Himalayan Trust Financial Policy

POLICY

The Himalayan Trust (HT) is committed to optimising expenditures to realise the goals of the organisation and preventing unnecessary, wasteful or fraudulent expenditure.

HT will ensure appropriate financial management rules and monitoring procedures are in place, including the segregation of duties in the payment cycle. This ensures transparency, accountability, and integrity in all financial dealings.

PROCEDURES

These procedures outline the Trust's internal controls, including the management of funds, authorisation of expenditure, reporting, and monitoring processes. They include regular checking of bank statements, reviews of monthly management reports, and quarterly financial reporting to the Board.

The Finance Committee has primary oversight of financial management. All staff and Board Members involved in financial transactions are expected to be familiar with this policy and understand the limits of their respective delegated authority.

1. Finance Committee

1.1. The Finance Committee will consist of the General Manager (GM), Accountant, and two Board members. Their duties are to manage and monitor the finances of the Trust. Meetings will be held at least quarterly. A quorum will require two members, including at least one Board member.

1.2. The Accountant will submit a quarterly finance report to the Board, showing income and expenditure with appropriate commentary.

2. Bank Accounts

2.1. HT currently holds the following BNZ accounts:

- 02-0256-0031716-000: NZD Non-Profit account
- 02-0256-0031716-001: NZD Donations account
- 02-676038-0000: USD account.
- Excess cash is transferred to on-call preferential interest accounts at Private Wealth Advisors (PWA).

2.2. Signatories on the accounts are the Accountant, General Manager, and Finance Committee Board Members.

3. Access

3.1. Access to BNZ Online Banking (www.bnz.co.nz) is protected by BNZ's business-level security system, including Netguard or equivalent multi-factor authentication.

3.2. The GM, Accountant, and Board Treasurer will each have secure BNZ access.

4. Approving Expenditure

4.1. Payments are made via Visa credit card or Direct Credit.

4.2. BNZ Online Banking requires two signatories, regardless of transaction value.

4.3. Payments under NZD $2,000 may be authorised by the GM alone or in line with contract allowances.

4.4. Payments from $2,000 to $5,000 require signatures from two of the following: the GM, Accountant, and an approved Board member.

4.5. Payments over $5,000 require prior approval from the Finance Committee or Board and must be signed by two Finance Committee members.

- For expenses over $5,000 that are within the approved budget, prior email approval from the GM is required.
- For non-budgeted expenses over $5,000, prior approval must be sought from the Finance Committee or Board.

4.6. Certain regular, unchanging payments (e.g., PAYE salary) may be approved annually by the Board and paid monthly or fortnightly without requiring individual approval.

4.7. New operations, projects, or appointments must have Board-approved budgets prior to incurring expenditure.

5. Donations Income

5.1. Donations may be received via card payments, direct bank transfers, Stripe (www.stripe.com/nz), PayPal, Ezidebit or other approved platforms.

5.2. All donations are recorded in Xero or Raisely (www.raisely.com) and receipted accordingly.

- Donations from schools or relevant organisations receive a Certificate of Thanks.
- Individual donations over NZD $1,000 receive a personal Letter of Thanks from the GM.

6. Foreign Exchange Transactions

6.1. Disbursements involving foreign currency will use the relevant spot rate on the date of transfer.

6.2. Foreign exchange gains or losses on transfers or revaluation of foreign currency accounts will be recognised in the monthly Profit & Loss statement.

6.3. The Finance Committee oversees and approves any revisions to the foreign exchange policy.

7. Investment Portfolio

7.1. HT receives quarterly reports on its investment portfolio from Private Wealth Advisors (PWA), which are reviewed and submitted to the Board by the Finance Committee.

7.2. The Himalayan Trust Finance Committee consults with PWA quarterly regarding the portfolio's composition. After consultation, the Committee issues instructions for any changes. Instructions must be unanimous or by majority, with no dissent.
- Current HTFC members (as of May 2024): Mike Gill (Chair), Jason Edwards (Accountant), Peter Hillary (HT Chair), and Alexander Hillary (GM).
- The HTFC Chair (or Acting Chair) transmits instructions to PWA.
- Cash withdrawals from PWA to fund HT activities are requested through Jason Edwards following consultation with the GM.

8. Finance Reporting

8.1. HT uses Xero as its accounting system for invoicing and reporting; no additional bank reconciliation is necessary.

8.2. The Accountant prepares monthly and quarterly Profit & Loss Statements and Balance Sheets through Xero.

8.3. A quarterly financial report, including the investment statement, is distributed to all Board members.

8.4. HT commissions an annual audit report, which is presented to the Board.

9. Financial Management of Partner Organisation: Himalayan Trust Nepal (HTN)

9.1. HTN must provide quarterly financial reports and end-of-project completion reports, as agreed upon in the MoUs between HT and HTN.

9.2. HT recognises the importance of capacity building for HTN and supports them in maintaining robust financial management systems. HTN is required to commission an annual audit, submitted to HT.

10. Budget Management

10.1 Annual Budget: The General Manager (GM) and Accountant prepare an annual budget in consultation with HTN. The Finance Committee reviews the draft before submission to the Board for approval.
- Budgets for new projects, capital expenditure, or staffing appointments must be submitted for Board approval.
- Monitoring and Reporting: The GM and Accountant monitor actual income and expenditure against the approved budget monthly, using Xero. A quarterly budget report is submitted to the Board.
- Revisions: Any changes to the approved budget require Finance Committee review and Board approval. Urgent revisions may be provisionally approved by the Finance Committee, subject to Board ratification.

10.2 Project Budgeting and Financial Management:
- All projects implemented by HTN or other partners require an approved project budget that aligns with HT's strategic priorities and funding agreements.
- HTN will submit quarterly financial reports against project budgets, including explanations for any material variances.

- Release of project funds to HTN is contingent on the approval of financial reports and acquittals for previous tranches by the HT Finance Committee.
- HTN is required to commission an annual independent audit, and HT may conduct additional financial reviews as needed to ensure compliance.

APPROVAL

This Policy has been approved by The Himalayan Trust, with effect from 23 February 2024.



Signed _____

The Himalayan Trust

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