

## ColaLife - Honorary Treasurer Role

### 1. Background

ColaLife was founded by Simon Berry and Jane Berry in 2008 as a Company Ltd by Guarantee and became a registered charity in England and Wales in 2011.

ColaLife is an innovative charity, which works as a catalyst for change, particularly for improved access to Oral Rehydration Salts (ORS) and Zinc (ORSZ) to prevent death and stunting due to diarrhoea in children under 5 years old in developing countries. ColaLife currently has no employees; it works exclusively through local partners in-country, expert sub-contractors and volunteers.

There is more information available via the website and blog, and in the General Board Job description. See <http://www.colalife.org>

### 1. Treasurer's role

The Honorary Treasurer provides to the ColaLife Board advice, guidance and reassurance on all aspects of the charity's financial management and reporting, processes and control systems, solvency, compliance and any investment decisions.

The overall responsibility is to monitor the financial administration of the charity and report to the board of trustees at each quarterly meeting (or more often as needed) on its state of financial health, in line with best practice, and in compliance with governing document and legal requirements. These include the Companies Act 2006 and complying with requirements and guidance of the Charity Commission.

The main responsibilities and duties of the treasurer include:

- Reviewing, overseeing and presenting to the board the internal management accounts (quarterly, as provided by our Accountants, Excluserv Ltd; in liaison with the Business Research & Development role (currently Jane Berry) and with the CEO role (currently Simon Berry).
- Reviewing, overseeing and presenting to the board annual budgets and financial statements (or more frequently as needed, as provided by our Accountants, Excluserv Ltd; in liaison with the Business Research & Development role (currently Jane Berry) and with the CEO role (currently Simon Berry).
- Leading Board review of the financial aspects of project budgets and bids, in liaison with the Business Research & Development role (currently Jane Berry) and with the CEO role (currently Simon Berry).
- Leading in the board's duty to ensure that proper accounting records are kept, financial resources are properly controlled, invested and economically spent, in line with good governance, legal and regulatory requirements;
- Leading in the development and implementation of financial reserves, cost-management and investment policies;
- Liaising with and reviewing the performance and suitability of ColaLife's external accounting service (currently Excluserv Ltd)
- Selecting, liaising with and reviewing the performance and suitability of ColaLife's auditors (currently Moore Stephens Ltd)

- Chairing any internal meetings dedicated to financial matters and reporting back to the board of trustees;
- Attending and/or providing information to external meetings pertaining to financial matters and due diligence (eg meeting and/or servicing auditors, funders, partners) and reporting back to the board of trustees;
- monitoring and advising on the financial viability of the charity;
- overseeing the implementation of, monitoring and updating (where required) of financial controls and adherence to the charity's financial procedures manual and systems;
- advising on the financial implications of the charity's strategic plan;
- overseeing the charity's financial risk-management process;
- acting as a counter signatory on the charity bank account in particular for overseas transfers and for important applications to funders;
- Approving petty cash re-imbursments to field contractors or volunteers, in liaison with the charity's accounting service.
- board-level liaison with the external auditors on specific issues such as the Auditors' Management Letter and the related board representations.

## 2. Time and travel commitments

The Board meets quarterly in the evening or more often if required. Meetings generally last 2-2.5 hours and are in London, but may be joined by telephone or Skype. Travel cost re-imbursment may be requested if needed.

Preparation for meetings is at the post-holder's discretion and will depend on prior skills and knowledge. An estimated 2 hours per meeting would be typical.

Additional time should be put aside for:

- Year End processes (conducted in January); typically, 2 days per year, distributed over several weeks in the Treasurer's own time.
- The audit process (typically in Mar-April); typically, 2 days per year, distributed over several weeks in the Treasurer's own time.
- Additional time to review updates of documents and policies (eg financial process manual); investment options; papers obtained from financial experts etc. Typically 1-2 days per year.

## 3. Critical Areas of Involvement for the Treasurer

There are several areas where the treasurer will play a critical role.

### i) **Budgeting and strategic financial planning**

Whilst the board as a whole ensures that the mission and long-term goals of the organisation are appropriately defined and shorter-term objectives and action plans are put in place to achieve them, the annual budget flows from this process. The treasurer must ensure that the strategic plan is fully financially appraised and that the budget is in line with the plan's short-term objectives as set for each year.

The treasurer will oversee the plan/budget process on behalf of the board and constructively challenge assumptions made. The treasurer will encourage the

consideration of alternative scenarios designed to evaluate the strategic plan's sensitivities as part of the risk-management process.

SORP 2005 emphasises performance reporting and measuring outcomes and impacts where possible; ColaLife places emphasis on outcome/impact reporting and aligning this with financial planning and resource allocation.

The treasurer should encourage transparency and accountability and help the Board and executive add to the development of specific operational, investment and fundraising performance measures.

## ii) Management Reporting

Trustees have a duty to ensure that proper accounting records are kept, assets are safeguarded and resources are properly applied in accordance with the objects of the charity, requiring a high standard of ongoing financial reporting.

The bulk of ColaLife's income and expenditure is linked directly to defined projects and funders; to a large extent it is they who set requirements for budgets, declaration and mitigation of variances and the timing and nature of reporting.

Management accounts are provided at summary level with each monitored project/activity showing total income and expenditure against code. An overall breakdown of operational costs are extracted (ie, charitable and fundraising) expenditure, support costs, and the costs of governance). The management accounts pack also include a balance line to show the movement and balances on unrestricted and restricted funds.

ColaLife uses an outsourced accounting provider (Excluserv Ltd), familiar with the complexities of funder reporting and project management processes. The treasurer will ensure that management accounts are prepared on a regular and timely basis and are streamlined and aligned to fit the needs of both funders and the charity (eg to avoid duplication of work or multiple datasets). The treasurer will review and agree with the trustees the type and extent of financial reporting needed to satisfy obligations to funders and transparency and simplicity for the Board.

Project budgets are usually examined and re-forecast quarterly within the management accounts with the Charity's core budget (which is minimal) reviewed annually.

## iii) Statutory financial reporting

The treasurer plays a leading in statutory financial reporting, to guide and advise fellow trustees in the board's formal approval of the annual report and accounts, including deciding where audit is required and managing the audit process in liaison with the accountants. The treasurer will be able to explain the technicalities of the accounts in plain language so they are fully understood by the trustees. The treasurer is involved in the selection of external auditors when this arises; in overall liaison with the external auditors; in the overall planning of the audit; round-up discussions on any points arising and the issues raised in the Management Letter.

The treasurer assists in drafting and approving the financial aspects of the Trustees' Annual Report and the statutory accounts and ensures reporting to the Charity Commission and Companies House is completed in a timely way.

**iv) Investments**

The treasurer will be able to review and advise on investments and investment policy, an area under-developed in ColaLife at present. The treasurer will also take part in the development of any socially or environmentally responsible and/or ethical policy the charity may wish to have. (Details of these policies now have to be disclosed under SORP 2005 by charities above the statutory audit threshold).

**v) Staff pensions**

ColaLife does not currently employ staff or provide staff pensions and other retirement benefits. The treasurer would be able to advise or source advice in this area if this should change.

**vi) Risk Assessment and Risk Management**

Risk assessments are produced for the Board by project managers and/or the executive. They are reviewed quarterly or more frequently if needed. The treasurer will ensure that the risk-management process is adequate and that the financial implications of risk are fully taken into account.

**vii) Reserves policy**

ColaLife's reserves policy is to hold non-project costs to cover 4-6 months, to ensure the charity's operational viability and ultimate solvency. The treasurer is involved in:

- the development of the reserves policy
- review of the suitability of the policy
- keeping the board regularly informed of the free reserves position and target
- reporting where solvency is an issue
- advising on decisions to spend or otherwise deploy reserves
- advising any action needed to cope with changing circumstances.

**viii) The Treasurer and Governance**

As part of the trustees' legal duties, the treasurer will consider the governance structure and effectiveness of the charity.

**ix) The Honorary Treasurer Relationships with the Executive**

The treasurer will also have important relationships with the executive, in particular the external accounting service and the individual project manager(s), CEO and Business Development roles. (NB as ColaLife is a very small charity, these roles overlap). These roles are responsible to funders for expenditure and reporting. In these relationships, the treasurer is non-executive and good communication is key; ColaLife deploys email briefings and, as needed, Skype calls to discuss important up-coming board papers, funding bids and reports to funders, so that there are 'no surprises' as far as both parties are concerned in relation to each other.

Source:

ICAEW Charity & Voluntary Sector Group

JB/SB/JK 28/11/17