



# **Financial Procedures and Controls**

Issue 12

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## 1: Purchases

Scottish Gymnastics will adhere to the following procedures when procuring goods and services:

- Up to £2,500: No tender or quote required, done by purchase order/invoice etc. To be agreed and signed off by budget holder and/or Senior Line Manager/CEO.
- £2,501 - £5,000: 2/3 quotations for goods or services required. Quotation to be agreed and signed off by budget holder and/or Senior Line Manger/CEO.
- £5,001 - £10,000: Minimum of 3 quotations required. Quotation to be agreed and signed off by budget holder and/or Senior Line Manger/CEO.
- > £10,000: Minimum of 3 quotations required. Quotation to be agreed and signed off by CEO and Finance Director and/or Chair.

*Please note:*

*1) All quotations received should be kept on file for a minimum of 12 months from date of placing the order for goods/services.*

*2) Technical Panels can only place orders for goods and/or services up to the value of £2,000 without sign-off from Scottish Gymnastics senior management.*

*3) For travel booked using a Scottish Gymnastics credit card fit is expected that the lowest cost operator with the most convenient travel times will be used, and accommodation costs will be kept to a minimum and within the spending limits set in the Business Travel & Expenses Policy.*

The requirements listed above should be standard practice in normal circumstances but need not be adhered to in the event that:

1. Only one individual or supplier can reasonably be sourced with the desired skills to fulfil the brief of a specific appointment within the necessary time-frame for delivery.
2. If expediency is critical for the delivery of the service to be provided and there is insufficient time to meet requirements of a tendering process.
3. If for reasons of necessary confidentiality, e.g. in the case of support of a sensitive nature for a member of staff.
4. If the works required are a continuation or reasonable follow-up to work by the same individual or supplier, said individual or supplier having been previously approved for appointment.

In the above cases it should be formally recorded why the appointment has been made out with standard policy procedures and should be authorised by Senior Line Manager or CEO.

The aim of this policy is to ensure **best value**, and the potential of the bidder to deliver **best outcomes**, not just lowest cost. Therefore Scottish Gymnastics should not be obliged to always accept the lowest tender for any given work, but should fully evaluate all appropriate tenders.

- Additional work carried out by employees (eg tutoring) should be authorised by their line manager prior to the work being carried out and the invoice should be authorized for payment by the CEO before payment.
- Incoming mail is opened and distributed to the addressed departments.
- Recipient confirms the invoice is correct, and that the goods/services have been received/completed.
- Recipient is to write the nominal and department code on the invoice.
- Invoice is passed for authorisation:

**Invoices up to £1,000**

1<sup>st</sup> authorisation signature

Budget Holder or equivalent

**Invoices up to £10,000:**

1<sup>st</sup> authorisation signature

Budget Holder or equivalent

2<sup>nd</sup> authorisation signature

Chief Executive

**Invoices over £10,000:**

1<sup>st</sup> authorisation signature

Budget Holder or equivalent

2<sup>nd</sup> authorisation signature

Chief Executive after Board Approval or Chair of board

- After authorisation expenses should be forwarded to the Finance Manager for inclusion in the next month's payroll.

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- All other authorised invoices should be forwarded to the Finance Department for Sage input and payment.

### **Contracted Coaches/Tutors:**

- All contracted coaches must have signed and returned to the SGA office a contract for services agreement, and a self-employed declaration form showing Unique Tax Reference (UTR), prior to undertaking any paid coaching.

### **Purchase Ledger – Aged Creditors:**

- Finance Manager should review balances outstanding for more than 30 days on a monthly basis.

### **Use of Credit Cards:**

- Scottish Gymnastics has 2 Bank of Scotland Business Charge Cards.
- These cards are in the name of the following employees:
  - Ms Christine Davies (IT/Office Manager), card ending 7824, limit £10,000
  - Miss Stephanie Stewart (Performance Co-ordinator), card ending 0179, limit £25,000
- With the agreement of the Department Manager/budget holder and permission of the credit card holder, payment can be made online where no alternative payment method is available. This should mainly be used for booking flights and accommodation for travel which has been authorized by the Department Manager. Print and forward receipt to the card holder.
- On receipt of the credit card statement the card holder should summarise the statement by nominal/department code. Attach the receipts and pass to Finance.
- Any new cards or accounts require Board approval.

## **2: Expenses guidelines**

Expenses will reimburse individuals for reasonable costs incurred by that individual in carrying out Scottish Gymnastics business agreed in advance with the budget holder. It is expected that SGA will only reimburse the cheapest reasonable form of transport, accommodation, etc. Where possible, travel and accommodation should be booked through the SGA office and paid by credit card.

- Expense claims should be submitted within 4 weeks with all receipts attached.
- Expense claims should be signed by the individual and authorised by their line manager.
- Expense claims from the Chief Executive should be authorised by the Chair of the Board.
- Expense claims from Board members other than the Chair should be authorised by the Chief Executive.
- Expense claims from the Chair should be authorised by another Board member and the Finance Director, currently this is being undertaken by Oli Barnsby and Adele Tolometti.
- The individual is responsible for their own personal effects while travelling. Losses or damage will only be reimbursed if they are covered by SGA insurance policies.
- Please see Appendix 3: Staff Expenses Form

### **Use of own car:**

- Mileage on SGA business within the UK will be paid to both employees and non-employees using their own private vehicle at the following rates:
- 45p per mile for the first 10,000 miles from 6<sup>th</sup> April to 5<sup>th</sup> April in each tax year.
- 25p per mile for each mile over 10,000 miles.
- SGA employees must ensure they have adequate insurance cover for Business & Personal use as this is not covered by the association.
- Non-employees must be authorised by the budget holder or CEO.
- Employees may not claim for travelling from home to Caledonia House. If travelling directly to another work location from home, the employee may claim the lower of the mileage from their home or from Caledonia House.
- SGA will not be responsible for any mechanical or legal costs i.e. parking or speeding tickets incurred in the use of a rental car or private vehicle for Scottish Gymnastics business. It is the responsibility of the individual to operate within the law.

### **Accommodation and Food:**

- Accommodation should be booked through the office and where possible paid by business charge card.
- Hotels should be clean, comfortable, safe and reasonably convenient. Discounts should be sought for longer stays, and full use should be made of special deals.
- Hotel location and cost should be balanced against other factors, e.g. transport, driving time.
- Scottish Gymnastics will reimburse for overnight stays up to a maximum depending on location of accommodation as follows:
  - London: £180 per night inclusive of breakfast and VAT
  - Rest of UK: £100 per night inclusive of breakfast and VAT
  - Overseas: £140 per night inclusive of breakfast
- Meal costs will be reimbursed up to the following levels. Receipts must be produced for all claims:
  - Breakfast: £10.00 although hotel rates should include breakfast
  - Lunch: £6.00 provided that you are more than 10 miles away from your permanent place of work and absent for a period for more than 5 hours spanning the normal lunchtime.
  - Lunch and evening meal: £25.00 provided that you are more than 10 miles away from your permanent place of work and absent for a period for more than 10 hours spanning the normal mealtimes.
- Please note:
  - These limits are mandatory and can only be exceeded with prior line management approval
  - If breakfast cannot be taken at home because of an early start when travelling on official business, a claim may be made provided the journey from home starts before 6:00am
  - Scottish Gymnastics staff and directors should always choose the most cost effective places to eat in order to keep costs to a minimum.

### **Phone Calls:**

- Reasonable cost of phone calls on SGA business will be reimbursed. This does not include any contribution to line rental or cost of a mobile contract.
- Copies of itemised phone bills should be provided with all phone expense claims with an explanation of the purpose of the call.
- Mobile phones will be provided for designated employees as agreed by the CEO. These will be at a specific contracted monthly level and employees should ensure that this level is not exceeded, as the employee may be asked to reimburse any excess usage.

## **3: Sales**

### **Sales Invoices:**

- Budget holder/issuing department is to produce the sales invoice using Sage. Ensuring all details are correct, including name and address of recipient. This is especially important when the recipient is an organisation paying on behalf of an individual – ensure the organisation reference is included. Consult Finance Department before setting up a new Sales Ledger account
- Print invoice and issue to customer
- File copy invoice as required by issuing department with a copy passed to Finance.

### **Credit Notes:**

- Budget holder/issuing department is to produce the sales invoice using Sage – include reference to original invoice.
- Print Credit Note and issue to customer.
- File copy Credit Note with original invoice and pass a copy to Finance.

### **Sales Ledger - Aged Debtors:**

- The aged debtors listing should be reviewed on a monthly basis by the Finance Manager and any debts over 2 months old should be discussed with the department responsible.
- Any debts to be written off should be signed off by the CEO and/or Finance Director.

## **4: Cash and Treasury Management**

### **Receipts:**

- All cash and cheques received in the post or in person or should be forwarded to the Finance Administrator with a note of the invoice number or account number. A receipt should be issued if requested.
- Finance Administrator should record and save on Excel all cheques and cash received on Banking Sheet and file any remittance documentation. Update Sage from the Banking Sheet.
- Hold cash and cheques in the safe until banked – minimum every 2 weeks.

### **Payments:**

- Where possible all payments should be made online.

### **Online Payments:**

- For “nominal” payment the BACS Request Form is to be completed and signed-off by Manager and then passed to Finance for actioning.
- Raise remittance advice for each payment to be emailed to supplier.
- Pay authorised invoices in batches using Bank of Scotland Corporate Online.
- Finance Administrator can act as 1<sup>st</sup> Signatory to online payment
- Print online payment list with invoices to Finance Manager/CEO/Chair, Finance Director or named Director, currently Oli Barsby for online 2<sup>nd</sup> signature.

### **Cheque Payments:**

- For “nominal” payment the Cheque Request Form is to be completed and signed-off by Manager and then passed to Finance for actioning.
- Finance Administrator writes manual cheque.
- Pass the cheque and remittance advice to 2 of the 4 from CEO/Chair/Finance Director/Office Manager (restricted to cheques less than £1k) for signature.
- Signed cheque and remittance passed to responsible department for issue to supplier

### **Bank Reconciliation:**

- Finance Administrator/Manager to reconcile all bank and business charge card account balances in Sage to issued statements on a monthly basis.
- Bank reconciliations to be reviewed by Finance Manager monthly

### **Cheque Signing Authorities:**

Cheques up to £1,000	2 of CEO/Chair/Finance Director/Office Manager
Cheques between £1,000 and £10,000	2 of CEO/Chair/Finance Director
Cheques over £10,000	2 of CEO/Chair/Finance Director with Board Approval

**Online Authorisation Authorities/Limits:**

Name	Position	Faster Payments (£)	BACS Single (£)	BACS Multiple (£)	International Payment (£)	Inter-A/C Transfers (£)
Scott Harper	Chair	15,000	15,000	15,000	10,000	10,000
Euan Lowe	Chief Executive	15,000	15,000	15,000	10,000	10,000
Adele Tolometti	Finance Director	15,000	15,000	15,000	10,000	10,000
Christine Davies	Office Manager	15,000	15,000	15,000	10,000	10,000
Andrew Cassell	Finance Manager	15,000	15,000	15,000	10,000	10,000
Lisa Wilson	Finance Assistant	15,000	15,000	15,000	10,000	10,000

**Petty Cash:**

- A maximum of £1,000 (the maximum amount we are covered through our insurance policy) shall be kept in cash. Any amounts over this shall be banked at the earliest opportunity.
- When not in use the petty cash will be kept in the safe.
- Petty cash shall be reconciled on a monthly basis.
- All petty cash income and expenditure will be recorded for month end reconciliation.

**5: Fixed Assets**

- The Finance Manager will maintain a Fixed Asset register.
- Any assets with a value of less than £500 will be written to P+L in the year of purchase.
- Additions will be depreciated from their purchase date.
- In order to write off each asset over its estimated useful life, depreciation is provided at the following annual rates:
  - Computer equipment: 33% on a reducing balance basis
  - Fixtures and Fittings: 20% on a reducing balance basis
  - Sports Equipment: 15% on reducing balance basis
- Depreciation will be posted to Sage on a quarterly basis.

**6: Budgets**

- Scottish Gymnastics will produce a budget on an annual basis:
- The budget should break even at a minimum.
- Deficit budgets will not be approved by the Board.
- Finance Manager will prepare the budget in conjunction with department managers.
- Departmental budgets will be consolidated into annual budget.
- Annual budget reviewed by CEO – any changes discussed with budget holders.
- Budget presented to the Board for approval.
- Budget entered onto Sage.

## **7: Panels**

From financial year 2016/17 Scottish Gymnastics panels are expected to produce budgets which shows a break even position to be included in the annual budget for Board approval. Expenditure can be undertaken by the panel to support activity as outlined below as long as this is within the budgets agreed by the SGA Board of Directors prior to the start of each financial year. Panels are expected to run a balanced budget on an annual basis and any deficit should be approved by the Board. Any expenditure exceeding £2,000 must be purchased by the SGA office directly, or have prior agreement from Scottish Gymnastics senior management/Board. Purchases under £2,000 will only be paid for/reimbursed by SGA if relevant receipts are passed back to the SGA office on a valid expenses form.

It is up to technical panels to self-generate income to support their activity which will usually be from competition and event entry fees. However additional income opportunities may be considered as long as they do not conflict with other Scottish Gymnastics business. In such cases written approval must be received from the CEO prior to agreeing any such activity and such agreements will only be valid for one year unless otherwise detailed. **Technical panels may not sign any agreement with a 3<sup>rd</sup> party without the prior written approval of the SGA Board or CEO.**

Areas for panel expenditure include:

### **SGA Competition Costs:**

- Venue hire
- Equipment hire or purchase.
- Safety
- Travel expenses for volunteers and officials
- Accommodation and subsistence for judges and officials.
- Medals, gifts or other prizes used to support the competition.

### **Squad Training support costs:**

- Fees to support squad activity including coaching and choreography where this is not covered under the central performance budget.
- Venue hire
- Equipment hire
- Travel expenses for coaches or officials attending training.
- Accommodation and subsistence costs where overnight stays are required for coaches, officials or gymnasts (see contribution below).
- Any other support costs under £2,000 which can be clearly attributed to the running of the squad. Any expenditure over £2,000 must be approved in writing by the CEO/Finance Director in advance.

### **Other Competitions:**

- Travel including flights, train or bus costs for any Scottish regional or national squad competition activity.
- Accommodation and subsistence for coaches, judges, gymnasts (see contribution below) or travelling officials.
- Squad kit costs (where no sponsorship is available) for coaches, judges, officials or gymnasts representing the SGA.

*Full details of expenses rates/information are detailed in Expenses Guidelines.*

Where travel is outside Scotland a minimum contribution of £50 (UK based competition/training) and £100 (International based competition/ training) is payable by each gymnast attending.

Budget monitoring reports will be provided on a quarterly or on demand basis to the Treasurer and Chair of the panel.



## **8: Management Accounts**

- Management accounts will be prepared for each Board meeting by the Finance Manager.
- The management accounts will consist of:
  - Profit and Loss Account including explanations of variances from budget
  - Balance Sheet
  - Summerised quarterly report
  - Any other relevant information
- The management information will be reviewed by the Chief Executive and Finance Director prior to the board meeting.

## **9: VAT**

- Scottish Gymnastics are VAT registered (VAT No.: 164 853 779)
- The following types of income are VAT and must be shown as T1, 20%, on Sage:
  - N/L 4303: Sales Income – Adult Clothing
  - N/L 4305: Online Sales Income – Adult Clothing
  - N/L 4310: Spectator Income
  - N/L 4900: Miscellaneous Income (if applicable)
  - N/L 4901: Sponsorship
  - N/L 4902: Commissions Received
- Scottish Gymnastics can only reclaim partial VAT (Sage T11 VAT code) on quarterly returns for the following expenditure:
  - Central overheads (dept.: 100)
  - Marketing (depts.: 4xx)
  - Events, such as Gymfest (depts.: 6xx)
  - Competitions run by Technical Panels (depts.: 9xx)
- All income and expenditure to the following departments is to be record as T2 Zero Rated:
  - Performance (depts.: 2xx)
  - Education (depts.: 3xx)
  - Ethics & Welfare (depts.: 5xx)
  - Development (depts.: 8xx)
- After all events a completed cash received form should be forwarded to the Finance Department analysing receipts into the following categories - admission, programmes, raffle, adult t shirts, children's t shirt, other merchandise.
- Please see Appendix 6 for information regarding Scottish Gymnastics VAT attribution and partial exemption.

## **10: Document Retention**

- All financial documents will be retained for a minimum of 6 complete years.
- Backups of the financial data are to be saved to the Scottish Gymnastics server on a daily basis by the Finance team.
- All records of a personal and/or confidential nature are to be kept in a locked cabinet and be destroyed when no longer relevant or required to be kept by law.

## **11 Financial Fraud Policy**

- Scottish Gymnastics is absolutely committed to maintaining an honest, open and well-intentioned atmosphere. It does not tolerate fraud.
- Examples of fraud could be theft or abuse of property, deception or falsification of records, corruption concerning procurement or tendering, wrongly claiming reimbursement, charging for goods and services not actually delivered or misuse of sick leave.
- Scottish Gymnastics encourages staff not to turn a blind eye to fraud but to report it to the Chief Executive or other board members.

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- Scottish Gymnastics will take seriously any allegation or incidence of fraud. The Board will be responsible for investigating any allegation in confidence and to taking appropriate action where malpractice is substantiated.

**Appendix 1: Contract for Services**

**Appendix 2: Self Employment Declaration**



Self Employed Declaration Form

Please complete the spaces below and return to us as soon as possible.

COACH/TUTOR/ASSESSOR DETAILS

PRINT NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

POST CODE: \_\_\_\_\_

NATIONAL INSURANCE NUMBER: \_\_\_\_\_

UNIQUE TAX REFERENCE NUMBER: \_\_\_\_\_

I hereby confirm that I am registered as Self Employed and take full responsibility for all Income Tax and National Insurance payments on my gross earnings from Scottish Gymnastics

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

Caledonia House, 1 Redheughs Rigg,  
Edinburgh, EH12 9DQ  
T: 0131 271 9750  
E: info@scottishgymnastics.org

[www.scottishgymnastics.org](http://www.scottishgymnastics.org)

Registered in Scotland Company Number SC177815



**Appendix 3: Staff Expenses Claim Form**

**EXPENSES CLAIM FORM**

Name: \_\_\_\_\_ Company: \_\_\_\_\_  
Date: \_\_\_\_\_ Dept: \_\_\_\_\_  
Address: \_\_\_\_\_ Postcode: \_\_\_\_\_



Date	Description of Expenditure (What / Where / Who / Why). Attach and number invoices & receipts.	CODE	Tax/Biz Miles Only Business Miles (p55)	Travel	Accom.	Substance	Misc. Motor Expenses	Van/Car Hire	Facilities Hire	Overses Travel	Other
		7506	7400	7405	7402	7405	7305	7401	7803	7405	6900
<b>TOTAL CLAIM</b> £0.00											

CHECKED AND AUTHORISED BY (Line Manager / CEO)  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
(BLOCK CAPITALS)

Start Miles: \_\_\_\_\_  
Finish Miles: \_\_\_\_\_  
Staff Mileage rate: **0.45**

First 10,000 at 45p, thereafter 25p, from April 1st to March 31st annually.

NOTE: FORMS INCORRECTLY COMPLETED WILL BE RETURNED UNPROCESSED

**Appendix 4: BACS Request Form**



**BACS REQUEST FORM**

Date of Request: \_\_\_\_\_

BACS MADE PAYABLE TO: \_\_\_\_\_

Email address to send BACS remittance: \_\_\_\_\_

\_\_\_\_\_

Recipient Bank: \_\_\_\_\_

Sort Code: \_\_\_\_\_

Account No.: \_\_\_\_\_

Amount (£): \_\_\_\_\_ (in words) \_\_\_\_\_

Reason for Request: \_\_\_\_\_

Requested by: \_\_\_\_\_

Cost Centre/Nominal Code: \_\_\_\_\_

Authorised by: \_\_\_\_\_

BACS No.: \_\_\_\_\_

Actioned by: \_\_\_\_\_

Date Actioned: \_\_\_\_\_

**PLEASE ATTACH ALL RELEVANT PAPERWORK**

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**Appendix 5: Cheque Request Form**



**CHEQUE REQUEST FORM**

**Date of Request:** \_\_\_\_\_

**CHEQUE MADE PAYABLE TO:** \_\_\_\_\_

**Address where cheque is to be sent:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ **Postcode:** \_\_\_\_\_

**Amount (£):** \_\_\_\_\_ **(in words)** \_\_\_\_\_

**Reason for Request:** \_\_\_\_\_

**Requested by:** \_\_\_\_\_

**Cost Centre/Nominal Code:** \_\_\_\_\_

**Authorised by:** \_\_\_\_\_

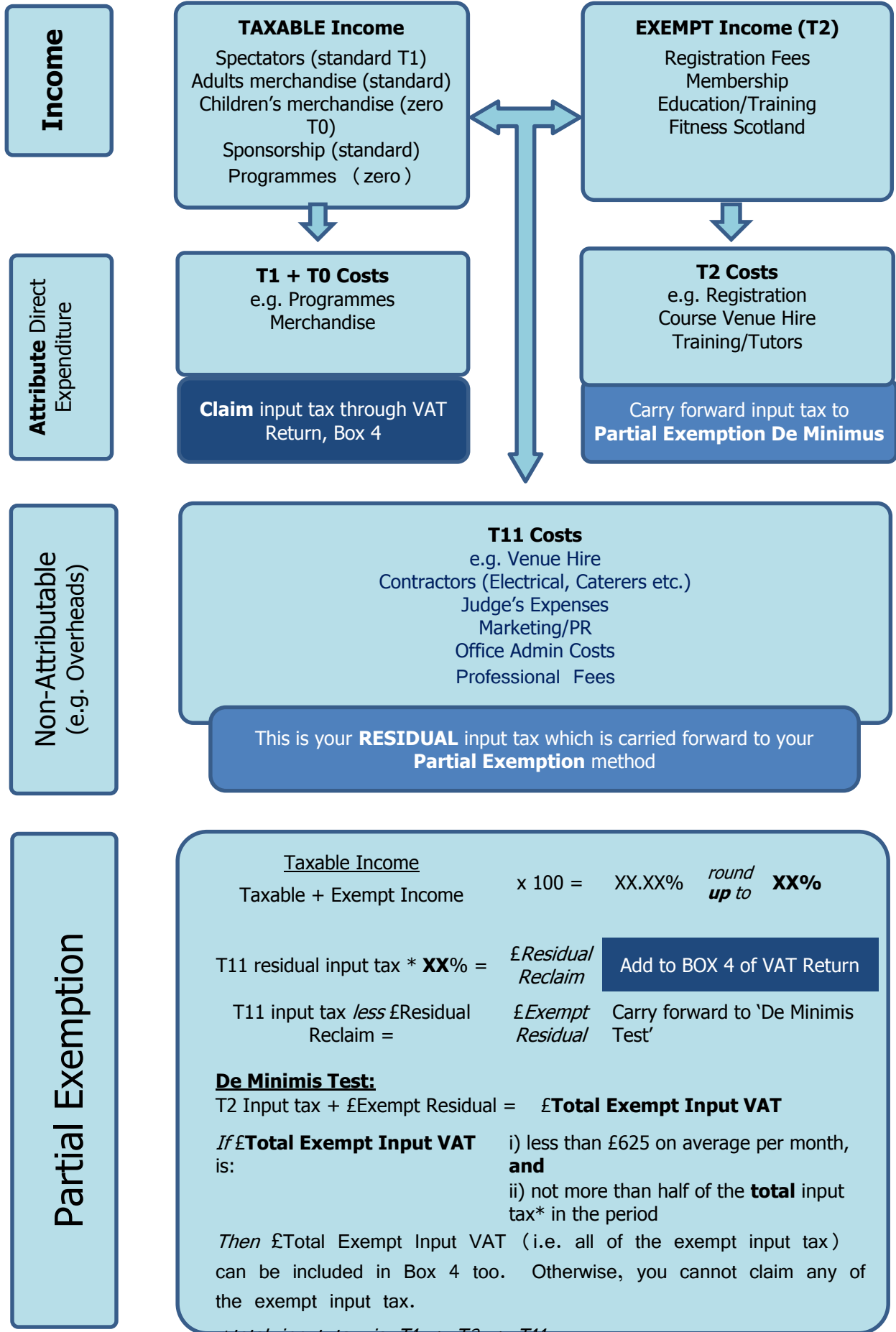
**Cheque No.:** \_\_\_\_\_

**Actioned by:** \_\_\_\_\_

**Date Actioned:** \_\_\_\_\_

**PLEASE ATTACH ALL RELEVANT PAPERWORK**

**Appendix 6: Overview of VAT attribution & Partial Exemption**



\*total input tax is  $T1 + T2 + T11$