



# Barnstaple Rugby Club Finance Policy

## FINANCIAL PROCEDURES

### CONTENTS

0. Purpose of document
1. Ordering supplies and services
2. Payment authorisation
3. Cheque writing and signing
4. Handling of cash
5. Salaries, payroll and freelancers
6. Income
7. Bank accounts
8. Books of account and records
9. Budget setting
10. Financial monitoring and audit
- 11 to 14. Roles

### 0. Purpose of this document

To define the financial systems used by Barnstaple Rugby Football Club and how they relate to all areas of the organisation (sometimes referred to as Financial Standing Orders).

Relevant to all Budget Holders, All suggestions for amendments to Executive Committee

### 1. Ordering supplies and services

All Budget holders need to be aware that expenditure is committed when an order is placed on behalf of Barnstaple Rugby Football Club, not when the cheque is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets and delegated powers.

Budget holders can place orders for goods or services within their budget areas, subject only to cash-flow restraints. All orders of £100.00 or more must be authorised by the Executive Committee and or Treasurer, except for specific areas of expenditure where written procedures have been agreed (e.g. book printing). Under £100.00, the budget holder may

delegate all ordering as appropriate. Budget holders will discuss with the Treasurer appropriate parameters, plus maximum allowed deviations before the budget holder or Treasurer is brought in, which will be documented.

Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedure as above, with the appropriate expenditure amount being the total committed expenditure over the period of the contract, or where the contract is open-ended, over the first 12 months of the contract. Larger contracts should not be entered into without adequate advice from a relevant professional adviser (e.g. accountant, solicitor, surveyor).

Orders of £100.00 or more must be placed in writing. Orders under £100.00 should be in writing where practical. Each Budget holder will devise appropriate ways of keeping records of such orders, which will be contained in an Appendix. Suppliers must be requested to produce delivery notes and invoices, addressed to Barnstaple Rugby Football Club or Barum Rugby Ltd, and sent to the clubs address. If payment is needed on or before delivery or no credit is given, a 'pro-forma' should be provided, All documents must be provided to the treasurer.

While claims for small items of expenditure may be made via petty cash (see section 4), adequate supporting documentation, preferably receipts, must be obtained. Large items requiring cash payment must be checked with the treasurer before the arrangement is confirmed.

## 2. Payment authorisation and Purchase Ledger

All invoices must be authorised for payment by the budget holder, although the actual checking of details may be delegated. The authorising budget holder is responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, that the services or goods have been received, and following up any problems. The treasurer or finance committee must be informed if there are queries delaying authorisation or if payment is to be withheld for any reason.

A Purchase Ledger is operated by the treasurers. All incoming invoices are to be passed to the treasurer as soon as they arrive. Invoices will be recorded on to the Purchase Ledger as soon as possible, unless there are coding problems. They are then passed on to budget holders for authorisation. Once authorised as above, suppliers will be paid within the appropriate timescale. This is generally 14 days of invoice date for NICE PEOPLE, 30 days for others, unless there are exceptional cash-flow difficulties or specific supplier arrangements. The latter must be communicated by budget holders to the treasurer, who will inform them of any difficulties in meeting these.

Refunds of overpayments or cancellations of bookings/orders can be fully delegated to the relevant budget holder or treasurer.

## 3. Cheque writing and signing

Signatories will only be drawn from treasurer, and any new signatory must be approved by the Finance committee, before the bank is notified. All cheques for £100 or over require two signatories. Cheque signatories should check that the expenditure has been authorised by the appropriate person before signing the cheque. Payroll payments require the authorisation of two persons, the budget holder and a member of the finance committee.

Signatories will not sign cheques which are payable to themselves, or blank cheques. Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed. The only acceptable exception is that the amount can be blank as long as the cheque is endorsed 'Not more than £ ....'. Receipts for this type of expenditure must be returned immediately.

The day-to-day limit on encashment of cheques is £250. However, where a larger cash float is required (for a major event for example), this may be approved by the Treasurer. When signing cheques to restore the impress balance (see section 4), receipts accompanied by an add-list must be presented with the cheque request.

#### 4. Handling of cash

Petty cash will be drawn from the bar receipt, where the amount spent is reimbursed. It is intended for small items, up to £50.00. Anything over this should be paid by cheque or BACs where possible. All cash collected from Treasurer will be signed for, and receipts will be issued for all cash returned. Specific extra cash floats (for tills at events etc.) should be arranged with the treasurer. The person signing for the float is responsible for ensuring cash and receipts are returned as soon as possible after the event etc. No further floats may be issued to that person, or another person in the same department for a similar purpose, unless the previous float has been accounted for.

Mixing money or receipts from different petty cash sources creates large accounting problems. In a real emergency, where another cash float has to be used for something, a clear record must be kept, and brought to Finance Section's attention.

Any cash income will be banked, and not used for petty cash expenditure. Such cash will be passed to either the Bar Manager or relevant Treasurer

- weekly for cash received in-house
- immediately after the end of an out-of-house event.

Cash will be kept in locked safe. Appropriate arrangements will be made for till security.

#### 5. Salaries, payroll and freelancers

Could also refer to volunteer (and staff) expenses here.

Barnstaple Rugby Football Club and Barum Rugby Ltd are required to operate the PAYE system, and make annual returns to the Inland Revenue. All people working directly for BRFC or Barum Rugby Ltd, whether permanent or temporary, must provide a P45, or sign a P46 or student exemption certificate, or give reasons why they can't. All payments will be made by cheque or direct bank credit.

Payments for additional work over and above standard hours must be approved by the relevant Budget holder. Clear written authorisation must be given in adequate time for Finance to process it for the relevant payroll. These claims are financial records, and should be treated in the same way as any other.

Payment will usually be made via BACS, direct to employees' bank account. The salary payment listings will be checked by the budget holder. Salaries will be paid on the **last day** of the month, or nearest working day, apart from in December, when it will be the **23rd**.

All pay rates must be approved by the Finance subcommittee.

Staff loans are not issued, but advances may be made against salary due, by arrangement with the treasurer.

The finance section is responsible for:

- paying each employee in accordance with the approved terms and conditions, and issuing payslips.
- operating the PAYE system, keeping the required records, issuing P45s and P60s, and communicating with the tax office as appropriate.
- making the correct deductions for Income Tax, NI, court orders and any other appropriate deduction authorised by staff; ensuring that deductions are paid to the correct body, and necessary returns made.

- administering the Statutory Sick Pay and Statutory Maternity Pay schemes, alongside any additional related benefits provided by AN ORGANISATION.

## 6. Income

The majority of income received by BRFC or BRL is from sales of services and goods produced, invoices will be issued for every sale as soon as practical. For completeness of customer and sales information, this includes where payment is received with order.

All invoices should be raised on letterhead, or in a format agreed with the Treasurers and auditors, and be drawn up in accordance with BRFC/Barum Rugby standard invoice requirements. In particular VAT invoices need to meet HM Customs and Excise requirements, and must include the VAT registration number, VAT rate and VAT amount. All invoices will be sequentially numbered, with each area of activity having its own prefix reference, agreed with Finance. Any accidental deviations from such sequences must be notified to Finance.

Invoice listings will be produced on a regular basis by the departments generating them. This is at least monthly, to fit in with the reporting system, although high volume activities are expected to be listed weekly. Outstanding invoice payments will be followed up at least monthly by the relevant Treasurer.

Information about non-routine and all grant income must be passed to Finance with the cheque or remittance advice. This will be filed by Finance for reference, and used to ensure such income is correctly recorded in the accounts and grant conditions etc. noted. Lack of documentation will lead to such items being 'held on suspense'. It is the responsibility of the person gaining the grant to ensure all grant income is claimed as it becomes due or available, and that all appropriate staff and the Finance Section are aware of relevant grant conditions and exactly how the grant is to be expended.

Post opening (and control of cheques and cash in) will be subject to random management checks. The process will be written down, so that there is a clear standard for those doing the work regularly, and others covering or checking.

Could also refer to investments (if you have any)

## 7. Bank accounts

BRFC/Barum Rugby bankers are:  
NatWest, Barnstaple,  
HBC, Barnstaple  
Lloyds Barnstaple

An automatic sweep arrangement between current and reserve accounts is operated. These arrangements are subject to review, in the light of what is most advantageous in terms of cost and service. All changes are to be authorised the Executive committee.

All income will be paid into the current accounts as soon as possible, not less than once a week. The makeup of each banking will be clearly recorded, for later computer entry.

## 8. Books of account and records

Proper accounting records will be kept. The accounts systems is based around computer facilities, but manual/paper records will also be used if appropriate.

At a minimum, the following records will be kept:

- appropriate control accounts (i.e. bank control, petty cash control, VAT control).
- salary control account.
- monthly trial balances.

Petty cash and bank accounts will be reconciled at least monthly, and VAT returns produced on the required quarterly cycle.

All vouchers entered into the computer system will be clearly initialled by the person entering it, along with date and accounts reference. All income/expenditure information will be recorded within seven days. All corrections and adjustments will be clearly noted in a written 'Journal' giving reasons for them, with supporting documentation where available.

Purchase Ledger, other cheque payments and banking sheets will be filed in the appropriate reference order, with any supporting documentation. All petty cash vouchers, cheque stubs etc. will be retained for audit and for statutory purposes thereafter.

All fixed assets costing more than £250 (or such other level as may from time to time be agreed by the Committee) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal.

#### 9. Budget setting

12 monthly income and expenditure budgets will be prepared in time for final approval by the Executive Committee, before the start of the financial year under consideration. Budgets are prepared by the Budget holders, working with the Treasurers. Central management budgets are prepared by the Treasurer in consultation with the Executive committee. The Management Team will play a lead role in ensuring that budgets are set fairly, efficiently and in time. Approval of the budgets is by recommendation of the Executive committee to the Full Committee

The approved budget will be used as a base to construct a cash-flow forecast for the year, which will be updated quarterly.

#### 10. Financial monitoring and audit

All budget holders will receive appropriate, regular reports of income and expenditure against budget.

The Executive Committee will receive:

- Monthly snapshots of cash in hand, total creditors and total debtors.
- Monthly graph of cash in hand.
- monthly reports of income and expenditure versus budget - within two weeks of month end.

Detailed monthly payroll reports will be produced. Detailed cash-flow reports will be produced as appropriate.

BRFC/BRL financial year is from 1st June to 31st May. Annual accounts will be submitted for audit, as required under the Companies Act, charity regulations and grant conditions, prepared per SORP for Charities and any other relevant accounting conventions. Final draft should be ready for and passed by the Executive Committee in JULY, with audited accounts signed at the August meeting.

#### 11. Role of Treasurer

Extracted from Charity Finance Yearbook:

The Treasurer works in close co-operation with, and provides support and advice to, the Financial Controller. Specific responsibilities are to:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of An Organisation's strategic plans and key assumptions included in management's operational plan and annual budget.

- Confirm that the financial resources of An Organisation meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Board of An Organisation's financial integrity.
- Ensure that the accounts are properly audited, that accepted recommendations of the auditors are implemented, and meet the auditor at least once a year.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor the Organisation's investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities

## 12. Role of Management

The Management team consists of Heads of This That and the Other, Financial Controller, plus the Director. Each has responsibility for their individual department's financial performance and ensuring that the department complies with Financial Procedures. They will receive weekly snapshots and monthly management accounts, keeping adequate records to be in control between monthly reports. The Team will review finances thoroughly at its monthly meetings.

## 13. Role of the Executive Committee

The committee is responsible for:

- approving the budget for the year.
- approving signatories to the bank accounts.
- appointments of staff where not delegated to the Chairman
- receiving reports from the Management Team on areas of concern.
- approving exceptional items of expenditure.
- monitoring the financial position based on monthly reports, with advice from the Treasurer
- approving the annual accounts, auditors report and appointment.

This Policy was approved by the Full Committee's of both Barnstaple Rugby Football Club Ltd and Barum Rugby Ltd in June 2017

Version 1