



FINANCIAL PROCEDURES MANUAL

Last Updated – June 2021

VERSION CONTROL

- v. 1 Adopted by General Committee on 01/06/2020
- v. 2 Appendix C updated at AGM on 29/06/2020
- v. 3 Exec Committee renamed Leadership Team at General Committee 06/07/2020
- v.4 Signatories changed on 100 Club account & Cash Payment Limit added to Appendix A
- v.5 Cash payment limit raised to £250.00

INTRODUCTION

This document is designed to provide guidance for Club members in the standard financial procedures required by the Committee to ensure that:

- The financial affairs of the Club are managed according to best practice
- Risks are identified and managed
- Financial reporting is robust and fit for purpose
- Members can be confident that the Club's financial affairs are managed accurately and professionally
- The Club's assets are protected
- The Club complies with its legal and tax obligations

It will be reviewed and updated at least annually; any changes being recorded in the VERSION CONTROL section of this Manual.

DEFINITIONS

In this document:

“Club” means East Retford Rugby Union Football Club Limited.

“Committee” means the General Committee of the Club.

“Treasurer” means the person elected to the role of treasurer on the Club's General Committee.

“Manual” means this document.

“Annual Accounts” means the financial reporting documents produced by the Committee representing a true and accurate summary of the Club's finances for a given year.

“AGM” means the Annual General Meeting of the Club.

“Independent Examiner” means a qualified accountant independent of the Club that is appointed by the Club to independently examine and verify the bookkeeping and accounting records.

“Management Accounts” means the collection of documents/statements that detail the Club's financial position/performance for a given period, presented to Committee members in an approved format, and that enables the Committee to effectively manage the Club's financial affairs.

“Statutory Accounts” means the accounts prepared by the Committee which are required by and meet the form and content requirements of the relevant Acts of Parliament pertaining to companies and/or charities, depending on the Club’s legal status.

“Accounting Records” means the documents and books of account kept by the Club of money coming into and going out of the Club and a record of its assets and liabilities.

“Budget” means a plan drawn up by the Committee which sets out the planned income for a future financial period and the planned spending for that financial period.

“HMRC” means Her Majesty’s Revenue and Customs (the tax authorities).

“ACAS” means the Advisory, Conciliation and Arbitration Service, the independent council providing free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law.

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1. FINANCIAL RESPONSIBILITY

- 1.1 The financial affairs of the Club are the ultimate responsibility of the Committee.
- 1.2 Day to day management of the Club's finances is the responsibility of the Treasurer who reports directly to the Committee.
- 1.3 The Committee will be responsible for determining the most appropriate start and end dates for the Club's Financial Year, in accordance with advice from the Independent Examiner.
- 1.4 The Committee will be responsible for carrying out appropriate background checks for anyone authorised to administer the Club's finances, including members of any relevant Sub-committees.
- 1.5 The Committee will be responsible for ensuring that accounting and bookkeeping records are kept for a minimum period of 7 years and that no records are destroyed without the express authorisation of the Committee.
- 1.6 The Committee will be responsible for ensuring that personnel managing the Club's financial affairs have the skills necessary to successfully carry out the required duties and will use the agreed training budget (as detailed in Appendix A of this Manual) to train personnel in order to achieve this.
- 1.7 The Committee will be responsible for assessing and advising the membership as to the most appropriate legal status for the Club and will make appropriate recommendations for consideration at an AGM.
- 1.8 The Committee will be responsible for assessing and advising the membership as to whether registration or continued registration as a Community Amateur Sports Club or Charity will be financially beneficial to the Club and will make appropriate recommendations for consideration at an AGM.

2. ACCOUNTABILITY

- 2.1 The Committee will produce Annual Accounts for Club members to approve at the Club's AGM.
- 2.2 The Committee will be responsible for the production of any Statutory Accounts required as a result of the Club's legal status and for ensuring that said Statutory Accounts are submitted in accordance with set deadlines for submission.
- 2.3 The Treasurer will be responsible for the production of the Annual Accounts in accordance with HMRC guidelines and best practice as approved by the Independent Examiner.

- 2.4 The Treasurer will ensure that the Annual Accounts are independently verified by the Independent Examiner prior to approval by the members and that any required Statutory Accounts are produced by the Independent Examiner from the Annual Accounts once verified.
- 2.5 The Annual Accounts will be made available to members at least 14 clear days prior to the date of the AGM to enable members sufficient time to scrutinise the accounts.
- 2.6 The Treasurer will be responsible for ensuring that any tax due is paid within the required deadlines.

3. BOOKKEEPING

- 3.1 The Treasurer will be responsible for ensuring that the day to day bookkeeping is recorded in accordance with HMRC requirements and best practice as approved by the Independent Examiner.
- 3.2 The Treasurer will ensure that bookkeeping records are up to date and that all transactions are duly recorded within 30 days of the relevant transaction date.
- 3.3 The bookkeeping records will be checked/verified by a member of the Committee other than the Treasurer every three months. This person will provide the Committee with written confirmation of said verification.
- 3.4 The Independent Examiner will review the day to day bookkeeping activities and methods on at least an annual basis and will provide feedback to the Treasurer and Committee.
- 3.5 The Treasurer will be responsible for ensuring that the bookkeeping records adequately identify member and non-member income/expenditure to enable the Club to accurately account for any potential corporation tax liability.

4. MANAGEMENT ACCOUNTS

- 4.1 The Treasurer will be responsible for producing Management Accounts for consideration by the Committee at each Committee meeting.
- 4.3 The format of the Management Accounts will be agreed by the Committee in accordance with best practice as approved by the Independent Examiner and will be in a format that can easily be understood and interpreted by all members of the Committee.
- 4.4 The Management Accounts will consist of the information detailed in Appendix B of this Manual.

- 4.5 The management accounts will be sent to each Committee member at least five days in advance of a Committee meeting to enable said members to review and consider the details.

5. BUDGETS

- 5.1 The Committee will produce a detailed budget for each financial year and approve said budget at least 30 days prior to the start of the financial year to which the budget relates and ensure that said approval is duly minuted.
- 5.2 The Treasurer will be responsible for monitoring actual income and expenditure against the budget and include details of variances in the Management Accounts.
- 5.3 The Committee will formally review performance in relation to the agreed budget at least quarterly and ensure that said review is duly minuted.

6. CASHFLOW

- 6.1 The Treasurer will produce cashflow forecasts if required by the Committee to enable the Committee to manage any potential cash shortages. The forecasts will be produced in accordance with best practice as approved by the Independent Examiner.

7. INCOME

- 7.1 The Treasurer will be responsible for recording all Club income into the Club bookkeeping records in accordance with best practice as approved by the Independent Examiner.
- 7.2 The Treasurer will issue invoices as and when required by a supplier in accordance with best practice as approved by the Independent Examiner.
- 7.3 The Treasurer will be responsible for monitoring due payments and for taking appropriate action on any overdue payments, in accordance with best practice as approved by the Independent Examiner.
- 7.4 The Treasurer will be responsible for managing the Club's Gift Aid programme where appropriate.

8. EXPENDITURE

- 8.1 The Treasurer will be responsible for recording all Club expenditure into the Club bookkeeping records in accordance with best practice as approved by the Independent Examiner.
- 8.2 The Treasurer will be responsible for ensuring that any expenditure has been approved by the Committee and minuted as such, in accordance with the expenditure limits as specified in Appendix A of this Manual.
- 8.3 The Club membership will set the expenditure limits for the Committee at the AGM. The current limits are detailed in Appendix A of this Manual.
- 8.4 The Treasurer will be responsible for issuing a purchase order for any supply of goods/services to the Club that exceeds the limit specified in Appendix A of this Manual. The purchase order should include the price agreed for the goods/services and any relevant terms and conditions.
- 8.5 The Committee will be required to seek tenders for services for expenditure amounts in the range specified in Appendix A of this Manual.
- 8.6 The Committee will be responsible for drawing up the tender specifications and for obtaining a minimum of three quotations for the proposed services.
- 8.7 The Committee will be responsible for deciding on the winner of a tendering process. Committee members with a financial interest in the proposed goods/services will not be involved in the decision-making process. Committee members directly or indirectly related to persons tendering for goods/services will not be involved in the decision-making process.
- 8.8 Any decision made to spend monies will be minuted in the Committee minutes.

9. BANKING

- 9.1 The Club's appointed bankers are National Westminster Bank Plc.
- 9.2 Cheque payments made from the Club's bank account will require two signatories.
- 9.3 Under no circumstances can a signatory sign a blank cheque. A signatory who is asked to sign a blank cheque should report this to the Committee without delay.
- 9.4 Online payments made from the Club's bank account, other than normal recurring trade accounts, will require email authorisation from an

authorised signatory other than the person making the online payment for amounts that would require two signatories as if it were a cheque payment.

- 9.5 Persons authorised to have access to any Club online banking service will be responsible for ensuring that relevant passwords/security details are kept secure and that any computer/device used to access any of the services is kept up to date with anti-virus and firewall software.
- 9.6 Persons authorised to have access to any Club online banking service will not use any computer to access said services that is accessible to the general public.
- 9.7 Persons authorised to have access to any Club online banking service will not divulge their security details for said services to any third party, particularly in response to any email or telephone request to do so.
- 9.8 The Treasurer will be responsible for ensuring that all income is deposited into the Club bank account and that relevant receipts are retained.
- 9.9 The Treasurer will be responsible for ensuring that each monthly bank statement is reconciled against the Club's bookkeeping records within 30 days of receipt of the statement and that any discrepancies are investigated and resolved. The completed reconciliation should be signed by the Treasurer and another member of the Committee.

10. CASH PAYMENTS

- 10.1 Cash payments can only be made up to the limit as specified in Appendix A of this Manual.
- 10.2 Cash payments should only be made from the petty cash float and recorded as such in the petty cash book. They must not be made from incoming cash income or any form of cash float.
- 10.3 Supporting documentation will be required for any cash payments made and said documentation stored as part of the Club's bookkeeping records.
- 10.4 The petty cash float will be administered by the Treasurer and will hold a maximum amount as specified in Appendix A of this Manual.
- 10.5 The Treasurer will be responsible for keeping the float secure and ensuring that relevant documentation is obtained and stored when payment is made.

11. PAYMENT OF EXPENSES

- 11.1 Expense claims from workers and volunteers must be made on the Club's expenses claim form on a monthly basis and must be signed by the claimant. The form must be accompanied by relevant receipts.
- 11.2 Expenses will only be paid when they have been approved by the Treasurer/Leadership Team in advance of any actual expenditure. Claims must be for 'out of pocket' expenses only as defined by HMRC.
- 11.3 Mileage claims must detail the journeys made on Club business by the claimant, documenting the address (including postcode) of the start and end of the journey, the purpose of the travel, and the number of miles travelled. The rate payable will be the rate as detailed in Appendix A of this Manual.
- 11.4 Expenses claims must be authorised by the Treasurer before payment is made and payments will be subject to the controls detailed in the Banking section of this Manual. Expense claims made by the Treasurer must be authorised by another member of the Committee.

12. RECRUITMENT

- 12.1 The Committee will identify the need for paid workers within the Club and will seek approval from the members at an AGM for the cost of any worker that is over the limit specified in Appendix A of this Manual.
- 12.2 The Committee will be responsible for carrying out a fair and equitable recruitment process for all paid positions within the Club that complies with ACAS guidelines. All documentation relating to the process will be kept/stored as part of the Club's bookkeeping records.
- 12.3 Any member of the Committee who is directly or indirectly related to a candidate for any position must declare their position and must not be part of the recruitment process for said position.

13. PAYMENTS TO WORKERS

- 13.1 The Committee will be responsible for determining the employment status of each worker that is most beneficial for the Club, and for setting the terms and conditions and rates of pay for said workers, based on any mandate to recruit workers as provided by members at an AGM.
- 13.2 The Treasurer will be responsible for producing and storing any required supporting documentation for the employment status of each worker as part of the Club's bookkeeping records.
- 13.3 The Treasurer will be responsible for maintaining appropriate personnel records for all workers and establishing and administering appropriate

systems for monitoring any human/employment rights and associated procedures.

- 13.4 The Treasurer will be responsible for maintaining a register of workers that details their current employment status and any required evidence to confirm said status.
- 13.5 The Treasurer will be responsible for ensuring that payments are made to workers in accordance with HMRC regulations, depending on their employment status.
- 13.6 The Treasurer will be responsible for ensuring that all workers have an appropriate written contract in place, duly signed by a representative of the Club and the worker, and that said contract is stored as part of the Club's bookkeeping records.
- 13.7 The Treasurer will be responsible for ensuring that the necessary disciplinary and grievance procedures are in place for salaried staff to ensure that the Club complies with the recommendations of the Advisory, Conciliation and Arbitration Service (hereafter known as ACAS).
- 13.8 Payments to salaried staff will be made through a payroll system administered by Darby's Limited under the direct supervision of the Treasurer. Salaried staff will be required to complete weekly timesheets detailing the hours worked.
- 13.9 Payments will only be made via payroll when authorised by the Treasurer and in accordance with the relevant contract of employment.
- 13.10 Payments to self-employed workers will only be made on submission of a detailed invoice from the worker that has been authorised by the Treasurer. The invoice will include details of the services provided and must be in a format approved by HMRC.
- 13.11 The Treasurer will be responsible for monitoring the working relationship with each self-employed worker to ensure that it complies with the HMRC self-employment guidelines and the terms and conditions of the relevant contract for services.
- 13.12 The Treasurer will be responsible for ensuring that any end of year documentation required by the relevant authorities for paid workers is produced accurately and submitted within required deadlines.

14. ASSET REGISTER

- 14.1 The Treasurer will be responsible for maintaining an Asset Register, detailing the assets owned by the Club that have a value greater than the limit specified in Appendix A of this Manual. The register details will include the location of the asset, the purchase details and the method of depreciation.

- 14.2 The Asset Register will include copies of the relevant invoices for the purchases of the assets detailed in the register.
- 14.3 The Treasurer will be responsible for carrying out an annual physical check of the assets listed and reconcile them to the register. This check will be reviewed and signed off by a second member of the Committee.
- 14.4 The Committee will be required to seek authorisation from members at an AGM for any sale of a Club asset that is valued greater than the asset sale limit as specified in Appendix A of this Manual.

15. VAT

- 15.1 The Treasurer will be responsible for ensuring that the Club is registered/not registered for VAT in accordance with HMRC regulations. Registration requirements will be monitored on a monthly basis in accordance with best practice as approved by the Independent Examiner.
- 15.2 Should the Club be registered for VAT; the Treasurer will be responsible for VAT management in accordance with best practice as approved by the Independent Examiner.

APPENDIX A

Current Financial Limits

EXPENDITURE LIMITS

The Committee is authorised to spend without further authorisation up to a limit of £10,000.

Expenditure over £500 must be ordered by issuing a purchase order.

Expenditure above £1500 must be tendered and at least three quotes obtained for the proposed work.

CASH PAYMENTS

Cash payments shall not exceed £250.00

CHEQUE/ONLINE BANKING SIGNATORY LIMITS

Spending, other than normal recurring trade accounts requires two signatories on the Club's bank account. (Meeting 08112018)

PETTY CASH FLOAT LIMIT

The petty cash float will contain a maximum of £150 at any time.
This excludes any float operated and administered by the Bar Chairman.

EXPENSES MILEAGE RATE

A rate of £0.25 is payable per mile.

RECRUITMENT LIMITS

The Committee will be required to seek approval from members at an AGM for any worker salary/fee in excess of £3500 per annum for that worker.

ASSET LIMITS

The Treasurer will record the details of an asset in the Asset Register that has a value greater than £2000.

The Committee will be required to seek approval from members at an AGM for the sale of any Club asset with a value greater than £5000.

TRAINING BUDGET

The Committee are authorised to spend up to £1500 per annum to train personnel to enable the Committee to successfully manage the Club's financial affairs.

APPENDIX B

Management Accounts Documents.

The Management Accounts will consist of the following documents for the given reporting period:

- Income and Expenditure statement.
- Simplified summary of Assets and Liabilities.
- Comparison of budget against actual income and expenditure.
- Forecast income and expenditure to the end of current financial year.
- Commentary on variances and other assumptions.
- Debtor and creditor statements.
- Cash flow statement. (If required)

APPENDIX C

Named Officials with spend limits and account signatories.

Treasurer: Christopher Mounsey

Bank Account Signatories:

Current and Deposit Accounts Christopher Mounsey

Peter Lewis

Matthew Watt

100 Club account Christopher Mounsey

Peter Lewis

Matthew Watt

On-Line Banking Access Christopher Mounsey

Petty Cash Access

Juniors James Witton

Seniors Christopher Mounsey

Officials

Chairman Peter Lewis

Spend Limit £100.00

Secretary Matthew Watt

Spend Limit £100.00

Treasurer Christopher Mounsey

Spend Limit £250.00