

# **Financial Regulations for the**

## **British Amateur Gymnastics Association**

(Approved by the June 2005 Board & amended Nov 2007)

## FOREWORD

To conduct its business effectively, British Gymnastics (BG) needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations, which set out the financial policies of BG.

Financial regulations make good business sense, and for BG, they have additional significance because its grant funding depends upon them. The Sports Councils make it a condition of their grants that BG ensures that it has a sound system of internal financial management, and control and financial regulations are a core component of such a system.

Detailed procedures relevant to specific departments or committees will be distributed following the issue of these Regulations.

# TERMINOLOGY

The following terms have been used in this guide.

## **BOARD**

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The Board of Directors ultimately responsible for the affairs of BG.

## **FINANCE DIRECTOR**

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The Director responsible to the Board for the financial affairs of the Association.

## **CHIEF EXECUTIVE OFFICER (CEO)**

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The person with the ultimate responsibility for the management of BG.

## **GROUP ACCOUNTANT**

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The Chief Financial Officer of BG.

## **HEAD OF FINANCE**

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Working for the Group Accountant, the Head of Finance is the person responsible for managing the day-to-day running of the Accounts Department.

## **HEADS OF DEPARTMENT**

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The Head of a Department of BG who is responsible for the budget of his or her whole Department/area.

## **COMPANY SECRETARY AND HEAD OF ADMINISTRATION**

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The Head of Administration.

# FINANCIAL REGULATIONS

## A GENERAL PROVISIONS

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### 1 Background

- 1.1 The British Amateur Gymnastics Association (hereinafter known as BG) is a company limited by guarantee. Its structure of governance is laid down in its Memorandum and Articles of Association. These financial regulations are made under the provisions of Article 53 of the Articles of Association.
- 1.2 BG is accountable through its Board of Directors, which has ultimate responsibility for the effectiveness of its management and administration.

### 2 Status of Financial Regulations

- 2.1 This document sets out BG's financial regulations. This document was approved by the Board of Directors on 10<sup>th</sup> June 2005.
- 2.2 The regulations apply equally to all subsidiary companies of BG, current and future.
- 2.3 The regulations apply to all Committees and Panels of BG, current and future.
- 2.4 The purpose of these financial regulations is to provide control over the totality of BG's resources and provide management with assurances that the resources are being properly applied for the achievement of BG's strategic plan and business objectives:
- financial viability
  - achieving value for money
  - fulfilling its responsibility for the provision of effective financial controls over the use of public funds

- ensuring that BG complies with all relevant legislation
  - safeguarding the assets of BG.
- 2.5 Compliance with the financial regulations is compulsory for all staff and volunteers connected with BG. A member of staff or volunteer who fails to comply with the financial regulations may be subject to disciplinary action under BG's disciplinary policy. It is the responsibility of heads of department to ensure that their staff are made aware of the existence and content of the financial regulations.
- 2.6 The Group Accountant is responsible for maintaining a continuous review of the financial regulations, and for advising the Board of any additions or changes necessary.
- 2.7 In exceptional circumstances, the CEO may authorise a departure from the detailed provisions herein, such departure to be reported to the Board at the earliest opportunity.

## **B CORPORATE GOVERNANCE**

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### **3 The Board**

- 3.1 The Board is responsible for the management and administration of BG. Its financial responsibilities are to:
- ensure the solvency of BG
  - safeguard BG's assets
  - ensure the effective and efficient use of resources
  - ensure that the funds provided by the Sports Councils and other grant providers are used in accordance with the terms and conditions specified in the grant award letters
  - ensure that financial control systems are in place and are working effectively
  - set a framework for pay and conditions of service of all staff
  - approve an annual budget before the start of each financial year
  - approve the annual audited financial statements

- appoint BG's external auditors.

#### **4 Finance Director**

4.1 The Finance Director is the Board Member with responsibility for the Association's financial affairs.

4.2 The Finance Director shall Chair the Finance and Audit Committee.

4.3 The Finance and Audit Committee is given designated powers by the Board:

- To assess the risks of the Association and propose strategies to limit these risks;
- To set a framework for pay and conditions of service of all staff and make recommendations to the Board;
- To audit the activities of the Association, to undertake a risk management assessment and to make such recommendations to the Board in order to protect and maintain the viability of the Association.

4.4 All Financial matters that have not been approved by the Board or delegated must, in the first instance, be reported to the Finance & Audit Committee for its consideration and subsequent recommendation to the Board. Any reports to the Board, having financial implications outside of delegated authority, should also be presented to the Finance & Audit Committee for observations prior to presentation to the Board.

#### **5 Other Senior Managers and Volunteers with Financial Responsibility**

##### **Designated Officer**

5.1 The CEO is the designated officer with responsibility for the control and management of the Association's financial affairs.

5.2 The CEO shall ensure that annual estimates of income and expenditure are prepared and considered by the Board, and that budgets and resources are managed within the estimates approved by the Board.

5.3 The CEO shall make recommendations to the Finance and Audit Committee and

the Board, such reports to include the annual Budget and management reports.

- 5.4 The CEO must advise the Board if, at any time, any action or policy under consideration by them appears to the CEO to be incompatible with the Financial Regulations.

### **The Group Accountant**

- 5.5 The Group Accountant is responsible for controlling the day-to-day financial administration, and is responsible to the Finance Director and the CEO for:

- preparing budgets
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing the annual accounts and other financial statements and accounts which BG is required to submit to other authorities
- ensuring that BG maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- liaising with external auditors

### **Heads of Department**

- 5.6 Heads of department are responsible to the CEO for financial management for the areas or activities they control. The Group Accountant will provide advice on financial management, together with supervising and approving the financial systems operating within their departments, including the form in which accounts and financial records are kept. Heads of department are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are devolved to other staff or volunteers, they are accountable to the head of department for their own budget.

Heads of department shall provide the Group Accountant with such information as may be required to enable:

- compilation of BG's financial statements
- implementation of financial planning
- implementation of audit and financial reviews, projects and value for money

studies.

### **Technical Committee Chairs**

- 5.7 Technical Committee Chairs are responsible to the Deputy President (Technical) for financial management of their respective technical committee budgets. It is the responsibility of the Technical Committee Chairs to ensure that their budgets are managed in accordance with BG's financial regulations.

### **All members of staff**

- 5.8 All members of staff should be aware and have a general responsibility for the security of BG's property, for avoiding loss and for due economy in the use of resources.

They should ensure that they are aware of BG's financial authority limits and the values of purchases for which quotations and tenders are required (see 17.6).

They shall make available any relevant records or information to the Group Accountant or his or her authorised representative in connection with the implementation of these financial regulations and the system of financial control.

They shall provide the Group Accountant with such financial and other information, as he or she may deem necessary, from time to time, to carry out the requirements of the Association.

They shall immediately notify the Group Accountant whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of BG. The Group Accountant shall take such steps as he or she considers necessary by way of investigation and report.

### **Heads of Delegation**

- 5.9 Members of staff and volunteers who act as Heads of Delegation for foreign international competitions, training camps etc. have responsibility for holding and expending emergency funds and cash advances on behalf of BG. It is the Head of Delegation's responsibility to keep records and receipts of all expenditure, and to provide an account, together with a cheque for the unspent balance within one month of the end of the trip. Failure to provide an account within one month may

jeopardise a person's selection as Head of Delegation for a future event.

## **6 Risk Management**

- 6.1 BG acknowledges the risks inherent in its business, and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by BG will be set out in a separate risk management strategy.
- 6.2 The Board has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout BG through the development, implementation and embedment within the organisation of a formal, structured risk management process.
- 6.3 In line with this policy, the Board requires that the risk management strategy and supporting procedures include:
- the adoption of common terminology in relation to the definition of risk and risk management
  - the establishment of BG-wide criteria for the measurement of risk, linking the threats to their potential impact and the likelihood of their occurrence together with a sensitivity analysis
  - a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes (see above)
  - a decision on the level of risk to be covered by insurance (see 21.1)
  - detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas
  - development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question
  - regular reporting to the Board of all risks above established tolerance levels
  - an annual review of the implementation of risk management arrangements

The strategy and procedures must be capable of independent verification.

- 6.4 Heads of department, Directors and Technical Committee Chairs must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which BG may be exposed. The CEO's advice should be sought to ensure that this is the case.

## **7 Whistleblowing**

- 7.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory. See BG's Fraud Policy and Fraud Response Plan (Appendix A) for more information.

- 7.2 Normally, any concern about a workplace matter at BG should be raised with the relevant member of staff's immediate line manager or head of department. However, BG recognises that the seriousness or sensitivity of some issues, together with the identity of the person the member of staff thinks may be involved, may make this difficult or impossible.

- 7.3 A member of staff may, therefore, make the disclosure to one of the staff designated for this purpose, for example the Human Resources Manager. If the member of staff does not wish to raise the matter with this person, or with the CEO, it may be raised with the Chair of the Board.

## **8 Code of Conduct**

- 8.1 Members of the Board, senior management or those involved in procurement are required to disclose interests in BG's register of interests maintained by the Company Secretary. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly.
- 8.2 In particular, no person shall be a signatory to a BG contract where he or she also has an interest in the activities of the other party.

## **C FINANCIAL MANAGEMENT AND CONTROL**

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### **9 Financial Planning**

- 9.1 The Group Accountant is responsible for preparing an annual budget for approval by the Board.
- 9.2 During the year, the Group Accountant is responsible for submitting revised budgets to the Board for approval.

### **10 Capitalisation and depreciation**

- 10.1 Capital expenditure is expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in BG's financial statements. Capital expenditure of £5,000 or more must be approved by the Board. In any case, all capital expenditure must be part of a previously approved capital expenditure programme.
- 10.2 All expenditure on individual assets costing more than £100 will be capitalised, unless the expenditure is funded from a revenue grant.
- 10.3 Technical Committee expenditure on fixed assets costing more than £100 will be capitalised. An amount equivalent to the cost of the asset will be deducted from the Technical Committee's annual budget in the year of purchase.
- 10.4 Capitalised assets will be depreciated over a number of years, as detailed in the accounting policies in the notes to the annual accounts, commencing in the year of acquisition.

### **11 Financial Control**

#### **11.1 Budgetary control**

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their head of department for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported

immediately to the Group Accountant by the head of department concerned and, if necessary, corrective action taken.

#### **11.2 Financial information**

The budget holders are assisted in their duties by management information provided by the Group Accountant.

The Group Accountant is responsible for supplying budgetary reports on all aspects of BG's finances to the Board on a basis determined by the Board but subject to any specific requirements of the funding body. These reports are presented to the Board, which has overall responsibility for BG's finances.

#### **11.3 Treatment of year-end balances**

At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year unless the Board has approved a specific scheme for carrying forward all or part of unspent amounts.

### **12 Accounting Arrangements**

#### **12.1 Financial year**

BG's financial year will run from 1 April to 31 March the following year.

#### **12.2 Basis of accounting**

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

#### **12.3 Format of the financial statements**

The financial statements are prepared in accordance with the provisions of the Companies Act 1985.

#### **12.4 Accounting records**

The Head of Finance, for the Group Accountant, is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

BG is required by law to retain prime documents for six years. These include:

- paid purchase invoices and expense claims
- sales invoices
- bank statements
- banking sheets
- cashbooks and journals
- payroll records

The IT Manager will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.

Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

#### 12.5 **Rights of inspection**

The Company Secretary will be responsible for ensuring that the various rights of the members and the public to inspect the statutory registers are adhered to. He/she will need to ensure that arrangements are in place to enable an inspection to take place and that, if requested, copies or extracts may be supplied on payment of the appropriate fee.

#### 12.6 **Taxation**

The Group Accountant is responsible for advising heads of department, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to BG. Therefore the Group Accountant will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.

The Head of Finance, for the Group Accountant, is responsible for maintaining BG's VAT, PAYE and national insurance records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **13 Audit Requirements**

### **13.1 General**

External auditors shall have authority to:

- access BG premises at reasonable times
- access all assets, records, documents and correspondence relating to any financial and other transactions of BG
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of BG to account for cash, stores or any other BG property under his or her control
- access records belonging to third parties, such as contractors, when required.

The Group Accountant is responsible for drawing up a timetable for final accounts purposes and will advise staff accordingly.

The final accounts will be submitted to the Board for approval.

### **13.2 External audit**

The appointment of external auditors will take place annually and is the responsibility of the Board.

The primary role of external audit is to report on BG's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

### **13.3 Fraud and corruption**

BG's response to fraud and corruption is detailed in its Fraud Policy and Fraud Response Policy (see Appendix A).

### **13.4 Other auditors**

BG may, from time to time, be subject to audit or investigation by external bodies such as the funding bodies, HM Customs and Excise and the Inland Revenue. They have the same rights of access as external and internal auditors.

## **14 Treasury Management**

### **14.1 Treasury management policy**

The Head of Finance, for the Group Accountant, is responsible for ensuring that BG's surplus funds are invested in term-deposit accounts. The Board is responsible for making decisions regarding other investment opportunities.

All decisions concerning borrowing shall be made by the Board (or in an emergency by the CEO, and reported to the Board at the earliest opportunity).

### **14.2 Appointment of bankers and other professional advisers**

The Board is responsible for the appointment of BG's bankers and other professional financial advisers (such as investment managers) on the recommendation of the CEO. The appointment shall be for a specified period after which consideration shall be given by the Board to competitively tendering the service.

### **14.3 Banking arrangements**

The Group Accountant is responsible, on behalf of the Board, for liaising with BG's bankers in relation to BG's bank accounts and the issue of cheques.

Only the CEO or the Group Accountant may open or close a bank account for dealing with BG's funds. All bank accounts shall be in the name of BG or one of its subsidiary companies.

All cheques drawn on behalf of BG must be signed in the form approved by the Board. Cheques up to £1,000 shall be signed by one authorised person. Cheques over £1,000 shall be signed by two authorised persons. The Board shall be responsible for approving all cheque signatories.

All automated transfers on behalf of BG, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Board.

The Group Accountant is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

## **15 Income**

### **15.1 General**

The Group Accountant is responsible for ensuring that appropriate procedures are in operation to enable BG to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the Group Accountant.

The Group Accountant is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in BG's accounts.

### **15.2 Maximisation of income**

It is the responsibility of all staff, directors and technical committee chairs to ensure that revenue to BG is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Accounts Department of sums due so that collection can be initiated.

It is the responsibility of all staff, directors and technical committee chairs to ensure that payment is received in advance for all goods and services supplied by BG, unless an official order form from a local authority, school or similar body is received.

### **15.3 Receipt of cash, cheques and other negotiable instruments**

All monies received within departments from whatever source must be recorded by the department on a daily banking sheet together with the form in which they were received, for example cash, cheques and other negotiable instruments. If monies received relate to a sales invoice which the department has requested, then this should be clearly indicated on the banking sheet.

All monies received must be paid to the Accounts Department promptly, together with the appropriate banking sheet (see para.above). The custody and transit of all monies received must comply with the requirements of BG's insurers.

All sums received must be paid in and accounted for in full, and must not be used

to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of BG.

#### 15.4 **Collection of debts**

The Group Accountant should ensure that:

- debtors invoices are raised promptly on official invoices, in respect of all income due to BG
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- monies received are posted to the correct debtors account
- swift and effective action is taken in collecting overdue debts
- outstanding debts are monitored and reports prepared for management.

Requests to write off debts in excess of £50 must be referred in writing to the CEO for submission to the Board for consideration. Debts below this level may be written off with the permission of the Group Accountant.

## **16 Other Income-Generating Activity**

### 16.1 **Private consultancies and other paid work**

Unless otherwise stated in a member of staff's contract:

- outside consultancies or other paid work may not be accepted without the consent of the head of department (and in the case of the head of the department, the CEO)
- applications for permission to undertake work as a purely private activity must be submitted to the head of department or CEO, as appropriate, and include the following information:
  - the name of the member(s) of staff concerned
  - the title of the project and a brief description of the work involved
  - the proposed start date and duration of the work
  - full details of any BG resources required (for the calculation of the full economic cost)
  - an undertaking that the work will not interfere with the normal duties of the member(s) of staff concerned.

## 16.2 **Grants**

Many grant-awarding bodies stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions may mean that BG will suffer a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met.

Any loss to BG resulting from a failure to meet conditions of funding is the responsibility of the budget holder and will be charged against departmental funds.

## 17 **Expenditure**

### 17.1 **General**

The Head of Finance, for the Group Accountant, is responsible for making payments to suppliers of goods and services to BG.

### 17.2 **Scheme of delegation/financial authorities**

The head of department shall be responsible for purchases within his or her department. All purchase orders must be approved by the head of department and countersigned by an authorised signatory. The head of department may delegate his/her authority to another named individual, and in such a case the Group Accountant must be notified immediately.

The Technical Committee Chair shall be responsible for purchases within his or her Technical Committee. The Chair may delegate to named individuals within the Technical Committee. The Group Accountant shall maintain a register of authorised signatories and Technical Committee Chairs must supply him or her with specimen signatures of those authorised to certify invoices for payment. The Group Accountant must be notified immediately of any changes to the authorities to commit expenditure.

Heads of department and Technical Committee Chairs are not authorised to commit BG to expenditure without first reserving sufficient funds to meet the purchase cost.

17.3 **Procurement**

BG requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

17.4 **Purchase orders**

Written orders, approved in advance by the Head of Department or Technical Committee Chair and countersigned by an authorised signatory must be placed for the purchase of all goods or services, except those made using company credit cards or petty cash. In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official written order endorsed 'confirmation order only' not later than the following working day.

17.5 **Company credit cards**

Where appropriate, the CEO may approve the issuing of BG credit cards to senior staff. Such credit cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action.

Cards must not be used for personal or private purchases. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs. Cardholders must provide the information requested by the Accounts Department, within the set deadlines, to enable financial control to be maintained. Failure to do so may result in a deduction from the cardholder's salary.

17.6 **Tenders and quotations**

Heads of department and delegated budget holders must comply with BG's tendering procedures, which are as follows:

- under £500 – the budget holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained
- from £501 to £2,500 – the budget holder shall be required to obtain at least two written quotations
- from £2,501 to £10,000 – the budget holder shall arrange for at least three written quotations to be obtained

- over £10,000 – all items will require three written quotations plus approval by both the CEO and 1 of the Directors
- the award of contracts over £10,000 shall be reported to the Board.

The following supplies will fall outside these arrangements for tenders and quotations:

- Partnership arrangements for the supply of goods or services specifically approved by the Board;
- International event costs, where the suppliers are specified by the competition organising committee.

In all cases, the CEO has delegated authority to vary the amounts.

The amounts specified in 17.6 refer to the total value of the order.

Quotes do not need to be attached to purchase orders. However, budget holders should maintain all paperwork for 3 years (paperwork may be requested for internal audit purposes).

#### 17.7 **Post-tender negotiations**

Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at a disadvantage
- it would not affect their confidence and trust in BG's tendering process.

In each case, a statement of justification should be approved by the CEO prior to the event, showing:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money.

All post-tender negotiations should be reported to the Board.

#### 17.8 **Receipt of goods**

All goods received shall be checked for quantity and/or weight and inspected for

quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods. This delivery note, which shall be attached to the supplier's invoice, shall be treated as BG's goods received note.

If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

#### 17.9 **Payment of invoices**

Payments to UK suppliers will normally be made by computer cheques or BACS transfer once or twice a month. In exceptional circumstances cheques will be prepared manually for urgent payments.

Heads of department are responsible for ensuring that expenditure within their departments does not exceed funds available.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to the department concerned. Invoices must be passed to the Accounts department as soon as they have been checked and approved (by signing the coding slip). The budget holder should ensure that invoices are addressed to BG or its appropriate subsidiary and include the supplier's VAT registration number if applicable.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the Accounts Department against invoices that have been certified for payment by the appropriate head of department or budget holder.

Approval of an invoice by the budget holder will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory. Where appropriate, it is matched to the delivery note (ie BG's goods received

note see 17.8 above)

- where appropriate, it is matched to the order
- invoice details (quantity, price, discount) are correct
- the invoice is arithmetically correct
- the invoice has not previously been passed for payment
- where appropriate, an entry has been made on the stock record
- an appropriate cost centre, department and general ledger code is quoted; this must be a code included in the budget holder's areas of responsibility and must correspond with the types of goods or service described on the invoice
- where the invoice or expense claim relates to a fee from an individual for work done for BG, it is the budget holder's responsibility to ensure that, where applicable, the invoice or expense claim includes a signed statement from the supplier stating that he/she is self-employed and will account for his/her own tax and national insurance. The supplier must also include his/her tax reference and tax office. If such a statement is not given on the invoice or expense claim, then the fee will be processed via the payroll.
- with regard to expense claims: VAT receipts must be attached for all claims excluding mileage; details of mileage must be provided (and checked by the budget holder); claims for expenses over £10 (excluding mileage and subsistence) must be authorised in advance by the budget holder, and counter-signed by an authorised signatory.

#### 17.10 **Staff reimbursement**

BG aims to pay the majority of its suppliers through the creditors system, without staff having to incur any personal expense. However, on occasion, staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.

Where such purchases by staff are planned, an authorised signatory may approve a request from the relevant head of department to approve cash advances to staff or volunteers who are going to incur expenditure on BG's behalf. Upon completion of the travel or project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed, including receipts, and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to

an individual is still outstanding.

If a pool car is available, this should be used for business travel, in preference to the staff member's own vehicle.

#### **17.11 Petty cash**

The Accounts Department shall maintain a petty cash float. If petty cash is required, then supporting receipts or vouchers must be supplied. If the request is for more than £10, then it must also be accompanied by a requisition approved by an authorised signatory.

The Accounts Department is responsible for keeping the petty cash box locked and in a secure place in compliance with the requirements of BG's insurers.

#### **17.12 Project advances**

The relevant head of department, together with an authorised signatory, may jointly approve cash advances for competitions, training camps etc. carried out away from BG where cash expenditure may be unavoidable. Other forms of payment will be expected to be used wherever possible, such as an official purchase order and subsequent payment.

Receipts or paid invoices will be retained for all sums expended in this way. Upon completion of the project to which the advance relates, within one month a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to a project or individual is outstanding.

#### **17.13 Accounting journals**

Requests for accounting journals (internal transfers from one accounts code to another) must be authorised by both heads of department, namely the head of the department to which the funds are been transferred to, and the head of department from which the funds are been transferred from.

### **18 Pay Expenditure**

#### **18.1 Remuneration policy**

All BG staff will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service. All letters of appointment, together with contracts of employment, shall be issued by the Human Resources Manager and copied to the Group Accountant and Head of Finance.

The Board will determine what other benefits, such as cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

The Board shall determine the salary and benefits for the CEO.

**18.2 Appointment of staff**

All contracts of service shall be concluded in accordance with BG's approved personnel practices and procedures. The Human Resources Manager shall be responsible for issuing all written offers of employment with BG. Heads of Department shall ensure that the Human Resources Manager is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

**18.3 Salaries and wages**

The Head of Finance, for the Group Accountant, is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered.

The Human Resources Manager will be responsible for keeping the Group Accountant and Head of Finance informed of all matters relating to personnel for payroll purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration
- information necessary to maintain records of service for superannuation, income tax and national insurance.

The Head of Finance, for the Group Accountant, is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All

casual and part-time employees will be included on the payroll.

The Head of Finance, for the Group Accountant, shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must comply with Inland Revenue regulations.

#### 18.4 **Pension schemes**

The Head of Finance, for the Group Accountant, is responsible for day-to-day pension matters, including:

- paying contributions to various authorised superannuation schemes
- preparing the annual return to various superannuation schemes

The Human Resources Manager is responsible for administering eligibility to pension arrangements and for informing the Group Accountant and the Head of Finance when deductions should begin or cease for staff.

#### 18.5 **Travel, subsistence and other allowances**

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Group Accountant.

Claims by members of staff must be authorised by their head of department (or the Head of Administration in the case of heads of department). The certification by the Head of Administration or head of department shall be taken to mean that:

- the journeys were authorised
- the expenses were properly and necessarily incurred
- the allowances are properly payable by BG
- consideration has been given to value for money in choosing the mode of transport.

Arrangements for travel by the CEO shall be approved by the Board.

#### 18.6 **Overseas travel**

All arrangements for overseas travel must be in accordance with BG's travel policy. Any approvals required must be obtained in advance of committing BG to those arrangements or confirmation of any travel bookings.

Where spouses, partners or other persons unconnected with BG intend to participate in a trip, this must be clearly identified in advance. Unless the extra cost of this travel is outweighed by benefits to BG, agreement to the reimbursement of the expected costs should be obtained in advance of travel.

Where per diems are paid to a representative of British Gymnastics on International or other Committees, in the first instance claims for expenditure should be met by that payment. Thereafter claims, supported by appropriate receipts, should be made by the claimant to BG. The claim should itemise total expenses incurred, and deduct any per diems received.

BG representatives (including employees) must not carry BG cash, over and above the limits permitted by BG's insurance policy. Competition entry fees, accommodation and subsistence costs must be paid by bank transfer or credit card: payment by cash is not permitted.

**18.7 Allowances for members of the Board**

Claims for members of the Board will be authorised by the CEO, the Company Secretary or the CEO's PA. No payments will be made for meeting attendance and only reasonable expenses can be reimbursed.

**18.8 Redundancy and other non-recurring payments**

Redundancy payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the CEO and calculations checked by the Human Resources Manager or Group Accountant.

All matters referred to an industrial tribunal shall be notified to the Board and Group Accountant in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

**19 Assets**

**19.1 Land, buildings, fixed plant and machinery**

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

**19.2 Fixed asset register**

The Group Accountant is responsible for maintaining BG's register of land, buildings, fixed plant and machinery. Heads of department will provide the Group Accountant with any information he or she may need to maintain the register.

**19.3 Stocks and stores**

Heads of department are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Group Accountant.

Heads of department are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.

Those heads of department whose stocks require valuation in the balance sheet must ensure that a stock-take is performed at the year-end, in accordance with any instructions issued by the Group Accountant.

**19.4 Safeguarding assets**

Heads of department are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the Head of Administration in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by BG shall, so far as is practical, be effectively marked to identify them as BG property.

**19.5 Personal use**

Assets owned or leased by BG shall not be subject to personal use without proper authorisation.

#### 19.6 **Asset disposal**

The terms under which equipment and furniture are disposed of must be approved in advance by the CEO.

Disposal of land and buildings must only take place with the authorisation of the Board. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

#### 19.7 **All other assets**

Heads of department are responsible for establishing adequate arrangements for the custody and control of all other assets owned by BG, whether tangible or intangible including electronic data.

### 20 **Voluntary fund**

The Group Accountant shall be informed of any fund that is not an official fund of BG which is controlled wholly or in part by a member of staff in relation to their function in BG.

The accounts of any such fund shall, if deemed necessary by the Group Accountant, be audited by an independent external person. The Group Accountant shall be entitled to verify that this has been done.

### 21 **Other**

#### 21.1 **Insurance**

The CEO is responsible for BG's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy (see section 6), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Board on an annual basis.

The CEO is responsible for effecting insurance cover as determined by the Board. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The CEO will keep a register of all insurances effected by BG and the property and risks covered. He or she will also deal with

BG's insurers and advisers about specific insurance problems.

Heads of department must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which BG may be exposed. The CEO's advice should be sought to ensure that this is the case. Heads of department must give prompt notification to the CEO of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Heads of department must advise the CEO immediately of any event that may give rise to an insurance claim. The CEO shall notify BG's insurers and, if appropriate, prepare a claim in conjunction with the head of department for transmission to the insurers.

All staff using their own vehicles on behalf of BG shall maintain appropriate insurance cover for business use.

## **22 Companies and joint ventures**

22.1 In certain circumstances it may be advantageous to BG to establish a company or a joint venture to undertake services on behalf of BG. Any member of staff considering the use of a company or a joint venture should first seek the advice of the CEO.

The Board is responsible for approving the establishment of all companies or joint ventures.

It is the responsibility of the Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by BG.

The directors of companies where BG is the majority shareholder must submit an annual report to the Board. They will also submit business plans or budgets as requested to enable the Board to assess the risk to BG. BG's auditors shall also be appointed to such companies.

Where BG is the majority shareholder in a company, that company's financial year shall be consistent with that of BG.

## **23 Security**

- 23.1 Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Head of Administration immediately.

The IT Manager shall be responsible for maintaining proper security and privacy of information held on BG's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. The CEO shall be the nominated officer responsible for ensuring compliance with the Act and the safety of documents.

The Company Secretary is responsible for the safekeeping of official and legal documents relating to BG. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Company Secretary. All such documents shall be held in an appropriately secure location and copies held at a separate location, where considered appropriate.

It is the responsibility of the Heads of Department to ensure that any cheques or cash received should be deposited in one of the office safes, prior to lodging at the bank. The custody and transit of all monies received must comply with the requirements of BG's insurers.

## **24 Use of BG's seal**

- 24.1 Where a deed or document requires BG's seal, it must be sealed by the Company Secretary, in the presence of the CEO.

The Company Secretary is responsible for submitting a report to each meeting of the Board detailing the use of BG's seal since the last meeting.

## **25 Provision of indemnities**

- 25.1 Any member of staff asked to give an indemnity, for whatever purpose, should consult the CEO before any such indemnity is given.

