Luna's Fund - Finance and Resources Policy (incorporating conflicting interests)

Approved by the Trustees on 30 October 2026

Review: At least annually and immediately in response to any identified improved practice or external recommendation, including from auditors or other professional advisors.

Contents

1. Introduction
2. Charity reporting and financial accounting
3. The Trustees
4. The Treasurer
5. Independent examination
6. Maximising benefit
7. Managing conflicts and registering interests
8. Gifts and hospitality
9. Income
10. Gift aid
11. Charges
12. Waivers and discounts
13. Financial management
14. Accounting system
15 Purchasing and payments
16. Leases
17. Assets
18. Depreciation
19. Payroll
20. Payments to self-employed persons
21. Travel expenses
22. Debt recovery
23. Data
24. Insurance
25. Vehicles
26. Banking, investments and reserves
27. Charity number and registered address
28. Countering fraud, theft and corruption

1. Introduction

Luna's Fund is a foundation Charitable Incorporated Organisation registered with the Charity Commission with charity number 1184371.

The charity's constitution provides the framework for operating Luna's Fund and all activities must remain within charity law.

All expenditure must support the charity's objects, which are:

- to preserve and protect the health of parent/s suffering from the loss of a baby through a stillbirth or neonatal death in particular but not limited to Derriford hospital, Plymouth in particular but not exclusively by the provision of personal and financial support which is not provided by the NHS and such other support as the Trustees may from time to time determine.

Our finance and resources policy aims to ensure that our charity develops and maintains systems of financial control that conform to the requirements of propriety, regularity and sound financial management, which will help us to achieve our charitable objects and help us to maintain our reputation. Our finance and resources policy will ensure accountability, avoid the duplication or omission of functions and will provide a framework of accountability for our Trustees.

2. Charity reporting and financial accounting

Reporting and financial accounting must comply with the Charity Commission's requirements and charity law, which are outlined in: Charity reporting and accounting: the essentials November 2016 (CC15d) (as updated). This requires us, within 10 months of the year end, to:

- file an annual return online;
- prepare and submit an annual report;
- prepare and submit annual cash accounts (not accruals), which are also known as receipts and payments accounts; and
- prepare and submit a statement giving details of assets and liabilities at the end of the year.

Our annual report and annual accounts must be made available to the public on request and will be published on our website.

3. The Trustees

The Trustees will agree the fundraising activity to ensure the charity's income; this will include any sundry expenditure required to generate funds.
The Trustees will approve the expenditure in support of the charity's objects.
Trustees will be fit and proper persons who act in good faith, and individually and collectively **in the best interests of Luna's Fund**.
No Trustee is allowed to gain personally from their charity role and a culture of openness, honesty and transparency will ensure that Luna's Fund remains compliant with charity law.
The Trustees will monitor the charity's financial position through regular financial reports and will identify and manage any emerging risk.
The Trustees will set the long-term objectives for the charity to ensure its ability to meet the predicted levels of access to the charity's services.

4. The Treasurer

The Trustees will appoint a Treasurer who is suitably qualified and/or experienced to undertake the financial accounting, management and reporting role.
The Treasurer will:

- make payments for duly authorised expenditure, including payroll;
- receive income;
- operate the bank account;
- undertake regular bank statement reconciliations;
- maintain records to an appropriate standard;
- provide regular financial reports to the Trustees that include the current financial position and the predicted position allowing for approved expenditure that is yet to feature in the accounts;
- identify any emerging risks or opportunities;
- ensure there are effective systems of internal control;
- file the annual return online;
- prepare the annual Trustees' report;
- prepare the annual accounts;
- prepare the annual statement of assets and liabilities;
- maintain the register of interests;
- develop grant applications.

5. Independent examination

Our financial records will be independently examined, as required under Charity reporting and accounting: the essentials November 2016 (CC15d) (i.e. gross income of £25,000 to £1,000,000).

6. Maximising benefit

All Trustees, staff and volunteers are responsible for the security of the charity's property and assets, and are expected to avoid loss or damage, ensure economy and efficiency and avoid waste or extravagance in

the use of the charity's resources. In addition, they must conform with the requirements of our financial policy and procedures. This will enable us to maximise the benefit to those in need of our services.

7. Managing conflicts and registering interests

It is important for anyone involved in spending the charity's money to demonstrate that they, or the people they are connected to, do not benefit personally from the decisions they make in their charity role.

To provide transparency and therefore avoid any misunderstanding, all Trustees and staff (and volunteers with financial or spending responsibilities) are required to declare any financial, personal or business interest they have.

The register will include such interests as Trusteeships, share-holding, directorships and appointments of influence within a business or organisation; it will also include the business interests of connected persons, such as relatives or a business partner, where influence could be exerted over them by that person.

The register will be maintained by the Treasurer and will be updated by individuals as their circumstances change.

Trustees, staff and volunteers must still declare any specific interest whenever it is relevant to any matter being discussed by the Trustees at a meeting; where an interest is declared, that person should not be present for that part of the meeting.

8. Gifts and hospitality

Trustees will not accept personal gifts or hospitality from external sources in connection to their charity role.

Gifts or hospitality offers that are given freely, with no terms attached, can be accepted on behalf of the charity and donated to the charity for use in delivering its charitable objects.

Any gift or hospitality offer that has the intention or unintended ability to influence charity decisions will be declined and reported immediately to the Treasurer.

On an annual basis, Trustees, staff and volunteers are required to complete a declaration of gifts and hospitality that details the offer and acceptance of gifts, hospitality, awards, prizes or any other benefit that might be seen to compromise their personal judgement or integrity.

9. Income

The main sources of income are through donations, fundraising activity and grants.

The Treasurer is responsible for ensuring that all monies due to the charity are received and correctly accounted for.

To comply with money laundering regulations, the charity will not accept any single payment in cash over £5,000.

Our safe custody procedure will apply to all cash and cheque income received (this is published separately).

Once in the custody of the charity or its agents, all monies collected must be kept in a locked container (preferably a safe).

Banking will take place on a regular basis and when the sums collected exceed the insurance cover limits.

Cash and cheques in transit present an increased risk to theft and to the safeguarding of individuals; our safe custody procedure makes the necessary provisions for these (this is published separately).

10. Gift aid

The charity is registered for gift aid and will encourage all qualifying donations to include the necessary information to maximise access to the available contribution through this scheme.

11. Charges

The Trustees will set out a schedule of charges for the use of equipment owned by the charity; this will be reviewed annually.

12. Waivers and discounts

Allowing a waiver (no charge) or a discount (reduced charge) for something that is published as being chargeable constitutes a financial decision that must be approved by a duly authorised person or the Trustees.

No Trustee, staff member or volunteer, or any person or organisation connected to them, will benefit from a waiver or a discount.
As general guidance:

- only other charitable organisations should benefit from a waiver;
- community groups or clubs can benefit from waivers and from discounts;
- individuals should pay the published rates.

13. Financial management

The opening of any bank account must be authorised by the Trustees, who will set out the arrangements for operating the account; the account must be in the name of Luna's Fund.
Bank account signatories will be appointed by the Trustees; their authority will be within an agreed financial limit.
Bank deposits will be submitted on a paying-in slip.
Bank withdrawals will be appropriately authorised and within the limits approved by Trustees.
Bank statements will be reconciled within one week of receipt; and anomalies will be reported to the Trustees.
Petty cash will be held by designated individuals for the payment of valid invoices or sundry expenses against a valid receipt; funds will be kept in a locked box within a lockable container (preferably a safe).
Funds received will be accounted for as either unrestricted (given freely for the charity to decide on how they are spent), restricted (given with conditions or restrictions on how they can be spent) and endowment (generated from an endowment fund which consists of investments).

14. Accounting system

All the financial transactions will be recorded on the accounting system (Xero) maintained by the Treasurer.
The accounting system will indicate that each transaction has been reconciled to the bank statement.
All entries will be supported by the relevant paperwork, which will be held electronically within the accounting system and will be available for inspection on request of any Trustee at any time.
Any accounting errors will be reported to the Trustees at their next meeting.
Unrestricted, continual access to the accounting system will be granted to the Charity's nominated accountants to provide independent oversight and ease of support when needed.

15. Purchasing and payments

We will be accountable for all our expenditure, ensuring that our purchases serve our charitable objects.
We will achieve best value for money for all purchases. This includes obtaining quotes or researching prices online to ensure the best prices, as well as negotiating discounts on published prices.
Through transparency (including our register of interests), we will demonstrate that there is no corruption or private gain involved in our contractual relationships.
We will deal with all suppliers and potential suppliers on a fair and equitable basis.
We will ensure that our suppliers are fit for purpose and provide goods and services to an appropriate quality.
We will check the actual receipt of goods or services, to the expected standard, before authorising payment, unless the order specifically requires prepayment, in which case we will take reasonable steps to ensure that the supplier is not likely to default and will use payment methods that provide guarantees (e.g. debit card and PayPal offer protections that pay by bank does not).
For invoiced goods, we will check and confirm the supplier payment details to reduce the risk of fraud.
Purchases over £1,000 will be approved in advance by at least 2 Trustees.
Purchases over £5,000 will be approved in advance by at least 3 Trustees.
Purchases over £10,000 will be approved in advance at a meeting of the Trustees (including online agreement).
Any cheque stationery will be stored in a locked container (preferably a safe).
Access to online banking must be password protected, and electronic payment input screens will not to be made accessible to anyone who is not an authorised bank signatory.

16. Leases

The charity is permitted to enter into lease agreements to achieve its charitable objects, where these provide an affordable option over outright purchase.
The nature of these purchases tend to be either high value or a long-term commitment or both, so a decision to lease must be taken at a meeting of the Trustees.
Careful consideration will be given, and advice sought where required, regarding the most appropriate type of the lease to service the requirement:

- an operating lease enables access to the goods (which remain the property of the supplier throughout) for a defined period, with the goods being handed back to the supplier at the end of the term - in general, repair and maintenance responsibility (but not necessarily wear and tear) falls to the supplier;
- a finance lease enables access to the goods (which remain the property of the supplier throughout), with payment spread over a defined period, with the goods becoming the property of the charity at the end of the term - in general, repair and maintenance responsibility, and wear and tear, falls to the charity.

The accounting treatment is different for each lease:

- an operating lease will feature as an annual expenditure, but the goods are not an asset, as they are not owned by the charity.
- A finance lease will feature as an annual expenditure, and the goods will also feature as an asset, as the charity has beneficial use.

All terms and conditions will be checked, clarified and understood before a lease agreement is signed.

17. Assets

Assets are defined as items purchased by the charity in pursuit of its charitable objects that will last for over a year.
Assets will be listed in the charity's annual accounts.
Assets have value and therefore will be stored securely, used appropriately and adequately maintained to ensure they operate effectively when required and preserve their value.
Assets can be loaned to another charity, a community organisation or club and to individuals. Charges may be levied (see Charges above), and waivers and discounts may be granted (see Charges above). Trustees should not gain personally from the free or discounted use of the charity's assets (see Charges above).
A record will be maintained of all assets loaned.
The disposal of assets must be agreed by the Trustees. Disposal includes:

- sale, the proceeds of which must come back to the charity;
- donation to another charity or community organisation or club;
- discarding, which must be environmentally responsible, including repurposing or recycling.

18. Depreciation

Depreciation is not charged under the charity's accounting scheme.
This is because cash accounts (also known as receipts and payments accounts) are not prepared on an accruals basis.

19. Payroll

The charity, as employer, is registered with HMRC.
For staff employed on a contract of employment with the charity, we will contract out the payroll function to a specialist provider.
Payroll will be undertaken monthly, with payment being made on the last working day of each month.
The final payroll will be approved for payment by a Trustee.
All pay and personnel files will be stowed in a locked cabinet.

20. Payments to self-employed persons

Individuals who are genuinely self-employed will pay their own income tax and national insurance.
These persons can be paid by the charity upon production of an invoice.

Persons that appear to be, but are not actually self-employed, could inadvertently be employed by the charity, and the charity would be liable for collecting and passing on any income tax, national insurance and pension contributions that arise.
It is therefore essential that an evaluation is carried out of the individual's status using the HMRC Employment Status Indicator Tool and a reference number obtained and retained with the invoice.

21. Travel expenses

Trustees and staff are able to claim travel expenses for activity that relates to the achievement of the charity's objects.
Claims will be authorised by the Treasurer, who will ensure that they are valid and do not breach the constitution or charity law, in particular that there is no personal gain. The Treasurer's claims will be authorised by the Chair of Trustees.
Travel in personal vehicles can only be undertaken, and mileage claimed, if the person has business use on their insurance policy. The charity pays 55p per mile, with an additional 5p per passenger mile if also carrying any passengers.

22. Debt recovery

Should a customer fail to pay in full against the agreed terms set out in the original contract or agreement, the charity will consider the options to recover the outstanding debt.
The Treasurer will send out reminder notices.
Further action will only be taken if agreed at a meeting of the Trustees.
Debts will only be written off if agreed at a meeting of the Trustees.

23. Data

The charity's data is a key non-financial resource that will be appropriately stowed, protected and backed up, with personal and sensitive personal information appropriately processed and safeguarded in line with our privacy policy and prevailing data protection legislation.

24. Insurance

The charity purchases insurance that is adequate to protect Trustees, assets, activities and the delivery of our charitable outcomes.
The insurance policy terms and level of cover are reviewed annually by the Treasurer.
Insurance policy claims will be processed by the Treasurer.

25. Vehicles

Only persons that are suitably qualified will drive the charity's own, leased or hired vehicles and only for purposes associated with the our charitable objects.
Trustees, staff and volunteers are not to use the charity's own, leased or hired vehicles for personal benefit.
Before driving, the driver is to take reasonable steps to ensure the roadworthiness of the vehicle and that the appropriate licence and insurance are in place for the vehicle and for the activity being undertaken.
Trustees, staff and volunteers using their own vehicle for the charity's work must have business use on their insurance policy, although volunteers are generally covered under their standard policy by the ABI Motor Vehicle Commitment (but please check in advance that your insurer has signed up to the code).

26. Banking, investments and reserves

Trustees need to protect the Charity's cash assets from the risk of fraud, institutional failure and from erosion of worth through the impact over time of inflation.

Sufficient funds to cover day-to-day expenditure will be held in the Charity's business bank account.

Surplus funds and reserves can be invested.

a. Short-medium term – up to 6 months of operating expenditure (c£100K) to ensure we can provide key services, at the time of need, in future years, including planned expansion across Devon and Cornwall;

b. Longer-term – build to £200K year on year to acquire Luna's Lodge;

c. Invest surpluses in excess of working capital in low-risk (FSCS protected), reputable organisations to combat their erosion in real terms through inflation.

The Financial Services Compensation Scheme (FSCS) protects organisations by offering compensation of up to £120,000 should a financial institution fail. Although the risk is very small, it is worth holding funds of a greater value in accounts with separate organisations, noting that the scheme compensates "per licence", not per entity, so checks on which institutions are covered by the same licence should be undertaken - further details can be found on the FSCS website.

Trustees can invest surplus funds in low risk, interest-earning accounts with market-leading organisations that protect funds under the FSCS. In identifying surpluses for investment, particularly when committing to a fixed-term account with no immediate access, Trustees should be mindful of the level of operating funds required to be held in the current account, in order to meet the day-to-day financial commitments of the Charity, as well as expenditure that might arise from the Charity's development plan, to ensure funds are available for any capital projects that are in the pipeline.

27. Charity number and registered address

All official correspondence on behalf of the charity will bear the charity's registered charity number (1184371) and registered address.

28. Countering fraud, theft and corruption

The Trustees take a firm zero tolerance approach to all instances of fraud, theft or corruption.
Through our systems, checks and controls, we aim to prevent theft, fraud and corruption, but will act as necessary to identify suspected instances and irregularities and will take appropriate action against those responsible.