



Scottish Council of Taekwondo Ltd

FINANCIAL MANAGEMENT AND CONTROL PROCEDURES

All Board Directors and in the event, staff, must observe these mandatory procedures laid down by the Board of Directors. Exceptions or amendments to these procedures must be authorised by the Board.

FINANCIAL MANAGEMENT

1. THE PURPOSE

- The Board of Directors will be able to ensure and demonstrate to funders, stakeholders and beneficiaries that the assets of SCOTTISH COUNCIL OF TAEKWONDO LTD are safely controlled and managed.
- Directors will not be put in a position where funds can be misused.
- The interests of the beneficiaries of the organisation and its Directors will be protected.
- The procedures regarding the Board of Directors in financial matters will be defined.
- Financial decisions will be implemented following satisfactory pre-agreed procedures.
- Accounting regulations, standards and legal requirements will be complied with.

2. RESPONSIBILITIES

The Board of Directors (Company Directors):

- holds the assets of SCOTTISH COUNCIL OF TAEKWONDO LTD on trust for the members of the organisation and manages them on behalf of funders, ensuring that they are used to achieve the objects for which SCOTTISH COUNCIL OF TAEKWONDO LTD is established
- approves all financial management and control policies and procedures
- approves the bank signatories
- approves an annual budget for the organisation
- monitors financial outcomes
- approves general arrangements for risk management
- approves the annual audited accounts for presentation to the Annual General Meeting
- approves all company bank accounts and their signatories
- approves all expenditure in advance
- considers the appointment of the external auditor, the audit fee and makes recommendations to the AGM

The Treasurer:

- is accountable to the Board of Directors for the financial activities of SCOTTISH COUNCIL OF TAEKWONDO LTD
- ensures that accurate and timely financial information is presented to the Board of Directors
- with the Board Directors, keeps abreast of any changes in financial legislation and regulations affecting SCOTTISH COUNCIL OF TAEKWONDO LTD, in particular, with main requirements to organisation and company law
- prepares an annual budget and monitors financial outcomes of specific projects against budgets as required
- Directors and, in the event of there being any, staff, must inform the Treasurer of any unbudgeted income or expenditure
- Prepares financial reports to the Board of Directors at each Board meeting. This should show the financial position against budget.

INTERNAL CONTROLS

3. CONTRACTS

Contractual relationships:

Contracts may be entered into between SCOTTISH COUNCIL OF TAEKWONDO LTD and, among others:

- suppliers
- consultants and professional advisers
- purchasers
- funders
- grant recipients

It is important that contractual relationships are recognised as such and that no Board Director unintentionally commits SCOTTISH COUNCIL OF TAEKWONDO LTD to a contract. It is also important that contracts with consultants and agreements with volunteers are clearly drafted to avoid creating a contract of employment. All agreements with volunteers should be drafted to ensure that no legally enforceable contractual relationship is created, unless this is intentional.

Contracts must be in writing and include:

- the names and addresses of the parties to the contract
- the total contract sum, broken down by financial years where applicable
- a clear description of what is required from the parties (for brevity, this may refer to other documents e.g. tender specifications), including, where relevant, objectives, time periods, start and finish dates and payment schedules
- purchaser's rights in the case of non-performance.

Authority to sign contracts:

All new contracts or service level agreements must:

- be reviewed by the Board of Directors and amended/accepted as agreed by the Board.
- be signed by the Chair.

Contracts and agreements with grant recipients:

In the event of SCOTTISH COUNCIL OF TAEKWONDO LTD managing grant funds for its members, the Treasurer is responsible for the grant agreements being made in accordance with the funder's regulations but also with reference to the SCOTTISH COUNCIL OF TAEKWONDO LTD 's own Financial Procedures.

The Treasurer will maintain a register of contracts/SLAs which will include copies of such contracts/SLAs.

4. Director Expenses

Completion of claims

- all claims for travel and subsistence expenses, from Directors must be completed on the appropriate form, in accordance with any set limits and include a signed statement that the expenditure has been agreed by the Board
- claims by Directors will have been approved in advance of expenditure but will be authorised by the Chair.
- claims should be submitted monthly.
- all Directors must be satisfied that they have the necessary authority from the Board of Directors before committing SCOTTISH COUNCIL OF TAEKWONDO LTD to any expenditure for goods or services or to any financial liability.
- The Treasurer retains the right to alert the Board to any claims which may endanger the cash position of the organisation. In these circumstances, the claim may be discussed by the Board and also refused.
- Travel expenses.....essential car travel will be reimbursed at the government approved rate of £0.45 per mile.
- Public transport expenses will be reimbursed if travel is at the most economic rate.
- Everyone is encouraged to use the least expensive mode of travel possible. EG, train over car if the journey is possible by train and standard train tickets are the lower cost.

5. CASH AND BANKING

All incoming cheques, cash, invoices, contracts and other important documents will be sent to the Treasurer

BANKING

Bank Accounts

- The Treasurer has overall responsibility for managing all bank accounts and making payments/transfers etc.
- The Treasurer has primary responsibility for recording transactions.
- Bank accounts will be reconciled by the Treasurer and checked periodically by the Chair or another nominated Board Director.

Bank Signatories for main SCOTTISH COUNCIL OF TAEKWONDO LTD accounts

- Bank signatories will be reviewed annually at the last Board meeting before an AGM
- There should be two approved signatories
- Invoices should be countersigned by a nominated Director.
- The Chair shall be the first signatory.
- No cheques will be pre-signed.
- Cheques must not be signed by the payee.
- The Treasurer is responsible for the security of blank cheques.

Cash and cheques receivable:

- Cash and cheques may be received
- Receipts will be banked regularly, as often as is practicable; bank premises are not always conveniently located
- Cash and cheques kept on the premises will be stored with regard to insurance limits and requirements.
- Whenever possible, payments due to SCOTTISH COUNCIL OF TAEKWONDO LTD will be collected by direct transfer/BACS to the bank account.
- Receipts must be obtained for all purchases and cash advances against expenditure.

6. PURCHASE AND SALES LEDGERS

Responsibility:

The Treasurer is responsible for maintaining Purchase and Sales Ledgers for the organisation.

Purchase Ledger:

- All duly authorised invoices and claims must be passed promptly to the Treasurer for payment
- Supplier statements will be reconciled to the purchase ledger.

Sales Ledger:

- All sales invoices will be raised by the Treasurer
- The Treasurer is responsible for the collection of all payments due and will take action to collect overdue debts.

Equality and Diversity

We aim to be an organisation that values, recognises and responds to the diverse needs of members and those we serve. We adhere to the Equality Act 2010 and will not discriminate against any person or other organisation with particular reference to the protected characteristics

Monitoring and Review

The Senior Management Team, with adequate consultation of the Board of Directors, will regularly review the operation of this policy.

Agreed by SCOTTISH COUNCIL OF TAEKWONDO LTD

Signature

Date