Finance and Reserves Policy

NEATH ATHLETIC RUGBY FOOTBALL CLUB

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Policy statement

Neath Athletic RFC understands that good financial management is key to the ongoing success of the Club.

Neath Athletic RFC will put in place short term and long-term financial measures which will help the Club to be successful and to meet its objectives. This policy outlines Neath Athletic RFC 's commitments around this, and how the Club will meet them. This policy does not form part of any contract and Neath Athletic RFC may update it at any time.

Procedure

<u>Bank accounts</u>

Neath Athletic RFC will open and maintain business bank accounts as necessary to manage the Club's finances efficiently and effectively. Neath Athletic RFC will ensure that the bank or building society is authorised by the Financial Regulation Authority. To minimise risk, in line with the Financial Services Compensation Scheme, the maximum amount held with any one bank should be £85,000.

Payments from accounts will require two signatories. Neath Athletic RFC will register several signatories in order that the Club can continue to run effectively if one or more signatories are sick, on leave, or otherwise unavailable. The following people will be signatories to the account:

1. Mike Doyle, Treasurer
2. Dave Bate, Assistant Treasurer
3. Robert Williams, Chairman
4. Darren Harrison, Secretary
5. George Russ, Vice President and Team Manager

The Treasurer will be responsible for monitoring all bank accounts.

Petty cash

Neath Athletic RFC may operate a petty cash system as required and as deemed appropriate by the Treasurer. The maximum balance available via petty cash will be maximum £1000 . This amount will not exceed the maximum amount that may be kept on Neath Athletic RFC premises as stated by the relevant insurance company. Petty cash will be stored in a locked safe and will only be accessibly by the following individuals:

1. Mike Doyle , Treasurer
2. Dave Bate , Assistant Treasurer
3. George Russ, Vice President

Expenses

Neath Athletic RFC workers and volunteers may claim reimbursement of reasonable out of pocket expenses incurred in carrying out their duties. These claims/expenses must be approved by the Club Committee in advance.

Expenses claimed should be reasonable and modest. Expenses cannot be claimed if they have been separately claimed elsewhere.

Claims should be made to Neath Athletic RFC with supporting receipts. The receipts will be retained by Neath Athletic RFC for audit purposes. Refunded payments will be made directly into a bank account.

Credit cards / purchasing cards

If credit cards or on-line Bank Account access is required only relevant people deemed appropriate by the Treasurer will be approved.

Card holders will be responsible for ensuring that its use is limited exclusively to legitimate Neath Athletic RFC business, and that necessary approvals and paperwork is obtained.

Expenditure limits

In line with Neath Athletic RFC's rules, the following expenditure approval will agreed by the club Treasurer in the following areas (but not exclusive):

a. Net salaries payable to Club employees.
b. Tax payments
c. Quarterly VAT payments to HMRC
d. Payments to statutory authorities

These limits may only be changed with agreement from the Committee.

Procurement, Contracts and Tenders

Neath Athletic RFC will carry out procurement activities in line with agreed limits and procedures which will be agreed by the Committee.

All contracts and tenders will be signed by Club Chairman unless otherwise required, in which case Club Secretary will sign.

Financial reserves

Neath Athletic RFC will hold financial reserves (unrestricted reserves which are not invested in fixed assets) in order to:

- ensure that the Club can continue to operate even when it faces significant delays in income streams.
- protect the Club if it loses significant funding/income, or it has to cease operations and fulfil contracted obligations.
- protect the Club against general business risks, fluctuations in income streams and unforeseen costs.
- ensure that the Club has funds available in the event that it needs to restructure or finance future growth and development.

The Committee believes that an appropriate level of reserve for the Club is **equivalent to a minimum of 12 months operating costs, and this is reviewed annually**.

The Treasurer will carry out an annual review of reserves in order to:

- compare current reserves held with current policy level
- ensure the reserves level requirement continues to be appropriate after consideration of all financial risks and current/future plans.
- ensure current budgets and future financial plans remain consistent with the reserves policy.

<u>Budget and financial management</u>

The Committee will set a budget for the year ahead and will monitor performance against this regularly. As a minimum, financial reporting will be carried out on an annual basis in order to monitor progress against budget. The budget will show:

- how much income the Club expects to receive during the next financial year
- how much the Club expects to spend in the next financial year
- the predicted surplus (profit) or deficit (loss) for the budget period.

The Neath Athletic RFC constitution / Articles of Association outlines rules around Annual Financial Statement preparation and examination of these by an independent professional accountant. Neath Athletic RFC will adhere to these rules.

Annual Financial Statements will need to be approved at the Annual General Meeting.

<u>Cash flow forecast</u>

Cash flow planning is important given the seasonality of the Club's activities. The committee will complete regular cash flow forecasts, to ensure that there is enough cash available throughout the year.

Strategic planning

The Committee will think about its long-term plans (3-5 years) to decide where it wants to go, and where it wants to spend money.

Capital investment and borrowing

Having the right facilities and equipment is important in attracting new members and meeting the needs of existing members. The Committee will factor the cost of investing in facilities and equipment into the Neath Athletic RFC' long term financial plans.

Record keeping

Ideally, cash income should be banked, and cash expenditure should be withdrawn from the bank to provide robust audit trails. On occasion, this may not happen. However, it is essential that day to day records of income and expenditure (such as invoices, receipts etc) are retained.

Where the Club is VAT registered with HMRC, it is even more important to keep copies of paperwork pertaining to income and expenditure, as appropriate documentation will be required to support any VAT return and will need to be available as part of a VAT inspection.

Availability and Review

Neath Athletic RFC will keep this policy available in the Club and on the Neath Athletic RFC website. Anyone who needs to read it (such as any workers, volunteers, contractors, members of the public etc) can do so.

The Committee will review this policy annually, or earlier if necessary.