

Financial Policy

The Board of Directors has the overall responsibility for West Midlands Sports Development CIC's financial planning, use of resources and control mechanisms.

The Board of Directors will ensure that West Midlands Sports Development CIC's resources are effectively and efficiently planned and controlled, ensuring it has the financial information it requires to make good decisions. It will also ensure that financial planning, control and accountability reflects best practice.

It is responsible for:

- Safeguarding the assets of the company
- Preventing fraud
- Avoiding mistakes
- Keeping financial records in accordance with the governing document and relevant, applicable legislation (e.g. Companies Act).
- Preparing Annual Accounts in accordance with the governing document and relevant legislation
- Ensuring the CIC is operating efficiently and effectively

To enable the Board of Directors to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all Board of Directors members, staff and volunteers.

A copy of this policy and procedures document will be given to all Board of Directors members on their election/appointment to the Board, and to all relevant staff and volunteers.

The policy and procedures will be reviewed annually by the Board of Directors and revised as necessary.

Reserves Policy

A financial strategy of prudence and care will be pursued to ensure that the company can operate within its means at all times.

Investment Policy Statement

The Board has overall responsibility for determining the CIC's investment policy. Any decision whether or not to make an investment and how much will be in part following reference to the latest budget forecast and planning that must have been agreed by the majority of the CIC Board.

The Board will seek to optimise the CIC's income by the appropriate investment of surplus short-term funds. All investment decisions will be taken to ensure a reasonable return while minimising the level of risk to company funds and in line with ethical investment principles.

Specialist investment advice will be sought where required.

The Board will also seek to safeguard the CIC's funds held in UK bank accounts by operating within the boundaries of the Financial Services Compensation Scheme where possible.

Risk Management

The Directors are responsible for the identification and management of risks.

The Directors have initiated a formal risk management process to assess business risks and implement risk management strategies. This involves formally identifying the types of risks the CIC faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating risks.

A risk register will be maintained by a nominated executive Director and reviewed by the Board on a quarterly basis at a formal CIC meeting.

Financial Procedures

Organisational Information

The Financial Year runs from 1 November to 31 October

Name of Bankers:

Santander Treasurer's Current Account

Bank Accounts

The West Midlands Sports Development CIC Board shall open and maintain such bank accounts as necessary to effectively manage the work of the company.

The following controls will apply:

- All bank accounts must be in the name of the organisation.
- No account may ever be opened in the name of an individual or individuals.
- New accounts may only be opened by a decision of the Board of Directors
- Changes to the bank mandate may only be made by a decision of the Board of Directors, which must be minuted.
- No Cheques are used

Signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing or authorising an Internet Transfer.

Annual Budget and budgetary control

An annual budget, setting out the organisation's financial plan for the year, will be prepared so that the Board of Directors can approve it before the start of each financial year.

Staff are responsible for containing expenditure within the overall approved budgets for individual expenditure headings. Any variance will be reported as part of the management accounts process.

Financial Reports

A financial report will be prepared at least quarterly and submitted to the Board of Directors for review.

The financial report will consist of:

- Profit & Loss account
- Balance Sheet
- Grant payment and cashflow profile
- Cashflow position
- Explanatory narrative and variance analysis

Each Financial Report will be circulated to all Board of Directors members and discussed at the following committee meeting.

Accounting and other financial records

The organisation maintains a computerised accounting system, which records: Income received and banked, Internet Banking Transfers and other amounts paid from the bank accounts

Every transaction will be entered as appropriate and will include:

- The date of the transaction
- The name of the person money was received from or paid to and the full amount
- A brief description of why the money was received or paid
- An analysis of each amount under its relevant budget heading, where applicable

All documents relating to receipts and payments will be filed accordingly.

Expenditure Authorisation and Payment

The following expenditure approval limits shall apply:

General operational expenditure:

On approval of 2 or more Executive Directors - up to £5,000

On approval of Board of Directors - over £5,000

Where approval from the Board of Directors is required, the approval will be recorded in the minutes of the appropriate Board meeting. Where required for practical reasons, collective approval can be given via email and formally recorded in the next Board meeting.

Wages and Salaries

On approval of the Board Chair and dependent upon whether staff are employed by the company or are self-employed, all salary related expenditure relating to:

- Net salaries payable to West Midlands Sports Development CIC staff
- Tax and national insurance payments due
- Any pension contributions

No Director or staff member may authorise any other payment to themselves.

Expenses and Sundry payments to the Executive Director must be authorised by a member of the Board.

Payroll

Where any staff are employed by the company –

- All employees (including sessional and part time employees) must be asked to complete the relevant PAYE form/s before they receive any payment.
- Payroll and all calculations will be made by the Appointed payroll agent
- Payroll reports will be submitted to HMRC on a timely basis
- At the end of each month, the wages control account will be reconciled to ensure appropriate payments have been made

Travel and Subsistence Expenses

Employees, Directors and, with prior consent, volunteers may claim reimbursement of reasonable out of pocket expenses incurred in carrying out their duties as employees of the West Midlands Sports Development Fund CIC.

Travel and subsistence expenses will be paid in line with rates agreed by the Board and contained in Annex 1:

Staff expense claims, supported by receipts where appropriate, should normally be authorised by any two Board members.

Board members expense claims, supported by receipts where appropriate, should normally be authorised by the Managing Director and one other Board member.

Volunteers expense claims must be sanctioned by two Board members prior to any travel or spend. Claims, supported by receipts where appropriate, should normally be authorised by the Managing Director and one other Board member.

Standard travel expenses forms are available and should be used in all instances.

Petty Cash

The company can operate a Petty Cash system. A maximum balance of £100 should be held in Petty Cash at any point in time. Appropriate receipts should be presented for all petty cash claims. The limit for petty cash claims is £30. A Sundry expense claim should be made for claims over this amount.

Sundry Expenses

All claims for sundry expenses (expenses incurred on behalf of the business) must be made on the Sundry expense form. Receipts for expenditure need to be attached. Staff forms will be authorised by the Managing Director and one other Board member.

Standard company Sundry Expenses forms are available and should be used in all instances.

Purchasing Process

The CIC will ensure that a consistent and uniform approach is applied for all purchasing, supplies and contract activities. Key principles of the CIC's approach to procurement include:

- securing Value for Money;
- ensuring high standards of legal and ethical behaviour in dealing with suppliers and contractors;
- meeting public and funder expectations re financial management and use of funds
- sourcing goods and services from small local suppliers within the Fund's area of benefit where possible.

No procurement or purchase should commence without there being sufficient budget available for the goods and services and appropriate approval for spend secured.

Staff should identify the most cost efficient and highest value for money using sensible processes appropriate to the lifetime value of the purchase. As the CIC is currently not VAT registered and therefore cannot reclaim VAT on purchases or orders made, all amounts quoted and reviewed should be inclusive of VAT. The key objective in any buying decision is to be able to demonstrate that value for money has been considered. This applies to all categories of cost.

Subject to appropriate budget authorisation, purchases will be procured as follows:

- contracts up to the value of £5,000 – single written quote
- contracts between £5,000 and £25,000 – three written quotes.
- The selection reasoning should be recorded and approved before the order is placed
- contracts over £25,000 – formal tender process, with appropriate audit trail

All invoices must be authorised for payment in line with the delegated financial authority levels set out above. The authoriser 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.

All approved invoices will be posted into the Purchase Ledger. Once recorded, suppliers will be paid within the supplier's appropriate timescale and within a maximum 30-day period.

Insurance

Appropriate Insurance policies will be maintained to cover: (under review Hiscox)

- Employer's Liability £10m
- Professional Indemnity £10m
- Public Liability £5m
- Contents and office insurance – as required

Assets

An inventory of all physical assets of the organisation will be kept and regularly updated.

Annex 1

West Midlands Sports Development Fund CIC

Travel and Subsistence Rates (in line with HMRC rates)

Overnight stays

Reimbursement of actual cost where receipt is presented.

Costs should be within the following levels:

- Outside London £90
- London £125

Any exceptions to the above limits should be agreed in advance with the Board Chair

Subsistence while away from the normal place of work

Receipts should be presented for all expense claims. Expenses will be made as reimbursement of actual cost up to the maximum limit set out below. Costs for any alcohol will not be reimbursed.

Overall limits for claims are as follows

Allowance

Maximum claim (with receipts)

- Single meal rate (payable when staying away from home or travelling away from the office for more than 5 hours) £5
- Two meal rate (payable when staying away from home or travelling from the office for more than 10 hours) £10
- Late evening rate (payable when staying away from home and finishes work after 8.00pm) £25

Subsistence limits are not designed to cover 100% of the cost of an absence from the office. Subsistence is designed to cover the additional and necessary costs of being away from the office. These are the maximum amounts payable. Directors and staff may choose to pay more but these costs will not be reimbursed, even with receipts.

Business Journeys

When planning a business journey, employees should choose the most cost-effective method of travel after taking time and fares or mileage costs into account.

Travel costs for approved business journeys will be refunded at the following rates

Private Car:

First 10,000 miles in any tax year 45p per mile (or effective HMRC rate) Additional miles in excess of 10,000 25p per mile (or effective HMRC rate)

Individuals are responsible for ensuring their motor insurance covers business travel

Rail Travel:

Actual cost of train ticket. Employees should ensure the most cost effective ticket is purchased. Use of Standard class travel is the norm, unless an economical case can be made for first class travel.

Taxi:

Occasionally it may be necessary to use taxis while on the CIC's business where other forms of public transport are not available for instance, travelling to and from a train station.

Receipts must be produced and submitted with the claim.

Air

Any air travel must have prior authorisation by a member of the Board

Other Travel

The cost of bus and tube fares, car parking and toll fees incurred on the CIC's business will be reimbursed. Tickets/receipts must be produced and submitted with the claim.

Last Reviewed

11/10/2023