



# Financial Regulations and Procedures Manual for British Gymnastics

## Approval

Approved by (role)	Name	Dept	Date
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# Financial Regulations

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## **1. Introduction**

Financial regulations provide the framework for managing the Association's financial affairs (British Gymnastics and Subsidiary Companies). They apply to every Director, staff member and key Volunteer of British Gymnastics and anyone authorised to act on its behalf.

The regulations identify the financial responsibilities of the Board of Directors, Financial Controller, Executive & Finance Manager, Heads of the Department and staff where applicable.

All Directors, staff and key volunteers have a responsibility for taking reasonable action to provide for the security of the Association's assets and resources under their control, and for ensuring that the use of these assets and resources is legal, properly authorised, provides value for money and achieves best value.

The Financial Controller is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary in the first instance to the Audit Committee for their review and recommendation to the Board for approval.

Heads of Department are responsible for ensuring that all staff in their departments are aware of the existence and content, together with their adherence to British Gymnastics' financial regulations.

The Financial Controller is responsible for issuing accounting procedures, other advice and guidance to underpin the financial regulations.

## **2. Statement of Principles**

British Gymnastics expects high standards of conduct from the Directors, staff, key volunteers, committees and those with whom it has dealings. These expectations are spelt out in the British Gymnastics Standard of Conduct Policy and the Employee Handbook.

Further to this, British Gymnastics expects honesty, openness and integrity to be values which underpin its financial affairs and all those involved with British Gymnastics' finances should work with these values in mind. An extension of this is the Principles below which provide the basis for the detailed guidance in the Financial Regulations.

### **2.1 The Principles**

2.1.1 British Gymnastics is responsible for the careful management of member and public money. British Gymnastics will ensure that it will be invested in the interests of the members and other stakeholders, whilst working towards the aims and aspirations of British Gymnastics.

2.1.2 British Gymnastics expects the Directors and staff to exercise high standards in financial management and administration and aims to stimulate openness and a climate of frankness that it will support through policies and regulations, such as the "whistleblowing" policy in the staff handbook.

- 2.1.3 The importance of planning, monitoring and controlling the use of resources is of vital importance to British Gymnastics and it will make arrangements for these activities to be undertaken effectively.
- 2.1.4 Issues of probity will be dealt with effectively and British Gymnastics will meet its duty to maintain proper accounts and related records.
- 2.1.5 Value for money and quality of provision is at the core of British Gymnastics' financial decision making.
- 2.1.6 Compliance with statutory requirements, accounting standards and appropriate codes of practice will be inherent in British Gymnastics' arrangements for financial matters.
- 2.1.7 Allocation of responsibility and authority in relation to financial matters will be clearly identified.
- 2.1.8 British Gymnastics will set in place guidance to be adhered to by all its departments. In particular, it expects staff to consult with and use all of the expertise in financial matters that it has available and act on advice from such sources.
- 2.1.9 The assets and resources of British Gymnastics must be protected from loss, damage and theft. The person who British Gymnastics has assigned the asset or resource to will be responsible for ensuring appropriate protection is in place.
- 2.1.10 Identifying and quantifying risks to British Gymnastics is of key importance and arrangements must be made to reduce, eliminate or insure against them as appropriate.
- 2.1.11 Accurate, appropriate, timely payment and collection of monies forms much of the routine financial business of British Gymnastics. Arrangements will be made for its proper administration.

## **2.4 Financial Management**

Financial Management covers all financial accountabilities in relation to the running of British Gymnastics, including the policies, codes of conduct and budgets. Below are set out the main areas of responsibility of financial management.

### **3.1 Board of Directors**

The financial and accounting duties and responsibilities of the Directors are prescribed by the Company's Act 2006. The specific split of Executive and Non- Executive powers is detailed in the British Gymnastics Reservation of Powers Policy.

## **3.2 The Executive**

The Executive (consisting of the Chief Executive Officer and Executive Directors) is responsible for proposing financial policies and budgets to the Board. Within the approved policy and budget frameworks the Executive is responsible for day to day direction of British Gymnastics' affairs. The CEO is responsible for completing a timely Annual Report each year and also the Annual Return.

## **3.3 Board Committees**

### **3.3.1 The Audit Committee**

This is a Board sub-committee that reports to the Board and operates under the Audit Committee Terms of Reference. It has the right of access to all of the information it considers necessary and can consult directly with internal or external auditors.

### **3.3.2 The Remuneration Committee**

This is a Board sub-committee that establishes the over-arching principles and parameters of the remuneration policy on a company wide basis. It is given delegated authority to set individual remuneration arrangements for the Chief Executive Officer and other Board Executive Directors. This committee recommends and monitors the overall staff salary budget. Purpose, responsibilities and composition are set out in the Remuneration Committee Terms of Reference.

## **3.4 Senior Management**

3.4.1 The CEO has ultimate responsibility for financial reporting to the Board and Audit Committee. The CEO is responsible for establishing a financial framework for management direction and standards for monitoring the performance of the organisation.

3.4.2 The Financial Controller is ethically governed by his/her professional body and is responsible for promoting and maintaining high standards of financial conduct. The Financial Controller is responsible for providing accurate financial information to the CEO to enable the Board to make sound decisions. The Financial Controller is responsible for ensuring that all Heads of Department and staff are aware of the financial regulations.

## **3.5 Advice**

The CEO is responsible for:

- (a) Ensuring that the Board is advised of the financial implications of all proposals and that the financial implications have been agreed with the Financial Controller.
- (b) Ensuring that the Board is advised of any foreseeable legal implications of all proposals.

- (c) Ensuring that the Board is advised of any foreseeable reputational implications of all proposals.
- (d) Consulting with the Financial Controller on any matter that could materially affect British Gymnastics' financial position before any commitments are incurred.

The Financial Controller is responsible for advising Heads of departments on all financial matters. He/she must be consulted on all financial matters and given adequate opportunity to provide comments on any report with financial implications.

### **3.6 Other Financial Accountabilities**

#### **3.6.1 Accounting Arrangements**

The Finance Manager is responsible for keeping the accounts and financial records of British Gymnastics. He/she is jointly responsible with the Financial Controller for approving accounting and other systems with a financial function.

#### **3.6.2 Accounting procedures**

These will reflect recommended professional practices, and follow accounting principles as determined by the Financial Controller. Accounting procedures will be reviewed as necessary by the Financial Controller to ensure that they provide the information required using the most efficient method available. No change to existing accounting procedures must be made without prior consultation with the Financial Controller.

### **3.7 Contracts**

**All contracts with an annual value of £250,000 or for a period of longer than 3 years' duration must be approved by the Board before the contract is entered into.**

The CEO is responsible for the signing of all contracts on behalf of BRITISH GYMNASTICS. The CEO may, however, delegate authority to sign contracts below the value of £10,000 to a Head of Department or Budget Holder within approved budget approval limits.

### **3.8 Year End Accounting**

The Financial Controller is responsible for ensuring that the Annual Statement of Accounts is prepared in accordance with the Companies Act. British Gymnastics' final financial position as presented in the Annual Statement of Accounts will be reviewed by the audit committee and approved by the Board.

### **3.9 Financial Training**

The Executive are responsible for ensuring staff receive appropriate training to undertake their financial responsibilities, in accordance with any standards set by the Financial Controller.

### **3.10 Grants**

The Executive must approve all grants.

Heads of Department must satisfy themselves that the person/organisation to be grant-aided is financially viable for the duration of the appropriate project or activity. They must also give adequate notice of any grant they propose to make or withdraw.

The Financial Controller must examine and certify where required any submission, estimate or claim for payment of grant by a Government Department or funding from any other body. Staff members responsible for the administration of such grants, funds and spending associated with them must ensure compliance with the conditions of the grant/funding. The Financial Controller must examine and certify where required any financial return to a Government Department or other body.

### **3.11 Use of Consultants**

The appointment of any consultant must be approved in advance by the appropriate Executive Director, for on-going services a Contract for Services must be issued to the consultant.

## **3. Financial Planning and Control of Expenditure**

The objective of this area is sound planning, monitoring and control of resources. Sound budget management is crucial to well informed decision making and achieving best value in the use of British Gymnastics' resources.

### **4.1 Financial Policies and planning**

The Board is responsible for agreeing the Association's policies and budget that will be proposed by the Executive. In terms of financial planning the key elements are:

- The strategic plan
- The annual budget
- The Cash Flow forecast
- The Long Term Rolling Financial forecast
- The Reserves Policy

### **4.2 Budget Preparation**

4.2.1 The Financial Controller is responsible for ensuring that a budget for the coming year and a long term financial forecast are prepared for consideration by the CEO.

4.2.2 The Budget process is detailed in the "Board Financial Reporting" policy and the Financial Controller is responsible for providing guidance on the preparation and general format of the budget.

- 4.2.3 Budget holders will prepare, in consultation with their relevant Executive Director and in accordance with the framework set down by the Financial Controller an estimate of income and expenditure for the next financial year.
- 4.2.4 The CEO will then submit a 'final budget' to the Board for approval.
- 4.2.5 The CEO is responsible for reporting to the Board on the robustness of the budget proposed by the Executive and the adequacy of reserves allowed for in the budget proposals.

### **4.3 Maintenance of Reserves**

It is the responsibility of the CEO to provide the Board with a written report on the recommended target reserves calculated in line with the Reserves Policy. This advice is to be based on an annual risk assessment of British Gymnastics and its long term plans.

British Gymnastics' long term financial plan should, in part, be based on how to either reach or maintain the recommended level of reserves.

### **4.4 Budget Monitoring and Control**

- 4.4.1 Management and control of a department budget (or part where appropriate) is the responsibility of the appropriate Heads of Department/Manager.
- 4.4.2 The Financial Controller and CEO are responsible for regular budget monitoring and reporting. During the financial year three forecast meetings will be held with all budget holders, the aim is to identify financial problems and key issues and to recommend the management action necessary to resolve them. Responsibility for management action rests with the Executive.
- 4.4.3 Forecast reports analysing variances and key issues with recommended action will be made to the Board three times per year.

### **4.5 Authority to Incur Expenditure**

No expenditure shall be incurred or any reduction in income allowed unless authorised during the Forecast process or by the CEO.

### **4.6 Capital Expenditure and Leasing**

- 4.6.1 Items costing £500 or more which will be used within the Association for more than 12 months should be capitalised, items costing less than £500 should be written off in the year that they are purchased.
- 4.6.2 IT equipment or furniture costing less than £500 will be coded to a specific account.

- 4.6.2 The Financial Controller is responsible for ensuring that every Department submits to the Executive proposals for capital expenditure for the next financial year.
- 4.6.3 All capital items including those costing less than £500 must be labelled and recorded in the British Gymnastics asset database to ensure adequate insurance cover.
- 4.6.4 The Financial Controller will review the accounting policy for depreciation each year as detailed in the annual audited accounts.

#### **4.7 Capital receipts and sales**

The Financial Controller must be informed in advance of all sales of assets in order that the assets can be valued and then removed on sale from the asset register and database.

All asset disposals must be undertaken so as to maximise income to British Gymnastics.

Capital receipts must be accounted for separately from revenue income and staff banking these monies must ensure accurate use of capital analysis codes.

#### **4.8 Leasing**

All leasing contracts must be negotiated in conjunction with the Financial Controller and be approved by the Executive before the contract is signed by the CEO.

### **5. Risk Management**

The British Gymnastics Risk Management Policy details a robust system developed and maintained for identifying, evaluating and controlling all significant operational risks to the Association. Regulations are needed to ensure arrangements are in place to protect the assets and resources of British Gymnastics.

#### **5.1 Internal Control**

It is the responsibility of the Executive to establish internal controls to safeguard the assets of the company, to prevent and detect fraud and other irregularities.

The Financial Controller is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice.

The Finance Manager is responsible for maintaining the internal controls.

The Audit committee is responsible for appointing an internal auditor as requested by the Board to prepare a statement on the effectiveness of British Gymnastics' system of internal control.

#### **5.2 Conflict of interest**

The Board, staff and key volunteers should declare any conflicts of interest as outlined in the British Gymnastics Conflict of Interest Policy. The Board also complete a Declaration of Related Parties.

### 5.3.1 Separation of duties

Financial procedures must be undertaken whenever possible using separate persons to undertake different parts of a sequence of operations so that no one person authorises the whole of any one transaction. An example would be ordering, receiving and authorising payment for a transaction, where at least two, if not three, people should be involved in the separate parts of the process.

### 5.3.2 Retention of records

Accounting records must be retained for 7 years (6 years plus current year).

## 5.4 Quotes and Tenders

5.4.1 Where appropriate every Director, staff member and key volunteer will be required to obtain quotes or issue tender documents prior to any commitments being entered into or orders placed with suppliers.

Quotations are to be obtained as follows:

Orders with a value of over £5,000      2 quotes

Orders with a value of over £25,000      3 quotes

5.4.2 For services relating to Insurance, Finance (Banking, Pension Advisor and Investment Advisor) and Travel Agent tenders will be required where the current supplier has been in appointment for more than 3 years or a replacement is being made.

## 5.5 Investments

All investments of money under British Gymnastics' control shall be made in the name of British Gymnastics or its subsidiaries

5.5.1 The Board has a statement of investment principles, stating the policies, objectives and approach to risk management of its investment strategy and setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how British Gymnastics will manage and control those activities.

5.5.2 The Board will receive reports on its investment activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid- year review and an annual report.

5.5.3 The Board delegates responsibility for the implementation and regular monitoring of its investment activities to the investment committee, and for the execution and administration of investment activity to the CEO through British Gymnastics' appointed investment advisors.

5.5.4 The investment committee will be responsible for ensuring the effective scrutiny of the investment strategies and policies.

## 5.6 Security

### Security of British Gymnastics Property

All staff are responsible for maintaining proper security of British Gymnastics property and cash holdings in accordance with the detailed standards below:

5.6.1 Other than where approved by the Heads of Department, British Gymnastics' property must not be removed other than in the ordinary course of the British Gymnastics' business or used other than for British Gymnastics' purposes.

5.6.2 Where British Gymnastics property is held in the homes of Board, Staff members or volunteers, those individuals must make reasonable arrangements for its safe custody and return the property when required by British Gymnastics.

5.6.3 Maximum limits for cash holdings will be £10,000 as specified by the insurance policy.

5.6.4 All reasonable steps should be taken for the secure storage of cash. The limits for cash in transit are as follows:

- Between £5,000 and £10,000: two able-bodied adults;
- Between £10,000 and £15,000: three able-bodied adults;
- Over £15,000: not permitted.

5.6.5 Keys to safes and similar receptacles must be subject to adequate security and the loss of keys must be reported to the Finance Manager immediately. Safe contents should be inspected on an annual basis by the Finance Manager.

5.6.6 The Head of IT is responsible for maintaining proper security and privacy of information held within the CRM and accounting systems.

5.6.7 Heads of Department are responsible for controlling access to the CRM and accounting system and access to all computer data within their own departments in accordance with British Gymnastics' Data Protection Policy and Guidelines.

5.6.8 A Business Continuity, Disaster Recovery Plan is in place. Should there be a major disaster or break in Business Continuity, the Executive will form a Recovery team to execute the plan.

## 5.7 Stock

Heads of Department are responsible for the custody and control of stock in their departments in accordance with the detailed standards below.

5.7.1 A complete record of all stock received on behalf of British Gymnastics must be kept in a form agreed by the Financial Controller.

- 5.7.2 Head of departments/managers must arrange a complete stocktake at the end of the financial year (31<sup>st</sup> March).
- 5.7.3 Where required by the Finance Manager, stock sheets must be prepared and passed to him/her showing at 31st March (as nearly as may be), the actual stocks in hand.
- 5.7.4 As per the stocktake procedures, the stocktaking must be supervised by a responsible person (other than the person responsible for the stock) nominated for the purpose by the Financial Controller.
- 5.7.5 Any deficiency in quantity, loss in value or obsolete stock exceeding 2.5% or £1,000 whichever is the greater, on any one- line item must be reported to the Financial Controller for the authority to write off each deficiency or to obtain a decision as to other action to be taken. The report must state the quantities in question. The Financial Controller will advise the Board of any stock write off where the value of the write of is over 2.5% of the total stock value.
- 5.7.6 Wherever a staff member in charge of stock hands over, leaves or ceases to have custody of stock, the Head of Department must ensure that a prior check is made of the stock concerned and that a stock listing is signed by the out-going and incoming staff.
- 5.7.7 Stock quantities should not exceed reasonable requirements as ascertained by experience.

## **5.8 Fixed assets audit**

The procedure for auditing the fixed assets database is detailed in the accounting procedures. The Financial Controller is responsible for the final audit.

## **5.9 Insurance**

British Gymnastics faces many risks of different kinds in carrying out its functions e.g. risk of damage to assets, loss of resources etc. Regulations here are designed to protect the interests of British Gymnastics, its staff and the people it serves.

- 5.9.1 The Executive will decide the Association's programme on insurance. Heads of Department must notify the Finance Manager promptly of all new risks or property which may need to be insured and of any alterations or situations affecting existing risks or insurances indicating the amount of cover required.
- 5.9.2 All insurances and related claims are to be arranged in accordance with the detailed standards below.
- 5.9.3 The Finance Manager is responsible for advising the Executive on British Gymnastics' insurance requirements excluding the membership insurance which is handled by the Community Services Director.
- 5.9.4 Any event that gives rise to a claim under any policy of insurance must be notified immediately to appropriate department as below: -
- Fleet – HR

- Membership – Community Services Director
- Travel – Community Services Director
- All other claims – Finance Manager

All details of claims should be reported to the Finance Manager/ Community Services Director who will keep the Executive informed.

- 5.9.6 Any staff member who uses his own motor vehicle on British Gymnastics business is required to insure against third party risks in such form as to indemnify British Gymnastics against claims arising, and the policy, including any necessary endorsements and renewal receipts, guidance in the Expenses Policy.

## **5.10 Gifts and Hospitality**

- 5.10.1 British Gymnastics expects the highest standards of integrity from its Directors and staff. Formal standards are in place within British Gymnastics’ official “Anti Bribery Policy” to guide Directors and staff on these matters and to ensure consistency of judgement.

## **5.11 Fraud, Corruption and Whistleblowing**

- 5.11.1 All staff members are responsible for giving immediate notification to the Line Manager or appropriate person where there are grounds to suggest any financial impropriety or irregularity concerning cash, stock or other property of British Gymnastics.
- 5.11.2 Any financial irregularity will be dealt with in accordance with the British Gymnastics’ official “Fraud Policy”. A report may be made of any irregularity to the Board after consultation with the Executive.
- 5.11.3 Any member of staff with a concern regarding financial irregularity is protected by the “Whistleblowing Policy” in the staff handbook and should take action as outlined in the policy.

## **5.12 Audit Requirements**

British Gymnastics has a responsibility to maintain an effective and adequate system of audit. The audit committee are responsible for the recommendation to the Board for the appointment of the Auditors

### **5.12.1 Internal Audit**

The Financial Controller is responsible for organising an internal financial audit of British Gymnastics every three years. The internal audit will be done by external consultants who will follow professional standards.

For the purposes of the audit, the external consultants may have access to or request the following:

- (a) all British Gymnastics property;
- (b) all records, documents and correspondence relating to all financial and other transactions of British Gymnastics at all times;
- (c) any explanations as are necessary which must be given;
- (d) any employee of British Gymnastics to produce cash, stock or any other British Gymnastics property under his/her control;
- (e) removal of records, documents or assets required for further investigation as necessary.

### 5.12.2 External Audit

The audit committee is responsible for recommending external auditors to the Board for their approval and submission for appointment at the AGM. The basic duties of the external auditor are governed by the Audit Commission Act as updated where applicable.

### 5.12.3 Other review bodies

British Gymnastics may, from time to time, be subject to audit, inspection or investigation by external bodies such as HMRC and /or Government departments, who have statutory rights of access. British Gymnastics may also be subject to audit by its funding partners

## 5.13 Staffing

The Executive is responsible for the operation of the following controls over staffing:

- (a) Appropriate methods are used to forecast staffing requirements and related costs.
- (b) Staffing levels are approved alongside the annual budget.
- (c) Any subsequent increases in staffing levels will require the approval of the Executive
- (d) Procedures are in place to ensure that only properly authorised vacancies are advertised.
- (e) Corporate minimum standards on recruitment and selection, as per the Recruitment Policy in the Staff Handbook, are followed at all stages of the recruitment process.

## 6. Systems and Procedures

This area forms much of the routine financial business of British Gymnastics and involves numerous staff and many transactions. This area will be of interest to many people and it is important that such a major area of activity is clearly regulated and those regulations are supported by thorough detailed standards.

### 6.1 General Controls

The general controls for systems and procedures are:

- (a) Basic data exists to enable British Gymnastics' objectives, targets, budgets and plans to be formulated.
- (b) Performance is communicated to the appropriate managers on accurate, complete and timely basis.
- (c) Early warning is provided of deviations from targets, plans and budgets and management action taken.
- (d) Operating systems and procedures are secure.

## **6.2 Purchasing arrangements**

- 6.2.1 It is the responsibility of the member of staff negotiating the purchasing that they use their best efforts to secure the best value for money they can. Value for money is not determined on price alone. Consideration must be given to supplier stability and financial security as well as other factors such as reliability of supply and quality.
- 6.2.2 Corporate contracts and approved framework contracts must be used where such contracts exist. Staff has access to these contracts by contacting the Finance Manager as appropriate.
- 6.2.3 Where any purchasing of goods or services involves tendering or contracts these arrangements must be forwarded to the Finance Manager for validation and recording.
- 6.2.4 The Financial Controller must ensure that e-business purchasing processes maintain the security and integrity for transacting business (see ref 7.1 'Raising a Purchase Order & GRN' User Guide).

## **6.3 Orders for goods and services**

- 6.3.1 The design of all orders and requisitions must be approved in advance by the Financial Controller.
- 6.3.2 Budget Holders are responsible for the approval, control and use of all orders within their budget and for access to systems which generate them. Their responsibilities are listed below

Budget Holders are responsible for: -

- (a) the approval and use of all orders within their budgets, and for access to systems that generate them.
- (b) providing the Financial Controller with the names and approval limits of those members of staff authorised to approve orders
- (c) ensuring that budget provision exists for all purchases and any commitments created must be reflected in future decision making

- (d) all orders issued from their budget and ensuring that every order: -
  - (i) clearly specifies the standards, quality and quantity of goods and services required;
  - (ii) states the agreed price or contract terms and times of delivery;
- (e) Prior approval of any orders placed by telephone, email, internet or verbally - ensuring that an appropriate purchase order is raised. Where appropriate the purchase order is sent to the supplier confirming the Association's requirements.

6.3.3 Orders are required for all purchases except: -

- (a) mobile telephone bills.
- (b) fuel purchased using corporate fuel cards.
- (c) telephone bills for lines provided to staff by British Gymnastics or lines for British Gymnastics use.
- (d) rates and water charges if provided directly to British Gymnastics and not charged by landlords.
- (e) gas and electricity if provided directly to British Gymnastics and not charged by landlords.
- (f) small items purchased using petty cash.
- (g) legal and professional services where only an estimated cost is available

6.3.4 All purchase orders are subject to approval using electronic approval and approval levels are set in accordance with role but typically are as below;

Approver 1 Orders up to the value of £2,500

Approver 2 Orders up to the value of £5,000

Approver 3 Orders up to the value of £10,000

Approver 4 Orders up to the value of £100,000

Orders above the value of £100,000 are approved by the Chairman

All approvers will receive notification of an order requiring approval, it is the responsibility of the approver to ensure the order is for goods or services allowed in the budget it has been coded to and all details are correct.

6.3.5 Staff are not allowed to purchase goods privately under British Gymnastics contract arrangements or solicit preferential treatment in a private capacity from British Gymnastics' suppliers. Staff are not permitted to accept gifts from British Gymnastics' suppliers, or potential suppliers, as set out in Anti-Bribery Policy.

6.4 **Payment of Accounts**

All payments shall be under the direction of the Finance Manager and must meet the standards as set out below.

Detailed Standards:

- 6.4.1 The person placing the order (or British Gymnastics staff member the order was put on for) shall be responsible for the GRN process (see 7.1 'Raising a Purchase Order and GRN') and ensuring that the invoice is sent directly to Finance from the supplier.
- 6.4.2 No invoice or request for payment should be paid unless it has been confirmed that it is not a duplicate. The invoice or request for payment must relate to goods or services supplied to the Association, payment for which has not previously been made.
- 6.4.3 The invoice or request for payment must relate to goods or services that have been received/supplied and are of acceptable quality.
- 6.4.4 The prices, extensions and tax are correct; all available discounts, allowances and credits have been deducted; arithmetical calculations are correct; the total payment requested agrees with the invoiced amount and the document is a proper tax invoice within the meaning of the Value Added Tax regulations.
- 6.4.5 The invoice needs to clearly state the Purchase order number and where applicable the copy of the order is attached.
- 6.4.6 The expenditure is allocated to an appropriate analysis code and is covered by an approved budget.
- 6.4.7 Where appropriate, goods have been recorded in the stock system.
- 6.4.8 Any transactions or approvals in the electronic system have been carried out by the individual authorised to do so using their own their own personal user name and password, which should remain confidential at all times and only used by the individual.
- 6.4.9 Any invoice received for a service must have a valid contract for service in place.
- 6.4.10 If the details on the invoice match those of the purchase order and a GRN has been processed to confirm receipt of goods/services, the Finance Manager then accepts that the invoice meets the standards set in 6.4.1-6.4.9 and proceeds to pay.
- 6.4.11 It is HR's responsibility to keep the - Finance Manager informed of staff changes that affect authorisation levels. The Financial Controller will conduct a quarterly audit of all authorisation limits.
- 6.4.12 No individual or employee of British Gymnastics shall act as the approver for any payments to themselves or their immediate families or to their companies or companies of their immediate families.
- 6.4.13 In the event that payment may be required in advance of the supply of goods or services for example a deposit, payment must follow the normal authorisation process required by these standards with the exception that the goods or service will not yet have been received. The approver must take extra care in these circumstances and ensure:-
  - (a) only reputable suppliers are involved
  - (b) that the amounts of such payments are appropriate to be paid in advance and do not present unnecessary risk
  - (c) all other reasonable steps are taken to protect the Association from risk and potential loss

- 6.4.14 Staff must ensure that valid payment requests are processed in sufficient time to allow Finance to meet payment deadlines and to avoid late payments and potential penalties being incurred.
- 6.4.15 The use of direct debits as a payment method requires the prior agreement of the Financial Controller.
- 6.4.16 British Gymnastics Staff must not prepare suppliers' invoices. If invoices are incorrect Finance will return these to purchaser who should contact the supplier requesting any necessary amendments.
- 6.4.17 If a credit note for non-delivery or price amendment is required Finance will liaise with the purchaser.
- 6.4.18 British Gymnastics Staff who have contact with suppliers of goods or services who are engaged in pressure selling activities, or who receive unsolicited promotional or direct marketing materials, or who receive invoices for goods or services not received, are required to report the matter to their line manager, who, in turn, will advise the Financial Controller.
- 6.4.19 If, on examining any item submitted to him/her for payment, the Finance Manager is not satisfied that it is in order, it is his/her duty to make such investigations as he/she deems necessary either before or after payment.

## **6.5 Company credit cards**

The Finance Manager will make arrangements for the administration of "company" credit cards and will issue them where circumstances require. Authorisation for expenditure on company credit cards will be controlled in the same way as other purchases and approved using the e-business approval process.

- 6.5.1 The Executive are responsible for setting credit card limits.
- 6.5.2 Heads of Department are responsible for ensuring that company credit cards used in their department are only held by appropriate staff and details are to remain confidential and used for authorised business use only.
- 6.5.3 Credit limits have been set on each credit card based on need and these limits are reviewed annually.

## **6.6 Payroll**

Regulations in this area are vital to ensuring staff are paid accurately, on time and that payroll information of sound quality is available to management.

### **6.6.1 Salaries wages and pensions**

The payment of all salaries, wages, pensions, compensation and other emoluments to all employees will be made by HR in accordance with the detailed standards below. The Financial Controller conducts a monthly review of payroll and investigates changes to ensure all have been properly authorised.

Each Head of Department must promptly notify HR of all matters affecting the payment of such emoluments, and in particular: -

- (a) appointments, resignations, dismissals, suspensions and secondments;
- (b) absences from duty for sickness or other reason, apart from approved leave;
- (c) changes in remuneration, other than normal increments and pay awards and agreements of general application;
- (d) information necessary to maintain records of service for superannuation, income tax, National Insurance etc.

6.6.2 Appointments of all employees must be made in accordance with British Gymnastics regulations concerning establishments, grades and rates of pay.

6.6.3 All requests for additional pay must be in a form prescribed or approved by the Financial Controller and must be certified by or on behalf of the Head of Department.

6.6.4 Records or systems for the storage, transfer and processing of information maintained in the employment of all staff in connection with the payroll function must be in a form agreed by the Financial Controller.

6.6.5 In applying scales of salaries, the Executive must confer as necessary with the Financial Controller.

6.6.6 Where errors in the payment of salaries or pensions are discovered in employment records, the Financial Controller must be informed immediately. It is the responsibility of the HR department to inform employees of errors made and to recover any sums overpaid in accordance with prescribed procedures.

6.6.7 Overpayments must not be written off unless the Financial Controller is satisfied: -

- (a) all steps possible have been taken to recover the sums due; or
- (b) that the cost of recovering any sums due would exceed the sum involved; or
- (c) that recovery would cause undue hardship to the employee concerned.

6.6.8 The prior authority of the CEO must be obtained to write off any over payments.

## **6.7 Expenses**

Claims for payment of expenses will be made in a manner approved by the Financial Controller as set out in the detailed standards below. To support the process there is an Expenses Policy.

6.7.1 Payments to staff, including British Gymnastics committees who are entitled to claim travelling or other allowances, will be made by the Finance Manager.

- 6.7.2 All claims for payment of car mileage, subsistence, travelling and incidental expenses must be submitted with all relevant receipts.
- 6.7.3 The approval by or on behalf of the Heads of Departments will be taken to mean that the allowances are properly payable by British Gymnastics.
- 6.7.4 Staff claims submitted more than six months after the expenses were incurred will be paid only with the express approval of the Financial Controller or a Manager designated by him/her.

## **6.8 Income and Banking**

It is important to ensure that all income due to British Gymnastics is identified, collected on time and recorded accurately in British Gymnastics accounts. Also, banking arrangements must be appropriate and well recorded for British Gymnastics to exercise adequate control.

### **6.8.1 Income**

All staff issuing receipts and invoices are to meet the detailed standards below.

- 6.8.1.1 A limit is imposed on the cash amount to be received in settlement for the payment for goods and services of £5,000 in any one transaction. This limit is required to ensure that British Gymnastics complies with Money Laundering Regulations.
- 6.8.1.2 Scales of charges for services and membership and any variations thereof must be reviewed at regular intervals by the Executive, as appropriate, and agreed with the Financial Controller before submission to Board for approval.
- 6.8.1.3 The records kept by each department with regard to items of income and the forms used to report income must be in such form as may be required by or approved by the Financial Controller
- 6.8.1.4 Budget holders must ensure that amounts due in connection with work done, goods supplied, services rendered and all other amounts due, are charged for promptly.
- 6.8.1.5 The Financial Controller must be promptly notified of all money due to the organisation under contracts, leases, tenancy and other agreements, conveyances and other arrangements entered into which involve the receipt of money by the organisation, and must have access to the original documents or relative particulars. This notification can be in the form of contracts, cash sheets, invoices or other such documents as used by the Association and any changes to such forms should be notified to the Finance Manager and approved by the Financial Controller.
- 6.8.1.6 Sums properly due to the Association must not be written off until the Financial Controller is satisfied after consultation with the Finance Manager that all steps possible have been taken to recover the sums due. After this consultation, the authority of the CEO must then be obtained to write off sums due in excess of £1,000.

6.8.1.7 Where the organisation contracts to supply goods or services to external parties, the arrangements must avoid inappropriate subsidy or favourable terms.

## 6.8.2 Banking arrangements

The Financial Controller is the sole officer authorised to make arrangements regarding the Associations bank accounts in accordance with the detailed standards below;

6.8.2.1 The Financial Controller will make arrangements for bank reconciliations to be carried out.

6.8.2.2 Budget Holders after consultation with the Financial Controller, will make secure arrangements for the collection and banking of cash and for prompt reconciliation and monitoring of these monies.

6.8.2.3 All bank accounts will be in the name of British Gymnastics or Gymnastics Enterprises Ltd except for the investment arrangements held and managed by third parties, where ownership of the funds should be properly documented/recorded by the third party manager. The Financial Controller is responsible for ensuring that such documentation as appropriate is maintained.

6.8.2.4 Unless otherwise agreed by the Financial Controller, British Gymnastics staff authorised to collect money in either cash or cheque must issue official receipts. Staff must hand over all sums received to the Finance Manager, a member of the Finance Team or a branch of the Association's bank (as arranged by the Finance Manager). All reasonable steps should be taken for the secure storage of cash, and such storage should be for the shortest amount of time possible. Any excess on the insurance policy for loss of cash should be borne by the budget of the staff member suffering the loss.

6.8.2.5 Each staff member who receives money on behalf of the Association must keep an accurate account of all receipts and deposits.

6.8.2.6 Money received or held on behalf of the Association must be banked in full and not be used to cash personal or any other cheques whatsoever.

6.8.2.7 When reporting to Finance any cash banked, care must be taken to ensure accurate use of analysis codes.

## 6.9 Taxation

Compliance with taxation rules is important for British Gymnastics to meet its legal requirements and avoid unnecessary costs. Failure to comply with tax legislation can result in penalties and interest payments or may lead to the overpayment or under-recovery of taxes.

Heads of Department must ensure all staff are aware of the various tax regimes that impact on their areas of operational activity and ensure that they are compliant with legislation governing tax and the detailed standards below.

### 6.9.1 VAT

Staff should be aware of British Gymnastics' VAT requirements and have access to them as the primary reference document for VAT related matters.

VAT must be paid and recovered within the time constraints laid down by HMRC.

Staff are responsible for obtaining and issuing proper tax documents (e.g. invoices, receipts) to ensure compliance with VAT law and to facilitate fullest possible VAT recovery on expenditure.

#### 6.9.2 Other taxation

Guidance on taxation matters, other than VAT, will be issued from time to time by the Financial Controller.

6.9.2.1 Staff responsible for the issuing or payment of invoices must give consideration to the impact of the various taxes. Particular attention should be paid to the correct treatment of employment taxes and VAT.

6.9.2.2 In instances of doubt over the correct treatment of taxation staff should consult the following staff as follows

P.A.Y.E and National Insurance – Human Resources Payroll Team

VAT and other taxation – Financial Controller

### 6.10 External Arrangements

The importance of this area is in British Gymnastics' distinctive leadership role for the community, bringing together contributions from the various stakeholders, maximising funding opportunities and achieving best value. This may involve the establishment of partnership arrangements, joint ventures and externally funded projects, and it is essential that the responsibilities, obligations and commitment attached to such arrangements are properly managed and accounted for.

#### 6.10.1 Partnership Arrangements, Joint Ventures and Corporate/Business Acquisitions

Any partnership arrangement, joint venture, corporate or business acquisition must have the approval of the Board before any such agreement is entered into with third parties.

The Executive are responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships and joint ventures that apply throughout British Gymnastics.

The Executive are required to agree and formally accept the roles and responsibilities of each of the partners involved before the project commences and to communicate regularly with partners for the duration of the project.

The Financial Controller must be consulted on the financial and probity implications of all partnership agreements, joint ventures and similar arrangements and acquisitions before any such agreements are finalised. Such arrangements must be approved by the Financial Controller and be in accordance with the detailed standards below. The Executive are responsible for assessing the risks and benefits

associated with partnership and joint venture arrangements and for ensuring any such arrangement is in the best interest of British Gymnastics.

Partnership arrangements may be used as a means of acquiring goods, works or services and may be of a complex nature. It is therefore necessary that the Financial Controller is consulted on the financial implications of such arrangements and must ensure that:

- (a) An appropriate cost/benefit analysis has been prepared and Board approval has been granted
- (b) Costs and income are provided for in British Gymnastics' budget;
- (c) Arrangements are in place for accurate accounting for costs and income;
- (d) Sufficient controls are in place for the successful operation of the partnership, including arrangements for sufficient access to financial and other records;
- (e) Carry forward arrangements have been determined;
- (f) An auditing regime has been established.

#### 6.10.2 External Funding

The Financial Controller must be consulted on the financial and probity implications of all projects involving funding from external sources (e.g. Government grants).

All funding received from external bodies must be properly recorded in British Gymnastics' accounts.

Key conditions of funding and any statutory requirements must be understood and followed.

Any match-funding requirements must be given due consideration prior to entering into long term agreements and future revenue budgets must reflect those requirements.

#### 6.10.3 Work for Third Parties

Proposals should be costed properly before an agreement is reached to do work for a third party. Formal contracts or a memorandum of understanding should be drawn up prior to any work commencing.