchased, eg, expenditure should be for long term benefit and be sponsored where possible.
- EFFECTIVENESS – making sure that the outputs or benefits from any item purchased meet PP’s objectives and priorities, comply with all other PP policies and guidelines, is planned expenditure included in the original budget and that there is sufficient headroom within their existing budget.

All spend must be evidence with an authorised signatory via the Purchase Authorisation Form prior to the order being placed.

All invoices must show a signature to confirm receipt of goods and be authorised by the relevant PP budget holder before payment is made in accordance with section 3.

2.6 Staff Recruitment and Salary Revisions

Staff recruitment and salary revisions should be in line with the approved staffing model for the year, as approved by Trustees and CEO. Hourly paid and use of freelance staff must match to the hours approved in the annual budget. Any variance must be agreed in advance with the CEO.

All recruitment in year should be in line with the agreed annual staffing model or the reforecast, as approved by the CEO.

The annual salary increase will be provided for in the budget for approval by the Board including any specific or one-off provision. The timing and execution of the increase is the CEO's responsibility.

Any in year salary changes that need to be made, must be within the budget and signed off by the CEO.

Approval of monthly salary payments are covered in section 13.

2.7 Holiday budgets

Petty Pool offers students the opportunity to travel on short breaks or day trips to support curriculum learning. The budget for these trips is planned by The Director of Education and full approval must be given prior to any bookings being made. A decision will then be made about the level of student contribution and whether the bursary policy will need to be applied.

For each trip, the member of staff responsible must draft a short expenditure budget, giving details of the trip (date, location, etc.), the number of young people expected to travel, Curriculum objectives and a detailed list of expected costs – including any float that will need to be taken on the day.

2.8 Sinking Fund Provision

Where revenue items and projects with significant expenditure have been identified, a sinking fund provision will be made for all or part of the monies required. A full record of the provision must be maintained and reviewed by the Finance Sub Committee at least 6 monthly. The provision for the current trading year will be agreed annually by the Finance Sub Committee. The CEO and Sub Committee can authorise the release of monies from the fund against actual expenditure.

2.9 Grant applications

All Grant applications over £1,000 must be reviewed and authorised by the Chief Executive. Details of all applications including the dates made, funds

requested and application outcome must be retained in a location on the College network.

3 Creditor & Other Payments

3.1 Invoices

All invoices and statements for goods or services supplied to PP are to be sent direct to Finance. All invoices are recorded in the Finance system once authorised as valid.

All invoices must be authorised (signed, coded and dated) to confirm receipt of goods or service. Finance will ensure invoices are matched to PO requests and passed to the relevant parties for authorisation, based on the table in Section 2.

3.2 Invoice Payments

An invoice payment run is made bi-weekly and invoices should be paid within suppliers' terms unless there are exceptional circumstances.

- 3.2.1 Payments will only be made against original invoices.
- 3.2.2 Finance must ensure that relevant parties have authorised all invoices in line with the policy.
- 3.2.3 The issue of payments is authorised by the Finance Manager (or in their absence by Chief Executive),
- 3.2.4 Payments are approved by two authorised bank users. They are confirming that the expenditure appears bona fide and should sign the batch submission paperwork in confirmation.
- 3.2.5 Signatories may not authorise or sign cheques payable to themselves and must never sign blank cheques.
- 3.2.6 Payments over £5,000 must be authorised by the Trustees except for salaries, and monthly PAYE payments which must be authorised by the Finance Manager and the Chief Executive.
- 3.2.7 Changes in supplier bank details must be checked by phone prior to being amended on the banking system and recorded in the accounting system. Any change must be authorised with evidence and signed off by the Finance Manager or CEO.

This system relies on the segregation of duties between the person spending the money and those making the payment to protect the assets of the organisation.

3.3 Other Payments without a final invoice

In exceptional circumstances a payment can be made without a final invoice, specifically for proforma and deposits. These payments will be authorised by Finance Manager / CEO based on letterheaded documentation confirming the payment arrangements and banking details. The documentation should be held awaiting issue of a receipt or final invoice.

4 Bank Signatories

4.1 Banking Arrangements

Mandates bearing the signatures of individuals who are authorised to sign financial transactions are lodged with our Bankers - Barclays Bank (PP) and Yorkshire Bank (TPPT).

Two signatures from the current bank mandate are required on any financial transaction. Positions authorised to act as signatories are Trustees, CEO, Education Director, Finance Manager.

The Authorised signatories list is reviewed at least annually to ensure the authorities are in line with current responsibilities. Changes to Authorised signatories for leavers should be actioned immediately.

Cheque books will be held by the Finance Officer and must be kept in the safe (not left unattended when in use). Blank cheques **MUST NEVER** be signed. Cheque signatories should not sign a cheque made payable to themselves.

4.2 Electronic Banking

Access is assigned to Finance Officer, Finance Manager, Chief Executive, Director of Education, and selected Trustees. This is setup separately to the Bank mandate in 4.1.

All banking transactions are entered via secure access by the Finance Officer and then approved by the Finance Manager and Chief Executive, Director of Education, or Trustee. All payments require two authorisers.

The Finance Officer supplies documentary evidence to the authoriser for them to establish that the transaction is genuine, and the bank details are correct.

Payments must only be made against fully authorised transactions. Authorisers are confirming that the expenditure appears bona fide and should sign the batch submission paperwork in confirmation. The batch and supporting documents are retained for audit and reconciliation purposes.

Access to Electronic banking facilities should be reviewed annually, or actioned following personnel changes.

4.2.1 Internal Bank Transfers.

PP/TPPT hold two separate bank accounts: a Barclays bank current account through which all Petty Pool transactions are made and a Virgin bank current account which is used for all transactions related to The Petty Pool Trust.

Transfers between PP bank accounts submitted to the bank have to be transmitted by the Finance Officer and authorised by the Finance Manager, CEO or at a Trustees Meeting. These transfers are governed by the Inter Company Policy.

4.2.2 Investment Transfers

Funds transferred between the company bank accounts and Investment holdings must be authorised by the Trustees. This can be evidenced by signatures on paperwork or a specific minute from a Board meeting. All documentation must be retained for audit purposes.

5 Petty Cash and Personal Floats

College Cafe, Student Shop & Community Shop. The Cafe (£50) and Student shop & Community Shop (£20) will maintain the set value as a daily float. Monies collected should be counted and reconciled to the SumUp receipt before return to the Finance Officer for banking.

5.1 Policy for Petty Cash.

All Items of expenditure from the float must be accounted for by means of receipts and all receipts must be numbered and reconcilable with information documented on the reconciliation form. Each float holder has overall responsibility for the safety of the money and production of receipts. Cash should be held under your **personal control** and if not on your person should be always kept in a locked tin in a locked cupboard or drawer. The key should be always kept on your person.

Authorised amounts for Expenses, Subsistence & Allowances and arrangements for trips are detailed separately

5.2 Policy covering Petty Cash Float Holders only

If a petty cash tin is shared, then each must have their own key to the tin stored in a locked drawer. Petty cash floats must always be balanced and signed for when handing over to a new individual (during holiday and other absence).

Limits covering the maximum total amount of cash that can be held on PP premises must be observed as detailed under Section 21 Insurance.

Petty cash floats should be balanced and reimbursed at least monthly.

5.3 Petty Cash Register

The Petty Cash Float Holder should maintain a petty cash spread sheet to: -

- Summarise monthly reimbursement
- Record the nature of income and expenditure and nominal coding
- Evidence monthly balancing of the tin with a signature
- Signatures when handed over during absence

For Finance and College held petty cash, all transactions will be posted directly onto the finance system

6 Credit cards, Fuel cards and Prepaid cards

Expenditure on the credit card should only be made when there is no opportunity for a credit account. ALL expenditure incurred on the credit cards is to be for the business of Petty Pool – no personal expenditure is allowed at any time. Only named card holders can use credit cards and cards must not be provided to other members of staff.

Fuel purchased for the pool vehicles should only be purchased with the vehicles fuel card – not on the credit card.

6.1 Security & Spending Limits

Access to credit cards and card details must be restricted to the cardholder and a nominated person from the cardholders' team/department. Credit cards must not leave site with someone other than the cardholder.

6.2 Card Security

All credit cards must be held under the card holders' personal control, preferably in person, or in a locked cupboard or drawer. The key to the locked drawer should be kept separately.

6.3 Card User Details

The Finance Department will hold the names of any staff members who are authorised to use credit cards. Any changes should be notified to the Finance officer immediately.

6.4 Reconciling Credit Card Statements

Company Credit Card statements are available to cardholders from 28th of the month. Each cardholder must complete a monthly expenditure form, coding payments, attaching receipts, and reconciling to the Credit card statement balance. The form should be submitted by the end of the first week of the new month.

The Finance Officer checks the transaction details, posts the movement to the Finance system, and reconciles to the Company's Credit card statement balance. All statements and attached paperwork are held in Finance for record-keeping purposes.

6.5 Use of Prepaid Cards

Limits and issue of prepaid cards must be inline with '2.1 Spending Authorisation'. Cards should only be loaded with funds for authorised expenditure and all expenditure must be supported by receipts. Totals and patterns of expenditure on prepaid card should be overseen by the Finance Manager and available to senior staff to become familiar with spending commitments in their area.

Transfers to top up the Prepaid fund should be made monthly by the Finance Officer.

Limits on cards should be reviewed monthly.

6.6 Use of Fuel cards for Petty Pool vehicles

Each of the pool vehicles has a fuel card for use when using the vehicle on PP business. This should be used to purchase fuel when required. The receipts should be passed to the Finance Officer on return from the journey.

Finance will reconcile the fuel card bill to the receipts monthly.

7 Expenses, Subsistence & Allowances

Petty Pool vehicles should be used whenever possible, as this is the most cost effective for the organisation. Personal vehicles should only be used for short /local journeys or longer journeys' when pre-authorised by a Senior Manager.

Mileage allowance is paid at the current approved rate per mile. Meal and accommodation allowances are claimable against actual receipts.

PP will reimburse volunteers (on production of receipts) any charges they may incur in travelling to and from an office and any out-of-pocket expenses, including lunch. Volunteers may claim the mileage rate as set for staff.

When travelling on Petty Pool activities, public transport should be used where possible. Taxis should only be used where public transport is unavailable, for travel after dark or if carrying bulky or heavy equipment. The reasons for using a taxi must always be stated on the form. Standard class rail travel only will be reimbursed.

If an overnight stay is necessary, all employees need to ensure that their line manager has approved these expenses prior to booking accommodation. Meal & other expenses must be approved in advance and claimed against a valid receipt. Petty Pool will not reimburse expenditure on alcohol.

The same allowances are applicable to the reimbursement of Trustees expenses.

Mileage allowance for staff is only claimable for the additional miles travelled, above those to your normal place of work. Your normal daily mileage should be deducted before claiming. If you normally travel by public transport, then the cost of this should be deducted as an alternative.

8 Income

Cheques and cash receipts are banked within 1 week of receipt. Staff and volunteers must follow the cash handling policy when dealing with cash received.

The Cash box and Safe keys should be always held securely by the key holder.

Receipt of cash and cheques is to be recorded into the cash book and onto the accounting system. This should be balanced daily and weekly by the Finance Officer.

Limits covering the maximum total amount of cash that can be held on PP premises must be observed as detailed under Section 21 Insurance.

8.1 Post

Post can be opened by one member of staff providing that there is more than one member of staff available in the department to witness the recording of any cheques or cash. The receipt of cash is recorded on the donation paperwork and signed by the member of staff concerned.

In practice all cheques received are payable to PP and it is very rare that cash is received through the post.

8.2 Charities Aid Vouchers

Receipt of any vouchers should be recorded by Finance who will copy the voucher, showing Donor, Voucher Number and amount, they will then be submitted to The Charity Aid Foundation within 5 days of receipt.

8.3 Fundraising Income

All legal requirements covering public collections should be followed.

All monies should be counted in line with the cash counting policy (section 10). If cash is taken from a third party, then they should be issued with a standard receipt (receipt books held in Finance).

8.4 Gift Aid

The Trust is registered for gift aid with HMRC and any activities need to ensure that the availability of claiming gift aid is maximised. Gift aid is available to be claimed from any UK taxpayer if they agree but only against donations.

A letter is issued to personal donors asking if they agree to gift aid the donation. Finance submit a gift aid claim form to HMRC annually.

8.5 Online Donations

The Trust has pages to receive donations from Virgin Money, Just Giving, Amazon Gift list, Charities Trust and other charity sites. Donations received from these sources should be identified to the correct donation category and where possible supporting documentation should be saved to evidence amounts received, separating the elements of fees and gift aid.

8.6 Bursary funding received

Students who are entitled to receive Bursary funding from CCSW are listed once the application evidence has been approved. College admin prepare and submit claims for funded trips, meals and PPE on a termly basis. Retrospective claims may be made where a student's approval is delayed.

CCSW review and authorise qualifying expenditure, which is remitted to Petty Pool. Any students that are entitled to bursary funding are able to claim this from their agreed start date. This may require reimbursement of some expenditure by Petty Pool (eg lunch monies).

9 Cash Counting

When cash is taken from a student or from any other non-staff member, a receipt **MUST** be issued from a duplicate receipt book – consecutively numbered. Cash taken from a member of staff must be counted in the presence of that member of staff and both sign a ‘cash transfer’ form to agree the value. If this cannot be achieved, then the cash form should still be completed and noted as ‘uncounted’ but also note the value that is believed to be there if already counted. Staff should not count cash alone but always in the presence of another person, and again a ‘cash counted’ form should be completed and signed.

Cash should **never** be left in drawers, on desks or out of an individual’s personal control.

If cash counting takes place after a large event, then counting should be done collectively (in clear sight of several collectors and **AT LEAST ONE** member of Petty Pool staff) and full details taken by an officer of the charity.

10 Loan of PP Money

Under no circumstances must PP monies be loaned/authorised to another staff member or any other person. Not adhering to this policy could lead to disciplinary action being taken against the staff member who authorised the loan.

11 Restricted Income

All charities must separately identify Restricted Income and Expenditure in their annual accounts.

11.1 Definition of Restricted Income

Restricted Income is money given voluntarily but that is subject to a special trust (rather than legally binding). This trust confers an obligation upon the charity that it will use the money in a manner specifically described and agreed with the donor.

Some income received from Companies, Trusts and Individuals may also be treated as Restricted income depending upon any conditional terms agreed with the donor e.g. Creation of new and specific staff roles, specific projects with deliverables, etc.

Restricted income can be difficult to determine in practice and each case must be judged on its own merits. However, where the income is for a

service and upon full performance of that service any surplus monies can be retained and used for general purposes, this indicates that the income is unrestricted. If any surplus is retrievable then the income is most likely to be restricted.

11.2 Definition of Contracts

Contracts, including those with government, are legally binding and involve payment to PP for the 'supply of services' by PP to the contracting party. Contractual payments will therefore normally be unrestricted income of the charity.

11.3 Supporting Documentation

A written copy of all contracts, grants, service agreements, and letters of obligation should be sent to the CEO for the purposes of proper accounting as Restricted Income or otherwise. There should be paperwork generated for ALL donations of any nature so the decision to class as restricted or unrestricted is clear.

12 Record Keeping

PP keeps financial records in line with government statutory requirements. Compliance is reviewed on an annual basis or in line with any changes in year.

13 Salaries

All staff are paid monthly on the 24th day of each month. If this falls at a weekend or bank holiday, payment will be made on the previous working day.

Salaries are paid 24 days in arrears and 6-7 days in advance for contracted hours – all additional hours are paid up to the end of the previous month, based on the submission of authorised timesheets.

Salary payment is made direct into an employee's bank or building society account, with an electronic payslip issued the day before salary is received. The payslip shows salary, any additional hours worked (over contracted hours) and deductions for Tax, N.I Contributions any pension and local deduction and net amount paid. This document is available by signing into our online portal. All new employees are automatically registered on the Portal.

A P60 End of Year Certificate showing salary and deductions for Tax and N.I Contributions for the tax year ending 5th April will be issued within 30 days of the end of each tax year. This is also available on the online Portal.

13.1 Salary Authorisation

All leavers, new starters, adjustments to hours, additional payments and deductions are detailed in a single Salary Advice schedule for the month which is checked and authorised by HR and the Chief Executive before being finalised on payroll.

The Salary Advice and final Payroll reports are reviewed by the Chief Executive before submission to online banking. The salary payment sheet is copied to the Chief Executive by Finance when submitting to the bank. Salary payment is authorised by the Finance Manager and Chief Executive.

13.2 Pensions

Contributions to the Pension scheme are approved by Trustees annually. The Pension scheme itself and Financial Adviser are evaluated annually by the Finance Sub Committee.

All staff are auto enrolled, in compliance with current legislation. Individuals must notify in writing, at the earliest opportunity, if they do not want to remain enrolled in the scheme. All employer pension contributions are made in line with current legislation and submitted to the pension company to meet cut off deadlines.

14 Tangible Fixed Assets

All tangible fixed asset acquisitions and disposals must be logged on the Fixed Asset Register.

14.1 Definition of a Tangible Fixed Asset

A tangible fixed asset is an asset that is held for use in the production or supply of goods and services, or for administration purposes has been acquired with the intention of being used on a continuing basis for more than one year and is not intended for sale in the normal course of business.

14.2 Capital Investments

Please see separate guidance on when Tangible Fixed Assets are treated as Capital Investments.

14.3 PP Fixed Asset Register

The purpose is to keep a record of all PP Tangible Fixed Assets in order to try and prevent its loss or theft. The information is also used to substantiate insurance cover. The Register is checked annually for completeness. The value of assets on the asset register agrees to the figure given in the annual accounts

The Fixed Assets register records the following: -

- All those assets which are treated as Capital Investments – See Section 17
- All assets held under leases.

Furniture and items with a value below £1000 are not recorded on the Fixed Asset Register since these are likely to be portable in nature and are expensed.

14.4 Acquisition of Assets

Donations of Fixed Assets - See separate guidance on Gifts in Kind
Purchase of Tangible Fixed Assets must be in line with authorised Capital budget authority.

14.5 Disposal of Assets

The Finance Officer must be advised of the intent to dispose of an asset.

Details required are

- Asset ID number
- Reason for disposal
- Whether it is to be sold and, if so, for how much

The Finance Officer will ascertain the Net Book Value (NBV) and, if this is nil, authority to dispose will be granted. If the asset is to be sold for an amount equal to, or greater than, the NBV, authority will be granted. If the NBV will not be realised upon disposal authority must be gained from the Finance Sub Committee to suffer any loss above £1,000.

15 Gifts in Kind

Gifts in kind are covered by the Anti Bribery and Corruption Policy

15.1 Tangible Fixed Assets

If an item, which is considered to be a Tangible Fixed Asset, is to be donated the following procedure must also be followed: -

- The person to whom the offer has been made must notify the Finance Manager
- The Finance Manager and Chief Executive will authorise, or not, the donation and return the notification to the originator

15.2 Details required

The following details must be forwarded to the Finance Manager

- Description
- Date of Donation
- Written estimate of value of Donation (from Donor)
- Location
- Serial Number (if tangible fixed asset)
- Registration Number (vehicles)
- Identification number (if tangible fixed asset)

15.3 Matching expenditure

An equivalent amount will be included in expenditure unless the asset is to be treated as a Capital Investment in which case it will be depreciated in accordance with PP policy.

16 Intangible Income

PP may receive assistance in the form of donated facilities, beneficial loan arrangements, donated services or services from volunteers. Such assistance is generally referred to as 'intangible income'.

Where the benefit is quantifiable and measurable, and the donor is bearing a financial cost for the resources supplied it should be recognised in PP accounts as a donation providing its estimated value exceeds the PP materiality threshold.

Information must be provided to the Finance Manager for a proper record to be made.

16.1 Materiality Threshold

PP will operate a materiality threshold of £500 for Gifts in Kind and Intangible Income

16.2 Details required

The following details must be forwarded to the Finance Officer

- Description
- Date of Donation
- Written estimate of value of Donation (from Donor)
- Location

16.3 Matching expenditure

An equivalent amount will be included in expenditure

17 Investments

The policy covers the management of the Charity's cash flows; its borrowing and its investments; the management of the associated risks; and the pursuit of the optimum performance or return consistent with those risks.

The Trustees are able to make investments and to authorise one or more persons to exercise all or any of their delegable functions as their agent. The Trustees have appointed an agent, Brown Shipley to manage investment funds.

Brown Shipley use sustainable criteria to identify investments that have the potential to drive outperformance and have a positive impact. They believe in the importance of sustainability, which is why they place it at the heart of their business and use it as the driver of investments. Sustainability underpins Brown Shipley's investment approach. They state that it is their lead offering, presented to all Brown Shipley clients.

Brown Shipley deploy three different sustainable lenses when assessing investments:

- a) Leader strategies seek to invest in entities with the strongest sustainability practices.

- b) Improver strategies seek to invest in entities that are exhibiting positive environmental, social, governance (ESG) momentum.
- c) Thematic investing seeks to identify companies that are well positioned to take advantage of significant secular growth trends currently underappreciated by the wider market.

Any and all investment decisions made by Brown Shipley within the Petty Pool investment portfolio are done so within this sustainable investing framework while also being mindful to ensure the wider balanced risk mandate with a medium approach to risk and accompanying investment parameters are not breached.

All returns from the investment portfolio are paid quarterly into The Petty Pool Trust. These funds are used to support the Charitable function of the organisation.

17.1 Policy On External Advisors

The use of external advisors and fund managers must be approved by the Board prior to their appointment and in accordance with the Trustee Investment Act 2000. The appointment of Brown Shipley as advisors is reviewed annually by Petty Pool Finance Sub Committee.

17.2 Approved Organisations for Investments

In deciding where to invest its surplus funds the Charity's objective is to minimise risk to its funds. The balance between capital growth and income will be determined in accordance with the needs of the Charity.

The performance of the Petty Pool investment portfolio is reported quarterly and reviewed annually by The Trustees.

18 Borrowing

All borrowing must be referred to the Trustee Board for authority.

The Charity will confine its borrowing to Banks, Building Societies, and other such institutions.

The Charity will not borrow from, or allow any current loan to be transferred to any Bank, Building Society or other institution with a credit rating below A/a as registered by The Bank of England or investment credit rating agency.

19 Closed tender system

A template is provided for the Invitation to Quote which should be issued to at least three contractors in each case. The template may be amended as necessary to reflect individual requirements.

The Invitation to Quote must include:

- a written specification of the item to be procured, plus any necessary attachments);
- the author and date of the Invitation to Quote;

- the evaluation criteria upon which selection of the successful supplier(s) will be made.

If less than three responses are returned, for example, if one or more suppliers declines to provide a quotation, only the responses that have been returned need to be evaluated. It is acceptable to receive less than three responses as long as three suppliers have been asked to quote. Further suppliers may be asked to quote if those received do not meet the criteria.

19.1 Evaluation of Responses

When responses to an Invitation to Quote have been received, they must be evaluated. Staff should select the supplier who provides the best value for money in terms of overall cost, ability to meet the specification, delivery timescales, and any other relevant factors. If the supplier selected is not the lowest bidder, justification for the selection must be documented.

The evaluation criteria to be used must be contained in the Invitation to Quote document which is issued to suppliers so that it is clear to suppliers how their response will be evaluated.

19.2 Award of Contract

Once the responses have been evaluated, the successful supplier must be notified, and an appropriate paperwork completed.

Unsuccessful suppliers should also be notified and are entitled to receive feedback as to why they were not successful. Feedback should be based on the evaluation undertaken.

19.3 Documentation

For each item of goods / services / works to be procured, the following documentation must be retained in a dedicated procurement file:

- the Invitation to Quote, including a written specification of the item to be procured, as well as the evaluation criteria;
- the quotations and responses received;
- a record of the decision made, including justification;
- a copy of the appointment documentation / supplier contract.

This procedure must be adhered to and all processes documented thoroughly to provide a full audit trail and also to ensure information is available in the event of any requests under the Freedom of Information Act (2000).

20 Reserves

The Trustees have set a reserves policy that requires that reserves be maintained at a level that ensures that PP's core activity could continue during a period of unforeseen difficulties.

The goal is to build the organisation's reserves to 6 months' cash reserves based on annual expenditure plus the cost of closure of the charity (with the staff payments element of this in cash also). A separate Policy is in place to define the reserves held by The Petty pool Trust, separate to Petty Pool.