

# CHALLENGER SOCIETY FOR MARINE SCIENCE (CSMS) POLICIES

## **Financial Policy**

CSMS finances will be managed and regulated as established in the Articles of Association, with internal financial control embedded within the Council activities.

All Council Members will have access to clear, accurate and up-to-date financial information. The financial position of CSMS will be a standing item at each Council meeting. Details of the current financial position will be presented to all CSMS Members before each Annual General Meeting.

CSMS Council members can request an annual budget for their portfolio for a given calendar year by submitting a budget approval form to the Treasurer, to be considered at the final Council meeting of the preceding year.

When procuring goods and services it is CSMS's aim to achieve best value. For goods and services valued at over £5,000 at least 3 quotes will be obtained, unless exceptionally this cannot be done due to a single source supplier.

Service contracts will be reviewed at least every 3 years.

CSMS may be the partner in a bid submitted by another organization only if this is consistent with the objectives of CSMS as set out in our Memorandum and Articles of Association. The partnership arrangements must have the prior approval of the Council.

All bank accounts held by CSMS must be agreed and approved by the CSMS Officers and Council. CSMS have their current account with the Co-Op where the accounts will be held in the name of the Challenger Society for Marine Science.

The bank mandate (list of people who can authorise online payments or use debit cards) will always be approved and minuted by the CSMS Council as will all changes to it. At least two other Council members, aside from the Treasurer, will be able to inspect, online, the current account. CSMS will require the bank to provide current account statements every month.

These will be reconciled with the cash book monthly by the Treasurer.

Savings accounts and investments are held by CSMS (reserve funds). At least two Officers will be able to access these accounts for inspection. Withdrawals from investment funds must be approved by the Council.

CSMS will not use any other bank or financial institution or use overdraft facilities or invest speculatively unless authorised, approved and minuted by the CSMS Council.

CSMS will ensure that all the income to which it is entitled is received and that this is evidenced. All monies received will be recorded promptly by the Treasurer. Donations can be received from individuals where the source of funds is clearly identified and known to the Council. Such donations will be subject to the CSMS's Anti-money Laundering procedure (see separate statement). The Treasurer will process such income, bringing it to the attention of the Council. All payments must be made to CSMS by cheque or BACS. When an individual debt exceeds £6000 for a period of more than 6 months then this will be brought to the attention of the Council by the Treasurer and relevant action agreed.

The preferred method of payment (expenditure) is by electronic bank transfer, with payment by cheque only used under exceptional circumstances. Cheque book(s) are held securely by at least one of the Officers. Cheques require one signature from one of the Officers, and blank cheques may not be signed. The Treasurer will record any payment by cheque in cash books, this should include details of the cheque number, nature of the payment and the payee.

Expenditure greater than £6000 will usually be authorised by Council at a meeting, with the exception of annual dues to be paid to the Scientific Committee on Oceanic Research (SCOR). Under exceptional circumstances, expenditure exceeding £6000 may be authorised by two of the Officers (excluding the Treasurer). Money will only be spent to meet conditions and requirements in pursuance of the objectives in the Memorandum and Articles

of Association. Every payment to suppliers from the organisation's bank accounts will be supported by an original invoice (never against a supplier's statement or final demand). The original invoice will be filed and kept for seven years. The only exceptions to payments not being supported by an original invoice would be for such items as advanced booking fee, e.g. for a future course. Supporting documentation such as the booking application form must be provided. CSMS does not hold any petty cash.

Council members' expenses are covered by a separate policy statement below.

CSMS does not employ any staff. All contracts with freelance suppliers will be negotiated by two or more of Council members and put to all the Council for approval.

Council members will at all times act in the best interest of the organisation and if they experience a conflict of interest they will not divulge sensitive information about the organisation. See separate policy statement on conflict of interest.

In the event of any fixed assets being purchased, CSMS will set up and maintain a fixed assets register stating the date of purchase, cost, serial numbers and normal location of the asset(s). CSMS will maintain an inventory of all capital items. The fixed assets register and inventory will be produced by the Treasurer and reviewed by the President.

See separate policy statement on reserves and investments.

All incidents of financial crime, abuse or breakdown of your charity's financial controls will be reported to the Officers of the CSMS and the Charity Commission.

Financial risks will be reviewed yearly according to the risk register (see below) and Charity Commission guidelines.

### **Archive Policy**

All electronic documents will be stored securely on an online server according to our GDPR statement ([https://www.challenger-society.org.uk/GDPR\\_2018](https://www.challenger-society.org.uk/GDPR_2018)).

Hard copies of documents will be kept in a folder that is held by the Honorary Secretary, to be passed on at each rotation.

### **Risk Management**

Risk management is a means by which CSMS Council members can fulfil their obligations of protecting and preserving the organisation as well as its users, staff and volunteers and the other interest groups which have a stake in its well being.

#### Legal framework

As a charity CSMS is required under the accounting and reporting requirements laid down by the Statement of Recommended Practice (SORP) to state in its Annual Report whether the Council members have reviewed the major risks to which the organisation could be exposed and confirm whether they have systems in place to mitigate those risks. The Charity Commission has published guidance as to how it would expect a well-run charity to approach such risks, including their identification, management, mitigation and monitoring.

#### Definition of Risk

In delivering the CSMS objectives, clear targets and goals have been developed as set out in the 5-year Strategy. Any event or non-event that is likely to have a large adverse impact on the Council's ability to meet these objectives and targets is a "Risk". By clearly identifying these risks we can develop systems of internal controls to ensure they are eliminated or minimised.

## Risk Register

In developing the Risk Management strategy for the Trust we have:

- Identified the nature and extent of risks
- Determined the likelihood and impact of risks materialising
- Considered the control procedures and actions to reduce incidence and impacts

In carrying out the re-assessment exercise, we have continued with a system using a grading approach, set out in the Charity Commission guidance "Charities and Risk Management", available at <http://www.charity-commission.gov.uk/Publications/cc26.aspx> (also available in hard copy from the Charity Commission). This seeks to apply a rating to each risk, based on likelihood of occurrence (on a scale of 1 not likely to 5 highly likely) and impact on the charity (on a scale of 1 low impact to 5 high impact), which produces the "gross" risk, and then, by identifying appropriate actions, systems and procedures, to reduce this to an acceptable level of retained "net" risk.

### Developing a risk management culture

The process of managing risk is not a one-off activity but needs to be embedded in the culture of the organisation. In this way all projects and activities should be assessed for risk as part of their development.

### **Monitoring and reporting**

Regular review of the risks identified by this ongoing exercise, including the effective operation of the relevant mitigation systems and procedures, is vital to ensuring that these risks are controlled, minimised and monitored in practice. It is therefore important that the risk register is kept under regular scrutiny, and that the actions identified in it are carried out properly and on a timely basis. The Honorary Secretary is responsible for the reviewing of the risk register, which is to be carried out on an annual basis at a Council meeting.

## **Investment and Reserves**

The CSMS reserves policy has been prepared through consultation with the Charities Commission guidance on reserves policies for small charities and has previously been agreed by council.

£15k would be placed in reserve to cover unforeseen emergencies.

£30k (3 x £10k) would be placed in reserve to offset any potential future uncertainties in income (effectively the difference between annual subscriptions (£15k) and total income=expenditure ~£25k).

A contingency fund of £20k (equivalent to one year average annual expenditure over past decade) be held in reserve to meet unforeseen needs including unexpected opportunities which might arise for the society to further its objectives.

The reserve policy to be kept under review by Council and presented for acceptance by the membership annually at the Annual General Meeting.

## **Safeguarding and Vulnerable Beneficiaries**

### **Policy Statement**

CSMS fosters an approach that celebrates equity and diversity, and treats people with respect and fairness. Its policies and procedures aim to reflect this principle, in particular in:

- engaging with and serving all sections of the community appropriately and fairly
- giving equitable treatment for any employees and volunteers

We have a Code of Conduct available on the CSMS website ([https://www.challenger-society.org.uk/code\\_of\\_conduct](https://www.challenger-society.org.uk/code_of_conduct)).

### **Policy Implementation**

All CSMS Council members and any others acting on behalf of the charity are responsible for implementing this policy.

CSMS provides information to ensure that Council members understand the implications of this policy and of relevant legislation and are aware of their responsibilities.

CSMS will take appropriate action to deal with any reported instances of discrimination, harassment or victimisation through an established reporting system.

### **Recruitment, selection and deployment of volunteers**

CSMS will likewise promote fair treatment and the absence of discrimination in all its policies, practices and procedures.

### **Conflicts of Interest**

A conflict of interest is any situation in which the Council member's personal interests or loyalties, and those of CSMS arise simultaneously or appear to clash.

It is inevitable that conflicts of interest may occur. The issue is not the integrity of the Council member concerned, but the management of any potential to profit from a person's position as a Council member, or for a Council member to be influenced by conflicting loyalties. All conflicts must be declared in each Council meeting as relevant, as set out in the Articles of Association.

All Council member must act only in the interests of CSMS, and not for their own private interest or gain.

Council member should note that two principles of law may arise in such situations:

1. An Officer or Council member may not derive any personal benefit from their office; and
2. An Officer or Council member must not put themselves in a position where there is a potential conflict between their personal interests and their fiduciary duties.

Individuals from donating organisations do not have institutional access to membership.

### **Anti-Money Laundering Policy**

#### **Introduction**

Challenger Society for Marine Science (CSMS) recognises its responsibility to prevent the risk of being used as a vehicle for money laundering. Money laundering refers to the process by which illicit funds are disguised to appear as if they are from legitimate sources. This policy aims to minimise the risk of the charity being involved in money laundering activities and to comply with the obligations under the Proceeds of Crime Act 2002.

*The purpose of this policy is to:*

- *Identify and mitigate the risk of CSMS being used to launder money.*
- *Equip trustees with the knowledge to spot suspicious activities.*

- *Ensure any suspicious activities are reported in accordance with legal requirements.*

### **Vulnerable Areas**

CSMS acknowledges that it may be vulnerable to money laundering through:

- Donations from individuals or organisations.
- Payments by third parties or via complex banking arrangements.
- Requests for refunds of donations.

### **Red Flags**

Potential indicators of money laundering include:

- Unusually large or frequent payments.
- Requests to pay by cash (see the 'no cash' policy below).
- Payments made by third parties unrelated to the payer.
- Requests for refunds to accounts different from the original payer.
- Payment structures that are unnecessarily complex or illogical.
- High-risk countries involved in transactions or payments made by Politically Exposed Persons (PEPs).

### **Cash Payments**

CSMS operates a no-cash policy for all payments.

### **Procedures for Suspicious Transactions**

Where the Treasurer, or any trustee, identifies a "red flag" in relation to a payment, additional checks on suspicious transactions will take place. Depending on the circumstances these checks could include:

- Using external services to verify identities and check against sanctions lists.
- Assessing the legitimacy of funds based on known information about the payer.
- Asking the payer to explain who is making the payment where this is not clear.
- Asking for an explanation of why the payment is being made in a particular way, for example, where payments are being made from a variety of sources or accounts.
- Asking the payer for proof of the source of the funds.
- Carrying out an online or other internet search to establish that the payer is not involved in alleged criminal activities.

After having made appropriate enquiries, the board of trustees will decide whether:

- Payment can be accepted.
- Further explanation or evidence of the legitimacy of the funds is required.
- Whether CSMS should submit a Suspicious Activity Report (SAR) with the National Crime Agency (NCA)
- Whether the Charity should make a report to the Charity Commission.

### **Charity Commission**

The charity will also use the following Charity Commission advice to assess the risk of money laundering:

- 'Identify' who CSMS is dealing with;
- 'Verify' where reasonable, and if the risks are high, verify identities;
- 'Know what the organisation or individual's business is' and be assured this is appropriate for the charity to be involved with;
- 'Know' what their specific business is with CSMS and have confidence that they will deliver what we want them to;
- 'Watch out' for unusual or suspicious activities, conducts or requests.
- If the charity is not satisfied with the explanation or evidence provided to support these factors the charity should obtain further information from the payer or donor.

### **Donations**

All donations should be reviewed for risk based on:

- The source and provenance of the funds.
- The legitimacy of the donor.
- Any conditions attached to the donation.

If there are concerns, further due diligence will be conducted, and, if necessary, the donation will be refused.

## **Refunds**

Refunds will only be processed to the original payer's account. Any requests to return funds to a different account must be escalated to the President for review.

## **Reporting Obligations**

CSMS has a duty to report any suspicious transactions to the NCA. If required, the Officers and Treasurer will seek consent to proceed with a transaction from the NCA and make additional reports to the Charity Commission where applicable.

## **Conclusion**

The CSMS Council is committed to adhering to all anti-money laundering laws and ensuring that its financial dealings are transparent and legitimate.

## **Complaints Handling**

Any complaint about the conduct of the affairs of CSMS should be reported to the Council, who will support the complainant appropriately.

Contact information and the procedure to lodge a complaint is via our online reporting system: [https://www.challenger-society.org.uk/code\\_of\\_conduct](https://www.challenger-society.org.uk/code_of_conduct)

## **Council Member Expenses**

CSMS Council members can claim reasonable travel and other out of pocket expenses and should provide the Treasurer with receipts.

## **Social Media**

**A full social media policy document is under construction.**

**Authored by K Hendry May 2025  
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