



FRIENDS OF NUNHEAD CEMETERY

Financial Policies

Updated by Ann Coley Jan 2024

Introduction

FONC has chosen to delegate the work on financial policies to the Treasurer. However, all trustees have responsibility for the financial management of the charity and for implementing and reviewing financial policies and controls.

This document contains policies relating to :

- [Internal financial controls](#)
- [Risk management](#) (including financial risk)
- [Trustee expenses](#)
- [Charity reserves](#)
- [Investing charity funds](#)

The policies are designed to ensure that the Friends of Nunhead Cemetery (FONC):

- Protects its assets
- make informed decisions about its financial position
- meets its legal duties, for example to manage resources responsibly

General principles for all charities

Financial controls should cover

- All aspects of how the charity handles resources and assets, including money
- How the charity stores personal data in line with GDPR

Types and level of financial controls depend on

- The size and structure of the charity
- Where the charity operates
- What the charity does

1. Background - financial transactions, assets, liabilities and operational risks

FONC is a small charity, operating in one primary location and has simple financial transactions. These are primarily:

Receipts

- Collection of cash and debit/ credit card payments (using the Zettle system) at the Publication and Education Desk (PED). The PED usually operates in Nunhead Cemetery, but may occasionally operate at external events (e.g. other cemetery open days)
- Collection of cash and debit/ credit card payments (using the Zettle system) at other FONC stalls, for example Plant stall and refreshment stall, primarily at open day
- Collection of cash and cheques by post received by the Membership Secretary in respect of publications, donations and members subscriptions
- Receipts made by individuals via the Paypal button on the FONC website managed by the membership secretary

- Member payments made by standing order direct to the FONC current account presently at Santander
- Other donations by cheque received by any trustee (rarely)
- Stall fees for Open Day made by cheque (received by open day organiser) or direct to a FONC current account
- Grant award paid directly to the FONC current account (Southwark grants, employer scheme grants and any other)

Payments

- By cheque direct to the supplier of goods or services
- By cheque to a member who has purchased goods or services on behalf of FONC
- By deduction from cash receipts

Assets

- Balances held in bank current/ saving accounts
- Physical assets for resale, for example books, postcards, cloth bags and ceramic leaves
- Physical assets for use in FONC activities, for example tools, tables, gazebos

Liabilities

- In the normal course of activities FONC does not have any liabilities, with the exception of timing delays between the issue of an invoice to FONC and its payment, or the time taken to reimburse members who have made purchases on behalf of FONC

FONC accounts are prepared annually on a receipts and payments basis. Management accounts are prepared at half year (i.e September) although FONC trustees have the right to request management accounts at any time (see section H below).

Operational risks

- Risk of fraud
- Risk of cybercrime (for FONC, mainly concerned with personal data)
- Risk of conflict of interest
- Risk of corruption and bribery

2. Understanding a charities financial position

- All trustees should have access to clear, accurate and up to date financial information.
- A charities financial position and performance should be a standing agenda item at trustee meetings

Regular review ensures the charity is operating as a going concern.

New trustees should be given copies of:

- Latest accounts
- Latest management accounts (if prepared)
- Charities governing document
- The Charity Commission guidance on public benefit and CC guidance 3, the essential trustee: what you need to know, what you need to do
- Charity reporting and accounting: the essentials

FONC Trustees have requested accounts on a half year basis (September and March) but the policy allows for any trustee to request accounts or sight of the financial records at any time in the year (see section H).

FONC trustees consider that the annual review of reserves gives sufficient information to determine that FONC is a going concern without the requirement for a detailed budget. Trustees are mindful that a budget/ forecast may be required as soon as significant expenditure over and above normal running costs is foreseen.

3. Internal financial controls

The Charity Commission expects that Internal financial controls cover:

- all aspects of how a charity handles its resources and assets, including its money – addressed in this document; and
- how the charity stores personal data in line with the UK General Data Protection Regulation (GDPR) – this is addressed in FONC policy “FONC DATA PROTECTION AND PRIVACY POLICY”

This document follows the sequence of financial controls included in the Charity Commission guidance:

<https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities#internal-financial-controls-for-banking>

- A. Financial controls for banking (FONC arrangements in red are exceptions to Charity Commission specified controls)

Control set out by Charity Commission	FONC arrangements
Bank and building society accounts	
Accounts should be in the name of your charity	Existing bank accounts are in the name of “Friends of Nunhead Cemetery Britain”. Future accounts will be set up in the name of “Friends of Nunhead Cemetery” where possible
The opening or closing of accounts should be either authorised by the whole trustee body or by a delegated group who advise the trustees of changes	Any changes to accounts are approved by the Board of Trustees
A list is kept of all charity accounts	This is held in the accounting records and reported in the annual accounts (by account name)
Accounts are closed when no longer used	N/A, FONC holds three accounts which are all in use. At the point any cease to be used they will be formally closed
You regularly review the costs and benefits of your charity’s accounts, checking that any charges and interest rates are competitive	Until 2023 this has been completed on an informal basis. Effective from the current year the treasurer will report once a year in January, or the appropriate meeting between November and March when the reserves policy is reviewed by the Trustees (the “annual financial review”)
Your bank or building society is regulated by the Prudential Regulation Authority (PRA).	FONC holds accounts with Santander UK plc and The Co-Operative Bank. Both are regulated by the PRA. Continued regulation to be confirmed annually by Treasurer as part of the annual financial review (it is anticipated that any change to the PRA regulation of any bank with which FONC

	would hold an account would be sufficiently serious that it would make national news)
Duties are split to prevent any single person from being able to control charity funds exclusively	Whilst the Treasurer has day to day control, payments and transfers need to be made by two named individuals and balances are reported at least once mid year, and once at year end.
There is proper approval for bank transfers and payments	All bank transfers and payments require approval of two named bank signatories
Accounting records and bank statements are compared each month to make sure they reconcile	Bank accounts are reconciled for every month, but this does not necessarily happen each month (depending on volume of transactions and Treasurer availability). However, bank statements are reviewed on receipt to ensure balances and payments are as expected
A second person reviews reconciliations in the charity to identify any discrepancies	Year end balances reviewed by Independent Examiner. Review of reconciliations in year not considered necessary.
Do not allow your charity's bank accounts to be used for any individuals', or third parties', private use.	FONC does not permit any such use
A bank mandate will set out who in the charity is authorised to manage the charity's bank accounts.	Treasurer to confirm Bank mandate as part of annual financial review
Changes to bank mandate require dual authorisation to set up or change any bank mandate. The second person authorising any changes to the bank mandate should be a trustee	FONC requires all changes to be approved by two individuals named on the mandate
Online banking	
You should use a dual-authorisation system for your bank or building society accounts.	FONC currently only has read only access to accounts on line. All payments are made by cheque, or by deduction from cash receipts. Any new accounts set up will require dual authorisation for payments
Cash held in bank or building society	
Prepare monthly reconciliations for all accounts. A second person in your charity should review these reconciliations to identify any discrepancies	Bank accounts are reconciled for every month, but this does not necessarily happen each month (depending on volume of transactions and Treasurer availability). Due to the volume of transactions and the low number of reconciling items FONC does not believe it is appropriate to have a second person review these reconciliations. The year end balances are reviewed by the Independent Examiner
Banking cash and cheques	
Record and bank cash and cheques promptly	Cash and cheques received are reported: <ul style="list-style-type: none"> • At PED desk at end of event on event form • At other FONC stalls –reported to trustees within 48 hours • Membership – at discretion of Membership Secretary

	<ul style="list-style-type: none"> • Other receipts – at discretion of Open Day organiser/ Treasurer <p>Event forms all to be passed to the Treasurer at the next appropriate opportunity</p>
Store cash and cheques you have not yet banked in a safe or locked cash box	<p>Cash and cheques left in the FONC cabin are generally limited to a float of £10 but in any case do not exceed more than two days takings (not expected to exceed £100). These are kept in a locked safe, inside a locked cabin.</p> <p>Cash and cheques are usually taken home on the day by the person responsible for the PED/ stall and are subject to the same security arrangements as they apply to their own money</p>
Bank funds gross, this means without deduction for costs or expenses	<p>For practical reasons FONC allows anyone receiving cash from a stall (PED or otherwise) to make a transfer to a FONC account in the same value as the cash received.</p> <p>For the convenience of those incurring small costs on behalf of FONC, small items (such as postage, coffee, totalling less than £15) may be reimbursed from cash received where receipts are presented – such deduction to be initialled by the Treasurer (or in the event it is the Treasurer then by another Trustee)</p> <p>For the Open Day refreshment stall there are a number of costs incurred by the stall organiser (e.g. paper goods/ cups/ sandwiches/ coffee) which the organiser is allowed to deduct before paying the net balance to a FONC account. This is to prevent the organiser being out of pocket whilst they wait for costs to be reimbursed.</p> <p>Any such costs with supporting receipts to be listed and presented to the Treasurer as soon as practical after the cash has been collected. In the event the Treasurer is the organiser then the list and supporting documents to be reviewed and initialled by another Trustee (who is not a family member)</p>

B. Internal financial controls for Income

Tainted donations (where a donor appears to receive a financial benefit)	<p>FONC donations are generally small, and are either from a member, a person FONC has helped e.g. to find a grave, or from an attendee at an event. FONC notes any individual specific donation in excess of £100</p>
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<p>Public collections and fundraising events. CC guidance includes requirements two people handle and record cash, that boxes are numbered, counted regularly, record where boxes are and ensure they are sealed</p>	<p>FONC has a maximum of four boxes out at any one time, always connected to a FONC PED or stall. The maximum collected in any one box is not expected to exceed £150 (based on 2023 Open Day) and is generally less than £50. FONC stalls are supervised by either a Trustee, or a known volunteer of good standing.</p> <p>FONC considers that it is impractical to seal boxes and have cash counted by two people.</p> <p>Accordingly, donation boxes are counted by the person completing the event form, usually on site at the end of the event, but it is accepted that for some events the donation boxes will be counted at the home of the Trustee responsible for the box.</p> <p>In respect of income from PED and any other FONC stalls, it is accepted that the volunteer responsible for the stall will count the cash and report to Trustees on a timely basis</p>
<p>Income and donations received by card</p> <ul style="list-style-type: none"> • Keep readers secure • Use correct bank details • Keep passwords secure • Reconcile transactions to card receipts 	<ul style="list-style-type: none"> • FONC keeps card readers in the key safe, or occasionally they may be with one of the Trustees (who applies the same care as they do with their own possessions). • FONC uses the Zettle system (a Paypal system), and funds can only be transferred to a bank account verified by Paypal as being in the organisation's name. • Each transaction is reconciled from the event form to the Zettle record and the bank receipt
<p>Income and donations received by post should be held securely, opened promptly and accurately recorded.</p> <p>Where donations are expected in the post, the post should be opened in the presence of another person, or rotate post opening responsibilities</p>	<p>Income received by post (or by hand) relate to memberships and publications, received by the membership secretary, donations received by the membership secretary and (rarely) other trustees, and open day stall fees by the open day organiser. These receipts are generally by cheque, although there is a limited amount of cash.</p> <p>In all cases the recipient treats the income with the same security they treat their own money. Post is opened on a timely basis and banked when practical.</p> <p>FONC accepts that it is impractical to have more than one person opening post or reviewing content.</p>

C. Internal financial controls for expenditure

<p>Suitable controls to be in place to ensure that FONC only buys what it needs, only pays for goods and services it has received, and gets good value for money</p>	<p>Approval for expenditure is described below. The Trustees have delegated the Practical Work Sub-Committee to be able to approve costs relating to their work of up to £200.</p> <p>(We may want to review this amount)</p>
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FONC expenditure can be divided into four types:

1. Administrative and running costs - recurring expenditure to support the day to day running of FONC. Examples include printing and distribution of the newsletter, postage/ stationery for correspondence with members and others, consumables such as toilet rolls, washing up liquid, first aid supplies, refreshments, spare keys, storage boxes, domain name renewals and insurance.

These items are monitored by way of the management/ annual accounts. FONC relies on the judgement of the trustee arranging the item and no other approval is required.

2. Pre-paid expenditure for FONC events, for example toilet hire and first aid

Such costs to be approved by three trustees, two of which must be either the Chair, the Vice-Chair, the Coordinator or the Treasurer

3. Ad hoc expenditure such as purchase of tools, small electrical items, items to sell on the PED (e.g. publications, bags, ceramic leaves, monument repairs)

Costs in this category to be approved by three trustees, two of which must be either the Chair, the Vice-Chair, the Coordinator or the Treasurer

4. Expenditure to support a FONC event where it is impractical to obtain quotes. For example items bought from the cash & carry or otherwise bought in (e.g. water, tea, coffee, sandwiches, cleaning materials, toilet rolls and paper towels)

These costs are similar to those in section 1 although can be more variable depending on what has been carried over from previous years. No prior approval of the costs is required, rather the judgement of

	<i>the Trustee arranging the expense being trusted to ensure costs are in line with expectations. All such costs to be reported to the next Trustee meeting.</i>
Payments	
Policies should be in place for payment by debit or credit card, bank transfer, cheque, cash	FONC does not have the facility to make payment by debit/credit card or bank transfer at this time. When the facilities become available the policy will be updated.
	Payments are either made directly to the supplier, or, more often, to a Trustee or member of the Practical Work Sub-Committee who has made payment to the supplier and is reclaiming the cost from FONC.
Policy should be clear on: Who can sign cheques, secure storage of cheque books, blank cheques, confirmation goods/ service received, recording of cheques	<p>Cheques issued by FONC need to be signed by two mandated signatories regardless of amount.</p> <p>Cheque books are held by the Treasurer at their home (unless cheques being written that day) under the same conditions as applied to their own.</p> <p>Blank cheques are never to be issued</p> <p>Cheque stub is completed when cheque issued and Cheques are recorded on a timely basis in the accounting records.</p> <p>FONC does not expect to make payment without receipts. At the discretion of the Treasurer costs less than £10 may be reimbursed without a receipt on the understanding that this is an exception.</p>
Payment in cash should be for small amounts, paid from a petty cash float, supporting documentation approved by another trustee, petty cash is kept securely, an independent person carries out regular checks of the cash float, and independent person checks and authorises cash withdrawals	<p>FONC maintains a cash float of £10.00 held in the safe within the FONC cabin. This is counted each time the PED is used by a responsible volunteer.</p> <p>FONC does not maintain petty cash, rather, as explained above small items of expenditure (less than £15 total) may be deducted from cash received and the net balance transferred to FONC. The treasurer is not permitted to deduct costs from cash.</p>
Payment or reimbursement of expenses. Everyone should know the policy, someone who is not the claimant authorises the payment, claims contain an declaration that the claim is accurate, claims are paid in a secure way	<p>Expenses are only reimbursed to a limited number of FONC members, being Trustees, members of the Practical Work Sub-Committee, and, exceptionally, anyone specifically authorised by Trustees for a specific item.</p> <p>Reimbursed expenses are approved by the Treasurer (or in the event it is the Treasurer, by another Trustee)</p> <p>FONC considers it to be unnecessarily bureaucratic to complete a form for each expense reimbursement and it is taken as</p>

	<p>read that the claim is accurate and for the benefit of FONC.</p> <p>Payment of reimbursed expenses is generally made by cheque and authorised by the Treasurer (unless due to the Treasurer, in which case authorised by another Trustee).</p> <p>Reimbursements of expenses less than £15 may be made by way of deduction from cash received (approved by the Treasurer) as described above.</p>
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D. Internal financial controls for payments to related parties

Payments to related Parties must have specific authorisation	<p>The FONC constitution sets out arrangements for transactions with Trustees and their relatives. Trustees are required to report any connected relationships.</p> <p>At this time there are no known related party transactions.</p>
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E. Internal financial controls for assets and investments

Tangible assets should be safeguarded, identified, recorded and used for the FONC charitable purposes.	<p>FONC accounts on a receipts and payments basis and so does not identify tangible assets in its accounting records.</p> <p>A tools and equipment inventory list is maintained and checked at least annually to the items held.</p> <p>FONC assets are kept in the FONC modular building, or in the case of publications, some are in the homes of various Trustees.</p> <p>Assets are insured.</p> <p>The assets held are of a nature that means they are unlikely to be used for a purpose that does not accord with FONC objectives.</p> <p>FONC allows members to borrow tools on a temporary basis, on completion of an entry in the Tools lent book.</p>
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F. Internal financial controls for loans

Taking out loans, including loans from trustees. Prior to the loan being taken out, the decision should be formally recorded, all trustees are aware of the terms, the charity can repay the loan, and the trustees consider that taking out a loan, and the loan terms are in the charities best interests	<p>FONC does not borrow money, or have any intention of doing so.</p> <p>This policy is included only so that in the case of a loan being required the basic requirements are stated.</p>
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G. Internal financial controls for hospitality and gifts

Must be able to demonstrate that any hospitality given or received is justified and not detrimental to the charities beneficiaries or reputation	<p>Any hospitality or gifts received by a trustee as a result of their relationship with FONC to be reported to the Board of Trustees. In the case of hospitality, this should be reported in advance of the hospitality being received (none to date)</p>
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	<p>No hospitality or gifts are given by FONC, except for refreshments at the AGM, and a Christmas social for members and volunteers limited to a modest event in a local (within 1 mile of cemetery) licenced establishment. Hospitality is limited to soft drinks and light refreshments.</p> <p>Any social event limited to trustees and partners will be funded by trustees personally (for example a Christmas lunch held in Covid times when there was no Christmas social)</p>
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H. Additional controls maintained by FONC

	<p>FONC will be mindful of the Financial Services Compensation Scheme (FSCS) limit and will aim to not hold more than the limit with any single bank. Limit currently is £85,000</p>
	<p>Treasurer will make available: accounting records, management accounts, bank statements to any Trustee requesting such subject to agreed timelines</p> <ul style="list-style-type: none"> • 7 days notice - management accounts, accounting records • 2 days notice – bank statements – all accounts are accessible electronically so balances at any given time should be current <p>(stated days exclude days when treasurer is staying away from home)</p>

At least once a year (usually in a meeting between October and December), the Treasurer will present to the Trustees the annual financial review. This will comprise at least:

- Review of bank accounts held in relation to cost/ benefit
- Confirmation that banks with which accounts are held are regulated by the PRA
- Confirmation of who is named on the various bank mandates
- Review of the reserves policy
- Management accounts to September

4. Financial Risk Management

The Charity Commission expects that a charity will regularly review and assess the risks faced by the charity and plan for the management of those risks. The guidance is here:

<https://www.gov.uk/government/publications/charities-and-risk-management-cc26/charities-and-risk-management-cc26>

Statements on risk management are only required by Charities that are audited (which FONC is not), but for good order we should consider the risks and document any decisions about response to those risks.

These are the principal risk categories identified by the guidance, and the FONC position on each:

Risk category and examples	FONC position
<p>Governance risk</p> <ul style="list-style-type: none"> • Inappropriate structure • Trustee body lacks relevant skills or commitment • Conflict of interest 	<ul style="list-style-type: none"> • FONC believes it has an appropriate structure for its size. The trustees all honour their commitments, including attending necessary meetings. • A skills audit has been conducted and the results are being collated at the time of writing. In the last two years FONC has recruited two new trustees to widen the skill base • Given the nature of the charity and its activities, it is unlikely that there would be any conflicts of interest, but all trustees are aware of the need to avoid conflicts, complete a Declaration of interests, and remain alert for any conflicts.
<p>Operational risks:</p> <ul style="list-style-type: none"> • Lack of beneficiary welfare or safety • Poor contract pricing • Poor staff recruitment and training • Doubt about security of assets 	<ul style="list-style-type: none"> • There are no direct beneficiaries with welfare or safety needs • FONC does not enter contracts, other than for one off expenditure. This risk is addressed in the financial controls • FONC does not employ staff • FONC assets are limited to bank accounts and tools and other equipment/ publications. Any risks are addressed under financial controls
<p>Financial risks</p> <ul style="list-style-type: none"> • Inaccurate and/ or insufficient financial information • Inadequate reserves and cash flow • Dependency on limited income sources 	<ul style="list-style-type: none"> • Addressed in financial policies, FONC believes that adequate information is available to trustees, and in addition, policies give trustees the right to request financial information at any time • FONC reserve policy is reviewed at least annually, and includes provision for ongoing running costs • The nature of the charity means that FONC is reliant on people being engaged with the cemetery (e.g. visitors, members, open day attendees) but this is the nature of the charity and

<ul style="list-style-type: none"> • Inadequate investment management policies • Insufficient insurance cover 	<p>in the event that income falls below the level needed to maintain current activities on an ongoing basis, the activities (and perhaps existence of the charity) will be considered</p> <ul style="list-style-type: none"> • FONC trustees consider that it remains appropriate to hold assets in bank current and deposit accounts, not having appropriate skills (or wishing to accept the risk) of more sophisticated investments • FONC insurance cover is reviewed annually and includes sufficient limit for cash in transit
<p>External risks</p> <ul style="list-style-type: none"> • Poor public perception and reputation • Demographic changes such as an increase in the size of the beneficiary group • Turbulent economic or political environment • Changing government policy 	<ul style="list-style-type: none"> • FONC is a small local charity, but is held in regard by the surrounding neighbourhood (evidenced by letters of support for NHLF funding application) and attendance by both stall holders and visitors at the annual open day • Not applicable to a cemetery friends group • Not applicable to a cemetery friends group based in the UK • It is hard to imagine any policy changes which would affect FONC
<p>Compliance with law and regulation</p> <ul style="list-style-type: none"> • Acting in breach of trust • Poor knowledge of the responsibilities of an employer • Poor knowledge of regulatory requirements of particular activities 	<ul style="list-style-type: none"> • FONC trustees make every effort to act in good faith, and with a trustee body of more than 10 active and engaged trustees we have appropriate checks and balances in place • Not applicable, FONC is not an employer • FONC has limited activities, none of which are subject to particular regulatory requirements.

5. Trustee expenses

The Charity Commission guidance for trustee expenses can be found here:

<https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11/trustee-expenses-and-payments>

Key points are:

- The basic principle is that trustees must not put themselves in a position where their personal interests conflict with their duty to act in the interests of the charity unless authorised to do so.

- However, trustees are entitled to have their expenses met from the funds of the charity. Expenses can include a wide range of costs including, for example, travel and other costs of attending meetings, specific telephone and broadband charges
- A charity trustee may only be paid for serving as a trustee where this is clearly in the interests of the charity and provides a significant and clear advantage over all other options. There is no general power in law for this type of payment - a charity would need a specific authority which may be found in its governing document, or be provided by the Charity Commission, or, more rarely, the courts.
- In any case where a charity wishes to make a payment, but has no clear power to do so, the trustee board must apply to the Commission for authority before the payment is made.
- Charities should have clearly defined procedures for identifying and managing conflicts of interest. Ideally, these procedures should be set out in the charity's governing document.
- Ensuring that the opportunity to be a trustee is open to all is one of the keys to achieving strong, effective boards of trustees. Clear policies on payment of expenses can help with this. Other forms of payment, including compensating individuals for loss of earnings, can also be used as a tool to attract promising candidates who might otherwise be unable to afford to serve. If a trustee board is considering whether to make a payment to a trustee (as opposed to reimbursement of expenses) there are six key factors to consider:
 - who will receive the payment - will it be a trustee, or a person or business connected with a trustee?
 - what is the payment expected to cover?
 - is the payment clearly in the best interests of the charity?
 - is there a legal authority for it?
 - what conditions must be met if the payment is to be made?
 - how will any conflict of interest be managed?

FONC policy on trustee expenses

- FONC does not make any payments to trustees for their time or expertise
- FONC does not pay honoraria
- FONC will reimburse expenditure incurred where the expenditure has been incurred directly on FONC activities as described in the financial control policies.
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6. Charity reserves

The Charity Commission guidance for reserves can be found here

<https://www.gov.uk/government/publications/charities-and-reserves-cc19/charities-and-reserves>

The requirement is that a charity develops a reserve policy that:

- fully justifies and clearly explains keeping or not keeping reserves
- identifies and plans for the maintenance of essential services for beneficiaries
- reflects the risks of unplanned closure associated with the charity's business model, spending commitments, potential liabilities and financial forecasts
- helps to address the risks of unplanned closure on their beneficiaries (in particular, vulnerable beneficiaries), staff and volunteers

In addition, the reserves policy should be tailored to the charity requirements, published, and regularly reviewed.

The definition of reserve is given as follows

Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes. The starting point for calculating the amount of reserves held is therefore the amount of unrestricted funds held by a charity. However, some or all of the unrestricted funds of a charity may not be readily available for spending. This is because spending those funds may adversely impact on the charity's ability to deliver its aims.

Reserves definitions are

Definition	FONC position
Unrestricted funds (including designated funds): income or income funds which can be spent at the discretion of the trustees in furtherance of any of the charity's objects. If part of an unrestricted income fund is earmarked for a particular project it may be designated as a separate fund, but the designation is administrative only, and does not legally restrict the trustees' discretion to spend the fund.	This category represents the reserves held by FONC at this time
Designated funds: part of the unrestricted funds which trustees have earmarked for a particular project or use, without restricting or committing the funds legally. The designation may be cancelled by the trustees if they later decide that the charity should not proceed or continue with the use or project for which the funds were designated.	In forming its reserve policy FONC has considered future calls on its funds and has designated a number of items that it anticipates funding in the future. These are published as part of the annual accounts.
Restricted funds: funds subject to specific trusts, which may be declared by the donor(s) or with their authority (eg in a public appeal) or created through legal process, but still within the wider objects of the charity.	FONC does not have any restricted funds at this time. In the event that a grant is received or an appeal is run for a specific purpose then any money raised would be a restricted fund and would be applied accordingly

7. Investing charity money

The Charity Commission guidance can be found here

<https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14/charities-and-investment-matters-a-guide-for-trustees>

The specific trustee duties are given as:

Trustee duty	FONC approach
considering whether the investments are suitable for your charity and whether they will meet its investment objectives. This means taking account of how suitable any investment is for your charity: both the investment type (for example, shares) and particular investments within that type (for example, shares in a specific business)	FONC considers that the only appropriate investments are bank current accounts, deposit accounts, and term deposits These being within the skills of the trustees to manage, and appropriate to the charity needs and objectives
considering the need to diversify investments, if appropriate to your charity, to spread the risk (for example, owning shares in a number of different companies or sectors)	FONC manages its banking arrangements with the objective of having no more than the Financial Services Compensation Scheme compensation limit with any one institution
taking advice from someone experienced in investment matters, unless you have a good reason for not doing this. For example, if you have enough expertise in your trustee group or you have limited or low value investments	FONC trustees consider that the investments are of low risk and that the trustee body has appropriate knowledge
reviewing your charity's investments at appropriate intervals	Reviewed at least annually when accounts are reviewed