Active Oxfordshire – Finance Policy

Financial Regulations

1. General
1.1 The Chief Executive Officer and Finance Director shall be responsible for the proper administration of the company’s financial affairs as directed by the Board.
1.2 The Chief Executive Officer or Finance Director will report to the Board through the Finance, Risk, Remuneration, Audit and Governance Committee (FRRAG) and keep the Chair of the Board regularly appraised of financial matters.
1.3 Changes to the Regulations, procedures, systems can only be made by formal agreement of the Board.

2. Accounting
2.1 The accounts will be kept in accordance with the requirements of SORP and such other guidance or legislation that is in place. The Board will take due regard of any advice from the Chief Executive Officer, the auditor or other such accounting professional as is engaged in the maintenance of the accounts.
2.4 All accounting records shall be retained in safe custody for a period of six years.

3. Audit
3.1 An annual external audit, by Auditors appointed by the Board shall be arranged for the purpose of carrying out an examination of the accounts and financial systems.
3.2 The Auditor will review, appraise and report, where deemed appropriate, to the Board upon all matters required by SORP.

4. Banking Arrangements

4.1 Accounts
4.1.1 The charity shall have such current and deposit accounts as are deemed necessary by the Board.
4.1.2 The charity will operate a postal and internet account unless the Board decides otherwise.
4.1.3 The charity will not keep cash on site other than a petty cash account where this is deemed necessary.
4.1.4 Payments by BACS or cheques shall require two signatories/authorisations.
4.1.5 The charity shall also operate two debits cards with a limit of £500 for small purchases which will be held in the names of the CE and a senior Manager (Josh Lenthall). Debit card purchases will be retrospectively approved as per expenses claims.

4.2 Signatories / Authorisation of Payments
4.2.1 The following people will be cheque signatories: CE, FD, and up to 2 senior managers
4.2.2 Cheques/BACS payments between £0-£9,999 may be signed by any two signatories.
4.2.4 All cheques/BACS payments of £10,000 or over must have two signatures one of whom shall be a Board Member.
4.3.1 The following people shall have bank payment access: CE, FD and up to 2 senior managers

5. Income
5.1 The Chief Executive shall decide the accounting arrangements necessary to ensure that all monies due and received are banked promptly.

6. Borrowing
6.1 A decision to borrow shall only be taken by formal agreement at a meeting of the Board.
6.2 All borrowing shall be carried out in the name of the charity.

7. Budgets
7.1 A budget shall be prepared and agreed by the Board prior to March 31st in every year.
7.2 A quarterly account of income and expenditure shall be provided to the Board via the FRRAG showing progress against the budget.
7.3 Any material under/over–spends shall be reviewed, discussed and any necessary corrective actions agreed at the FRRAG for action by the next meeting.

8. Claims for expenses and allowances
8.1 The Chief Executive Officer shall be responsible for making arrangements for the administration and regulation of claims for expenses and allowances to Board members, consultants, employees and volunteers of the charity and other approved bodies.

8.2 Expenses
8.2.1 The charity shall reimburse the employee for any out-of-pocket expenses incurred in the execution of their duties.

8.3 Travel
8.3.1 Travel expenses will only be paid within four weeks of occurrence on receipt of either a ticket, petrol receipt or mileage claim form attached to a travel expenses claim form stating destination and purpose of each journey.
8.3.2 All reasonable travel expenses will be paid to allow staff to perform their duties and for Board Members to attend the Board, Board Committees, Active Oxfordshire events and other such activities as are necessary for the fulfilment of their roles as Board Members.
8.3.3 The charity will not pay Parking Penalty Tickets or speeding penalties under any circumstances

8.4 Accommodation
8.4.1 When the charity requires the employee or a Board Member to stay overnight outside of the city of their residence, the employer shall provide accommodation, dinner and breakfast. This should be pre-approved by CE.

9. Imprest (Petty Cash)
9.1 The Chief Executive shall provide such imprest accounts as considered appropriate to be operated by such officers of the charity as required for the purposes of defraying petty cash and other expenses.
9.2 Each imprest shall be of such amount as the Chief Executive deems necessary and conditions may be laid down in connection with petty cash disbursements.

10. Insurance
10.1 The Chief Executive shall ensure that appropriate insurance cover is arranged and claims negotiated.

11. Inventory
11.1 An inventory shall be maintained of all the charity’s fixed assets, recording an adequate description of them, including such readily portable items of furniture, fittings, equipment, plant and machinery with a purchase
price of more than £1,000 and an estimated life of more than twelve months. The inventory shall be in a form
determined by the Chief Executive and approved by the external auditors.
11.2 The Chief Executive shall be responsible for ensuring an annual physical check of items on the inventory.

12. Investments
12.1 The management of any surplus funds shall be made by guidance of the Board via the FRRAG Committee.
12.2 All investments shall be made in the name of the charity.
12.3 Investments shall be made with regard to environmental and other ethical concerns.

13. Purchases
13.1 Money expended on the purchase of equipment or services will only be reimbursed upon production of a valid receipt. Expenditure of more than £100 will only be with the prior agreement of the Chief Executive Officer.
13.2 For purchases between £3K and £9,999, 3 quotes should be obtained. For purchases over £10K, a full tender should be considered.

14. Commitments, Contracts and Large Purchases
14.1 The Chief Executive has the authority to commit the charity to contracts or purchases up to the value of £10,000.
14.2 Over £10,000, Board approval is required – ideally via Board meeting but can be via email and in exceptional circumstances, the Chair can take the decision.

15. Reserves
15.1 The charity will set aside a sum by way of a reserve against unforeseen contingencies. This sum will be used in the event of the organisation being threatened with closure, for redundancy payments, to cover long term sickness liabilities and maternity pay. This will be called the Designated Reserve
15.2 The charity will seek to maintain the Designated reserve equivalent to three months’ salary, rent and redundancy costs, to be recalculated annually as part of the budget process.
15.3 Other funds shall be called the General Reserve and the charity will look to hold or invest these as the trustees see fit, while always taking into account a 3-year forecast

16. Salaries, Wages and Pensions
16.1 The payment of all salaries, wages, pensions, compensation and other earnings to all employees or former employees of the charity shall be made under arrangements approved and controlled by the Chief Executive in consultation with the Chair of the Board.
16.2 The Chief Executive shall be informed of all matters affecting the payment of such earnings, including: Information necessary to maintain records of service for superannuation, income tax, national insurance SMP, SSP etc.
16.3 All records or other pay documents shall be in a form laid down by the Chief Executive and shall be certified by or on behalf of the Chief Executive

Annexes:
Annex A: Budget Setting
Annex B: Payments and Invoices
Annex A: Budget Setting

1 - General Policy
1.1 Budgets are set annually and approved by the FRRAG Committee and Board.
1.2 Budgets are built (as far as possible) bottom up and with reference to prior fiscal year values.
1.3 FD works with CE and Programme Managers on options for FRRAG Committee in January.
1.4 FRRAG Committee reviews budget in detail with particular focus on staffing to ensure the
organisation has capacity to deliver funded programmes within the capacity budgets.
1.5 Once approved by FRRAG Committee, budget is approved at full Board meeting in March.

2. Staff Costs
2.1 The organisation must have capacity to deliver funded programmes as well as grow by securing
new income and projects.
2.2 CE and FD work through what changes are needed to the team in order to deliver this and then
balance this with the associated costs.
2.3 The cost of benefits is included and includes non-contributory pension which complies with auto-
enrolment, child care vouchers and death in service. Any changes or additions to benefits need
FRRAG Committee and Board approval.
2.4 If known projects do not cover any shortfall in capacity then FD must do a risk analysis to identify
what costs could be cut and at what time in order to balance the capacity budget. The FRRAG
Committee and Board can then decide whether to take this risk or not.
3.1 For Sport England budget planning, we assume that we will allocate the awarded funding plus any
carry forward to projects. i.e. we budget no surplus or deficit on delivery.

3 Programme Delivery Costs
3.1 For Sport England budget planning, we assume that we will allocate the awarded funding plus any
carry forward to projects. i.e. we budget no surplus or deficit on delivery.
3.2 For Active Oxfordshire programmes, the budget should include a surplus – target 10-20% - to
cover the capacity to deliver.

4 Other Overheads
4.1 Accommodation costs should be based on rent contract. Changes to offices should have FRRAG
Committee approval.
4.2 Travel & subsistence is based on historical travel plus future projections for new project delivery.
4.3 Governance costs must include audit fees (as quoted), payroll (as per contract), insurance
(renewed annually in March based on income projections), quarterly FRRAG and board meetings,
any agreed Board development, strategy sessions and training.
4.4 IT/phone infrastructure is based on contracts (Microtrading, MS Office 365 mobile phones etc.).
4.5 Training and development of staff is budgeted at c. £500/head.
4.6 Consumables, office equipment and recruitment are based on planned head count and
recruitment plans.

5 Analysis
5.1 Budget should be analysed line by line by FD and CE before proposal to FRRAG Committee.
5.2 Each budget line should be shown with previous fiscal values for reference for FRRAG Committee
and Board scrutiny.
5.3 Income for capacity and spend on capacity should be clearly compared.

6 Long-term Planning
6.1 Forecast developed and updated annually to show a rolling 3- year plan.
6.2 Long-term forecast is based on known and expected income and current staff structure to highlight risk and scale of future deficits.

7 Monthly review
7.1 FD downloads actuals as per Sage to update reports so management accounts match Sage. Reconciliations of bank accounts (current, deposit and PayPal) and key balance sheets (accruals, payroll) are completed monthly and reviewed with CE. Other balance sheets reconciled annually for audit.
7.2 Reports with invoice-level detail are shared with each budget owner monthly. Any discrepancies or changes to the forecast are dealt with monthly.
7.3 Actual income and spend as well as the forecast by budget line is then reviewed by FD and CE. Updates or actions are agreed.

8 Cash Flow
8.1 Key to managing cash is prompt draw-down of Sport England Awards.
8.2 FD completes required Sport England reconciliations and claims within 6 weeks of period end.
8.3 FD develops cash forecast annually based on budget and previous spend profiles to ensure no issues.
1. General Policy
1.1 Invoices are processed to meet the payment terms of the supplier where ever possible. If no payment terms are stated, we will pay invoices within 30 days. Keeping this in mind, please process invoices as soon as possible.
1.2 Payment of invoices needs approval by the budget holder. The annual project plan must already have been approved by the CE. Payments over £5,000 will need to be verified by Finance against the signed project plan or the SLA.
Invoices over £10,000 also need approval by the Chair on behalf of the Board.
1.3 Invoices should come to the Budget holder for approval. Ideally, approval should be via signature of a printed invoice but email authorisation is accepted.
1.4 We will not use a Purchase Order system but each budget holder must keep track of their commitments as part of good budget management practice and share these at the start of the fiscal and at least quarterly with Finance and their line manager for approval. If a Purchase Order is required by the Partner Organisation – create one for your project e.g. SC16/17-001.

2. Supplier Invoice processing for payment
2.1 The relevant budget holder should:
   • Check the Supplier’s Invoice for the following information:
     (1) Made out to Active Oxfordshire at the correct address.
     (2) Invoice number and date present.
     (3) Payment details included for BACS – bank sort code and account number
     (4) Verify invoice amount against SLA/contract/agreement. Especially checking for compliance against specific terms / targets / conditions. i.e. Confirm OK to pay.
   • Confirm OK to pay by signing and leaving in FD in-tray or forward authorisation and attached invoice to finance@activeoxfordshire.org.
   • If the Invoice is not OK to pay, inform Finance Director and take appropriate action.
2.2 Finance Director to:
   • confirm details if new supplier
   • input into Sage, checking for duplicates and against commitment tracker to ensure authorised
   • verify appropriate authorisations obtained
   • pass to Admin Officer to set up on bank payment run – templates are used for payments to minimise errors and spot changes to bank details
   • approve payment on bank
   • complete entries in Sage, showing payment date
   • file paperwork

3. Raising an Invoice
In order to receive payment from partners, we need to raise invoices and send them to partners.

3.1 E-mail finance@activeoxfordshire.org with the SUBJECT line RAISE-INVOICE, Customer name and include:
   • Partner organisation name and address
   • Contact details of contact person in partner organisation – e.g. name, email address
   • Brief details of what the payment is for
   • Purchase order details if necessary
• Amount to be invoiced
• The department, budget and year to which the income will apply

3.2 Payment terms will be within 30 days of invoice date. Late payments will be dealt with by Finance with involvement of the budget holders so as to ensure relationships are respected.

4. Internal Transfers
Internal transfers are arranged in order to move funds from one project to the other. Please email finance@activeoxfordshire.org with the following details:
• Brief project and item description
• Code from which the money will go out. Approval from that project budget holder required by email (as part of trail or as an attachment).
• Amount – the amount of money you wish to transfer
• The project name and code to which the funds will go.
• Reason for the transfer.

5. Project Budget Tracking
Project Budget Tracking Reports are an essential part of control. Budget Holders are responsible for managing and tracking commitments and payments. The report should show:
• Total amount of budget
• Details and amounts of each spend element – budget, committed, invoiced and paid.
• Details of invoices approved and paid. Finance will provide a monthly report to cross-check.
• Tracker is used for year-end accruals. Accruals also checked vs. SLAs.

For example:

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<th>Project</th>
<th>Committed</th>
<th>Comments</th>
<th>Invoice received and approved</th>
<th>Invoice in Sage (updated monthly)</th>
<th>Outstanding</th>
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<td>2,000</td>
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<tr>
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<tr>
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<td>Unallocated</td>
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6. Expenses
Each employee will be reimbursed for out of pocket expenses incurred fulfilling their work. A detailed expenses policy is available separately in the policy handbook.
• Complete the Staff Expenses Claim forms and attach all receipts
• Line manager to sign for authorisation
• FD to file a hard copy with receipts.
• Each employee should claim at least monthly – or more frequently as needed

7. Debit Card/PayPal Purchases
Receipts for all purchases should be forwarded to FD for input into Sage and authorisation with CE.

8. Payroll
8.1 Salary levels and employer pension contributions are set annually as part of the budget process and approved by the FRRAG Committee and Board.
8.2 Payroll is out-sourced to Richardson Jones Accountants.
8.3 FD sends monthly request to process payroll, with any changes. CE is copied to ensure request is in line with approved salary budget.
8.4 Payments to staff and HMRC are set up on bank by FD and approved by CE as per Richardson Jones monthly instructions.
8.5 Payments to pension provider is set up as direct debits and reconciled monthly by FD.
8.6 Payments for Child Care Vouchers are against invoice raised by Edenred on submission