



**Scottish Karate Governing Body Ltd**

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## **Financial Procedures and Control Manual**

**Supported by**

**sportscotland**

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# 1. Expenses Policy and Guidelines

## *Introduction*

- a) The objective of having a travel expenses policy is to ensure that all travellers have a clear idea of what they can (and cannot) claim for when away from base. Its intention is to allow travellers to be reasonably cared for, balanced against the need to spend Scottish Karate Governing Body's money sensibly. If you have a question you should ask the Secretary for clarification.
- b) This is applicable for employees, coaches, directors and funded athletes only. Non-funded athletes should reclaim their expenses from their associations.

## *Expense Guidelines*

### 1.2.1 General Travel and Subsistence

- a) Trips should be authorised in advance by the Secretary.
- b) You should always seek to travel by the least cost method to any given meeting or competition. This is what will be reimbursed by the Governing Body. Please note that travel by second class train is generally cheaper than one person claiming mileage for a long trip and the cheaper value will be reimbursed. Mileage undertaken on behalf of the Governing Body will be reimbursed as follows:

Funded athletes:	25p per mile
Coaches:	25p per mile
Office Staff:	40p per mile
Directors:	40p per mile
- c) Mileage will be determined from place of work (or home for athletes, coaches and directors) to the destination.
- d) Parking and traffic tickets (e.g. speeding) will not be reimbursed by the Governing Body.
- e) Other forms of transport (e.g. train) will be reimbursed at standard/second class.
- f) All air travel should be in economy class unless otherwise authorised. There are many ways to keep down airfares. These include:
  - Using low cost airlines, especially for domestic trips
  - Booking as far in advance as possible
  - Using fares with restricted changes/flexibility where appropriate
  - Varying travel dates by a day or so
- g) You may hire a car where this is cost effective and most practical but this must be arranged prior to travel as per note (a). Petrol costs for hire cars will be reimbursed. Please bear in mind the relative costs and convenience of a hire car and taxis.
- h) Travel expenses by taxis will not usually be paid. If it can be demonstrated that a taxi journey was necessary, it will be reimbursed at cost assuming appropriate **receipts** are produced.
- i) You are responsible for your own personal effects whilst travelling.

## 1.2.2 Subsistence

- a) If you are travelling away to a competition and it is not reasonable to return that night then you are entitled to claim overnight accommodation expenses (including breakfast) in a reasonably priced hotel close to the event (e.g. Travel Lodge).
- b) Overnight accommodation should be approved by the Secretary prior to travel.
- c) No additional expenses on your hotel bill be reimbursed (e.g. papers, laundry, movies, telephone).
- d) If you are away for more than one day, coaches and funded athletes will be able to claim a daily allowance to cover meals, snacks and drinks as follows:
  - UK based: £25 per day
  - Overseas: £30 per day

## 1.2.3 Telephones

- a) Telephone calls (mobile or landline) will only be reimbursed if the call relates specifically to SKGB business and an itemised bill is provided with relevant calls highlighted.

## 1.2.4 Personal Credit Cards

- a) It will be assumed that you have a credit card that can be used whilst travelling, as this really is the most effective way of paying for items away from home. Cash advances will not be allowed unless absolutely necessary.

### ***How to Make a Claim***

- a) All expense claims must be submitted on the personal expenses form (see Appendix 14.1) within 2 weeks of your trip, and in any event no more than 90 days after. Late claims may be disallowed.
- b) Expenses will usually be paid twice per month. This should mean that providing claims are submitted promptly, and approved by the Secretary, you should wait no more than 2 weeks to be reimbursed. If you need to be paid faster than this you should advise you submit your claim.
- c) Expense claims must be backed by detailed receipts, properly cross-referenced to your expense claim form.

## 2. Expenses Procedure

The following procedure will apply to all SKGB personal expenses claims:

### Claimant

### Secretary

### Board of Directors

#### 1. What expenses can you claim for?

- a) Refer to Expenses Policy – Section 1.

#### 2. How are claims made?

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>a) Complete Personal Expenses Form (see Appendix 14.1).</li><li>b) Sign expenses form</li><li>c) Send signed Personal Expenses Form to Secretary</li></ul> | <ul style="list-style-type: none"><li>a) Authorise Personal Expenses Form only if:<ul style="list-style-type: none"><li>o all items are legitimate;</li><li>o claimant has signed the form; and,</li><li>o all available receipts are attached.</li></ul></li><li>b) The Secretary can authorise expenditure &lt;£100. Any item or expense claim &gt;£100 must go to the Board of Directors for authorisation.</li><li>c) The Secretary's personal expenses will be authorised by the Board Chair or Vice Chair</li></ul> |
|--|---|

#### 3. How are payments made?

- a) Secretary will write cheque for Expense claim
- b) Claims will be reviewed by Board of Directors to ensure authorised. Board will authorise any item >£100.
- c) Board of Directors signs cheque in accordance with Cheque signatory list in Appendix 14.5.
- d) Update Sage with Invoice.
- e) File in Paid Invoices file in cheque number order.

### **3. Receipt and Payment of Supplier Invoices**

- a) Invoices received for payment should be placed in in-tray.
- b) Determine what invoice was for and ensure the amount is correct. If unsure what invoice is for, contact person who initiated expenditure to determine what the expense relates to and if value is correct.
- c) Invoice should be coded with Sage code depending on what invoice was for.
- d) Approximately every two weeks, cheques should be prepared from the invoices.
- e) Board of Directors should review invoices to be paid and initial invoices. Cheques should be signed according to Cheque signatory list in Appendix xx.
- f) Secretary updates Sage with invoice payment, using cheque number as reference.
- g) Invoices should be files in cheque number order.

### **4. Cash Receipts**

- a) Any cheques received that are not banked must be kept in a locked cupboard overnight.
- b) Secretary should complete banking sheet – see Appendix 14.2. Noting the correct nominal code is important. See Appendix 14.4 for list of nominal codes.
- c) Any remittance advice should be kept with banking sheet as back up. Cash receipts handed to Secretary should be acknowledged on receipt forms.
- d) Complete pay-in slip and ensure total of pay-in slip is equal to total of banking sheet. Record pay-in slip number on banking sheet. Bank pay-in.
- e) Update Sage from banking sheet, using pay-in slip number as reference.

## **5. Journal Procedure**

- a) Complete Journal Entry Form – See Appendix 14.3.
- b) Give a sequential number and use this as the Sage reference.
- c) Input journal onto Sage – check that the journal has been processed correctly (i.e. debits and credits are the correct amounts).
- d) File journal forms in sequential number.

## **6. Payroll**

- a) Payroll is administered through sportscotland. Any changes to the salary details (for example joiner, leaver, salary amendment) should be made on the appropriate form to sportscotland by the Board of Directors. A formal notification from sportscotland should be received detailing the new payroll charge.
- b) Monthly payment advices should be checked to the amendment forms (if any).
- c) The monthly direct debit from the bank account should be reviewed and agreed to this payment advice.
- d) Any anomalies should be investigated immediately
- e) Sage needs to be updated with the monthly salary payment
- f) Payment advices should be filed in the D/D section of the Paid Invoice file

## **7. Grant Management System**

- a) The SKGB receives grant income from a number of sources, primarily sportscotland. Conditions are generally attached to each grant.
- b) Income and expenditure linked to grant income must be accounted for using separate nominal ledger codes (see Appendix 14.4 for a list of nominal ledger codes) to ensure expenditure is made according to grant conditions and to simplify reporting to the grant giving body.





## **9. Monthly Management Accounting Procedures**

### **9.1 Bank Reconciliations**

- a) The Secretary will reconcile the bank accounts each month on Sage.
- b) Prior to producing the bank reconciliation, the Secretary must ensure that:
  - o all payments in the month have been posted
  - o all direct debits and standing orders have been posted – file direct debit remittances separately
  - o all banking sheets have been posted
- c) All outstanding Sage items that are matched against the bank statement should be marked as reconciled.
- d) The Bank reconciliation should be printed once reconciled.
- e) Any unreconciled items must be followed up with an explanation noted on bank reconciliation.
- f) Any cheques that remain unpresented for more than one year should be written back.

### **9.2 Management Accounts**

- a) Management accounts will be prepared every month to review the operations of the SKGB and keep control of actual expenditure against budget.
- b) The management accounts will consist of:
  - Income and Expenditure account
  - Actual v's budget for the period and year to date with an explanation for significant variances
  - Bank Reconciliation – printed from Sage
  - Balance Sheet
- c) The management information will be reviewed by the Board of Directors at the board meeting.

## 10. Budgeting Process

- a) A budget should be prepared each year by February prior to the submission of the Investment forms to sportscotland.
- b) The budget should be based on the one year operational plan of the SKGB.
- c) This should be initially prepared by the Secretary and approved by the Board.

## 11. Fraud Policy

- a) The SKGB is absolutely committed to maintaining an honest, open and well-intentioned atmosphere. It does not tolerate fraud.
- b) 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.
- c) The SKGB encourages staff and those involved in the Governing Body not to turn a blind eye to fraud but to report it to the Secretary or other board members.
- d) The SKGB 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.

## 12. Document Retention

- a) All financial documents will be retained for 7 years.
- b) Backups of the financial data (Sage) are to be saved to disc on a regular basis (i.e. each day entries have been made to Sage) by the Secretary. This should be kept in a safe and at least one per month should be stored off-site.
- c) 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.

## 13. Insurance

- a) The Board of the SKGB are responsible for arranging insurance cover for the SKGB. Currently there are 2 policies in place, as follows:
  - Civil Liability
  - Employers' Liability



## 14.2 Banking Sheet

Date Received	Payee	Reference	Amount	Cost Centre/Description Code
<b>TOTAL BANKING</b>				

## 14.3 Journal Entry Form

Journal Entry Form				
Journal Number	Journal Detail	Nominal Code	Debit	Credit
<b>Total</b>				

Date posted: \_\_\_\_\_ Initials: \_\_\_\_\_

NB. Total of Debits must equal total of Credits  
 Journal numbers must be sequential – look at previous journal form to determine next sequential number

## 14.4 Nominal Ledger Codes

The following is a list of nominal ledger code groupings used within Sage.

No	Balance Sheet Codes
0030	Fixtures and Fittings
0031	Fixture and Fittings Depreciation
0040	Computer Equipment
0041	Computer Equipment Depreciation
1000	Stocks
1100	Sales Ledger Control Account
1101	Sundry Debtors
1103	Prepayments
1200	Bank Current Account
2100	Purchase Ledger Control Account
2101	Sundry Creditors
2109	Accruals
2200	Sales Tax Control Account
2320	Corporation Tax
3200	Profit and Loss Account
No	Income Description Codes
4000	MEMBERSHIP
4010	Affiliation
4100	DAN GRADE
4110	Dan Grade Income
4200	COACH DEVELOPMENT
4210	Licences Income
4220	Course Fees Income
4230	Child Protection Booklet
4300	LOTTERY
4310	Performance Planning (athletes)
4320	ORGANISATIONAL DEVELOPMENT
4321	Grant for Web design
4322	Grant for Salary
4323	Office setup
4400	SKGB CHAMPIONSHIPS
4410	Summer championships - spectator fees
4420	Summer Championships - entry fees
4430	Winter championships - spectator fees
4440	Winter Championships - entry fees

<b>No</b>	<b>Income Description Codes (cont.)</b>
4500	INTERNATIONALS
4501	European Seniors-Funded
4502	European Seniors - not funded
4521	European Juniors - Funded
4522	European Juniors -not funded
4531	Worlds Seniors - funded
4532	World Seniors - not funded
4541	Worlds Juniors -funded
4542	World Juniors - not funded
4550	Internationals - visiting teams
4600	PREPARATION AND TRAINING
4601	Training Squad Fees
4610	Scottish Sports Aid Grant Income
4700	TRAINING OF OFFICIALS
4701	Grant Income
4900	Bank Interest
4901	Miscellaneous Income
<b>No</b>	<b>Direct Expenditure Description Codes</b>
5000	MEMBERSHIP
5010	WKF affiliation
5020	EKF affiliation
5030	BKF affiliation
5040	SSA
5100	DAN GRADE COSTS
5110	Dan Grade Certificate Costs
5200	COACH DEVELOPMENT
5210	Disclosure Scotland
5211	Licence Books
5212	Coaching Certificates
5220	Courses- Venue Hire
5221	Courses- Tutor fees
5222	Courses- Books
5321	Web Development Costs
5400	SKGB CHAMPIONSHIPS
5410	Summer championships - Officials expenses
5420	Summer Championships - Venue Hire
5430	Winter championships - Officials Expenses
5440	Winter Championships - Venue Hire

<b>No</b>	<b>Direct Expenditure Description Codes (cont.)</b>
5500	INTERNATIONALS
5501	European Seniors - Hotels
5502	European Seniors - travel
5503	European Seniors - coaches expenses
5504	European Seniors - competition fees
5505	European Seniors - officials expenses
5521	European Juniors - Hotels
5522	European Juniors - travel
5523	European Juniors - coaches expenses
5524	European Juniors - competition fees
5525	European Juniors - officials expenses
5531	Worlds Seniors - Hotels
5532	Worlds Seniors - travel
5533	Worlds Seniors - coaches expenses
5534	Worlds Seniors - competition fees
5535	Worlds Seniors - officials expenses
5541	Worlds Juniors - Hotels
5542	Worlds Juniors - travel
5543	Worlds Juniors - coaches expenses
5544	Worlds Juniors - competition fees
5545	Worlds Juniors - officials expenses
5550	Internationals - visiting teams
5600	PREPARATION AND TRAINING
5601	Venue Hire
5602	First Aid
5610	Scottish Sports Aid Grants paid
5700	TRAINING OF OFFICIALS
5701	Officials Expenses
5702	Venue Hire
5703	Tutor fees
5800	TRAINING OF VOLUNTEERS
5801	Volunteers Expenses
5802	Venue Hire
5803	Tutor fees

No	Overhead Description Codes
7000	Wages
7100	Meetings
7200	Honoraria
7300	Secretary's expenses
7310	Directors Expenses
7400	Accountants Fees
7500	Electricity
7600	Rent
7700	Bank Charges
7750	Marketing Expenses
7800	Insurance
7900	Depreciation
8000	Stationery, postage
8100	Bad Debt Write Off
8200	Donations
8300	Administration
8400	Telephone
8500	Miscellaneous Expenditure
9998	Suspense Account
9999	Mispostings Account



## 14.5 Cheque Signatories

As at the time of writing the following people were cheque signatories with the respective limits. Two cheque signatories are required at all times.

	<b>Signatory</b>	<b>Position</b>	<b>Limit</b>
	James A Miller	Company Secretary	No Limit
	Paul Giannandrea	Chairperson	No Limit
	Terry Connell	Director	No Limit

