



EXCHANGE RATE POLICY

Version 1.0 29/06/2019

Purpose

It is the aim and intention of Midwives at Maternity Azur (MAMA) to be honourable, transparent and accountable in the handling of our finances, respecting the trust our donors have placed in us. It is the responsibility of all those handling finance to source the most efficient and cost-effective Currency Exchange rates as practicable and to adhere to the best practice laid out in this Policy.

MAMA recognises that fluctuating exchange rates can impact our budget line and could put the Charity at risk of overspends. This Policy provides guidance on how to mitigate against this eventuality in budget planning and monitoring. Likewise, MAMA recognises that not all methodologies for the calculation of exchange rates in budgeting are acceptable and could be subject to misuse and fraud. This Policy sets out the method this Charity expects its employees and downstream partners to adhere to when budgeting and reporting on operations.

This Policy sets out our operational guidelines for the budgeting, recording and management of foreign currency denominated transactions and exchange rate fluctuations.

Scope

This Policy applies to anyone preparing, monitoring, recording and managing budgets involving projects and/or MAMA operations overseas.

Overall authority for ensuring compliance to this Policy is with the Board of Trustees.

Calculating Exchange Rates

All donations and income from funding will be deposited into our U.K. HSBC business account in sterling.

Money required to be transferred to Hoima, Uganda for payments in Ugandan shillings, for example staff wages, will be sent via the HSBC account to Azur's Barclay's account in Hoima. HSBC will dictate the exchange rate at the time of transfer of funds.

Whilst preparing a project budget, it is the Policy of this Charity to use average market rates to estimate the applicable rate. Quarterly average rates are used from www.xe.com.



Travelling With Cash

Projects that involve volunteers and/or employees travelling from the UK may involve withdrawal of foreign currency. It is the responsibility of the employee to look for the most cost-effective currency exchange method (i.e. taking out cash in GBP/US \$ or Euro for conversion in-country) and rates as practicable.

Any funds handed over to a Downstream Partner must be signed for and receipted. It is the responsibility of the employee to only carry cash within the limits stipulated by Customs.

Mitigating against Exchange Rate Fluctuations

It is the responsibility of the relevant Project Manager to consider the risk of exchange rate fluctuations within any project budget and to liaise carefully with their Downstream Partner. Previous work done in similar areas should be the template of a new budget and the Project Manager should look at the average fluctuations over the past year(s) on www.xe.com to consider general trends.

It is important for the Board of Trustees to look for the most efficient and cost-effective means of funds transfer and to weigh the benefits of how much funds should be transferred at any given time (to avoid large sums of local currency being held in-country if exchange rates prove volatile or unpredictable).

It is the responsibility of the Board of Trustees to recognise and prepare for the effects of political upheaval, elections or other risks on Exchange Rates and to arrange transfers accordingly.

Responsibility

All those persons referred to within the scope of this Policy are required to adhere to its terms and conditions.

Project Managers and the Board of Trustees are responsible for ensuring that this Policy is applied within their own area.

Any queries on the application or interpretation of this Policy must be discussed with the Board of Trustees prior to any action being taken.

The Board of Trustees has the responsibility for ensuring the maintenance, regular review and updating of this Policy. Revisions, amendments or alterations to the Policy can only be implemented following consideration and approval by the Board of Trustees.

Date approved by MAMA Board of Trustees: 30/07/2019

Review Date: 30/07/2022