

Procurement and Contract Management Policy and Procedures

Policy Approved By: Board of Trustees

Date Approved: Jan 2026

Next Review Date: Jan 2027

Responsible Officer: Treasurer

1. Introduction

UMCUK is a registered Charitable Incorporated Organisation (CIO) (Charity Number: 1115442) committed to promoting the welfare, culture, religion, education, and health of the Ugandan Muslim community in the UK through activities such as acquiring assets (e.g., properties for community use), events, and partnerships. As a volunteer-led, donation-reliant charity, procurement and contract management must be aligned with our charitable purposes to ensure value for money, transparency, and risk mitigation.

This policy establishes clear procedures for procurement and contracts, including due diligence, risk management, and governance alignment.

It complies with Charity Commission guidance (CC8: Internal Financial Controls for Charities, CC26: Charities and Risk Management), which requires robust processes for asset acquisition to protect charitable funds, and our Constitution (Articles 4.2(f-g) on acquiring/disposing property, 4.2(h) on financial controls, and 5.5 on conflicts of interest).

2. Purpose

The purpose of this policy is to:

- Ensure procurement and contract management align with UMCUK's charitable objects, delivering value while minimizing risks such as financial loss, reputational harm, or legal non-compliance.
- Provide structured procedures for due diligence, approvals, and monitoring to prevent unilateral actions and misalignments.

- Promote transparency, accountability, and ethical practices in all acquisitions (e.g., properties, services, partnerships), ensuring decisions are collective and evidence-based.
- Facilitate compliance with legal requirements (e.g., Charities Act 2011 for fiduciary duties) and enable reporting of serious incidents (e.g., procurement failures).

3. Scope and Definitions

This policy applies to all UMCUK trustees, volunteers, staff, sub-committees (e.g., Finance, Technical Teams), and divisional activities involving procurement or contracts over £500 (or any property acquisition). It covers purchasing goods/services, asset acquisitions (e.g., property), and partnerships.

- **Procurement:** The process of identifying needs, sourcing, evaluating, and acquiring goods, services, or assets.
- **Contract:** Any binding agreement (e.g., purchase contracts, leases, service agreements).
- **Due Diligence:** Independent assessments (e.g., surveys, legal reviews) to verify risks, value, and compliance before commitment.
- **Misaligned Mandate:** When actions (e.g., signing contracts) bypass collective authority or ignore resolutions, as in the Arbitration report.
- **Threshold:** £500 for formal processes; lower for high-risk items (e.g., event supplies with safety implications).

Exclusions: Minor day-to-day expenses (handled via Expenses Policy).

4. Procedures

Procurement Planning

- **Identify Needs:** Requests submitted to the Treasurer/EC with justification linking to charitable objects (e.g., how a purchase supports community development and education).
- **Budget Check:** Ensure alignment with annual budget and reserves (per Reserves Policy); no procurement if funds are unavailable or restricted.
- **Risk Assessment:** Use Risk Register to evaluate (e.g., financial impact, reputational risks from disputes). For assets, assess structural, legal, and environmental factors.

Sourcing and Evaluation

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- **Competitive Quotes:** Obtain at least 3 quotes for items over £1,000; evaluate on value, quality, and supplier ethics (e.g., Sharia compliance per Constitution Article 4.2(f)).
- **Due Diligence Checklist:** Mandatory for all contracts/assets:
 - Independent professional advice (e.g., surveyor/legal counsel for property).
 - Verify supplier credentials, conflicts of interest, and risks (e.g., historical encumbrances).
 - Financial viability check (e.g., no release of funds without EC resolution).
- **EC Approval:** All procurements over £500 require minuted EC resolution (Constitution Article 8); prohibit bypassing.

Expenditure Thresholds

- All expenditures over £500 (including by local regions/Twale) require a minuted EC resolution before proceeding.
- Local regions must submit requests to the Treasurer for central review, ensuring alignment with the budget and charitable objects.
- For lower amounts (<£500), dual approval (e.g., Regional / Committee Chair and Treasurer) is required to maintain oversight.

Contract Execution and Management

- **Drafting:** Use standard templates; include clauses for termination, performance metrics, and dispute resolution.
- **Signing:** Only authorized by EC-approved signatories, including the Treasurer on all financial commitments; dual signatories (including Treasurer) required for transactions over £500 to ensure accounting oversight.
- **Monitoring:** Assign an owner (e.g., sub-committee) to track performance, payments, and risks; report quarterly to Board.
- **Variations:** Any changes require EC re-approval and documentation.

Post-Procurement Review

- Evaluate outcomes (e.g., asset fitness for purpose) within 3 months; log lessons in Risk Register.

5. Responsibilities

- **All Involved (Trustees, Volunteers, Staff):** Identify procurement needs; declare conflicts (Article 5.5); adhere to procedures.

- **Treasurer/Finance Sub-Committee:** Lead financial checks, maintain procurement register, ensure dual controls.
- **General Secretary:** Coordinate requests, document approvals, handle contracts.
- **Sub-Committees (e.g., Technical Team):** Conduct due diligence; report to EC without overreach (addressing potential misalignment).
- **Trustees/Board:** Oversee policy, monitor compliance, approve high-value procurements, review register; ensure independent advice for assets.

6. Monitoring and Review

- **Logging:** Maintain a procurement register (see template below); log all activities, risks, and outcomes.
- **Annual Review:** Board assesses policy, register trends (e.g., due diligence failures), and updates based on report lessons. Include in Annual Report (Article 15).
- **Training:** Induction on this policy for all involved, emphasizing due diligence and collective authority.
- **Audits:** Independent review for high-value procurements; report breaches as serious incidents (Article 15(3)).

7. Related Policies

- This policy links to: Financial Reserves (budget alignment), Risk Management (assessments), Conflicts of Interest (declarations), Expenses (minor costs), Complaints (escalations), and Constitution (Articles 4.2(f-g) on property, 10 on sub-committees). Breaches may invoke disciplinary actions (Article 10(1)).

This policy will be reviewed annually or sooner if needed. Amendments require Board approval and Charity Commission notification if material (Article 13). It is available on the UMCUK website and upon request. For questions, contact the Treasurer.