

Finance Policy Manual

**Approved by the Board of Directors
13 January 2021, updated June 2021, updated January 2022**

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Introduction

Swim England East Region is a company limited by guarantee and is registered in England and Wales with Company Number 12931432. Its Registered Office is Sportpark, Pavilion 3, 3 Oakwood Drive, Loughborough University, LE11 3QF.

The financial viability of the Company is the responsibility of its Directors. The Chairman of the Board is responsible for ensuring implementation of all approved financial policies, and all such financial policies are applicable to each element of the Company.

In all aspects of financial activity, the delivery of the Company's Strategy is paramount. Financial policies aim to ensure that accountability and value for money are clearly identified in all the activities of the Company and in the delivery of financial services to its members. The Company aims to ensure that equality, quality and openness are applied across all aspects of financial activity. These requirements are applied and embodied in these Finance Policies. External examination arrangements are in place to review the adherence to the Policies and they are overseen by a Finance Director.

The Company has established an Audit, Risk and Probity Committee to oversee the management of the Company.

A Regional Operations Committee has also been established to:-

- have day-to-day management of the implementation of the Company's strategy,
- deliver the requirements in the overall policies and plans,
- deliver development for athletes, coaches and volunteers and
- management and delivery of competition

These Policies conform to the Company's Articles of Association in order to produce fair and true accounts. The Company's overall financial objective is to maximise the available resources to provide a high standard of service whilst maintaining financial viability. In particular financial policy aims to ensure that:-

- the Company plans and conducts its financial and business affairs to ensure that it remains solvent
- taking one year with another, total expenditure is not greater than total income, unless prior approval has been given by the Directors.

It should be noted that Regional Staff, who are jointly employed by the Company and the Amateur Swimming Association (Swim England) Ltd, (hereafter referred to as Swim England) must also follow Swim England Financial Policies. In the event of an inconsistency between the Company's policies and those of Swim England, Staff must follow the Swim England Policy.

Register of Pecuniary Interests

The Company will maintain a register of pecuniary interests in connection with Directors, officers, Managers of Leadership Groups and members of the Regional Operations and Audit, Risk and Probity committees, updated annually following the Annual General Meeting. In addition, declarations of conflicts of interest will be taken at the start of all meetings.

Pecuniary Interests cover the following main issues:

- Any employment or income received from work undertaken within the sport.
- Any income received from the sport as a partner or director or employee within a firm.
- Any sponsorship received.
- Any sponsorship given to any aspect of the sport.
- Any contracts with the sport for the provision of services or goods for profit.
- Any interests in any corporate bodies for personal benefit which do business with the Company. The register is to also include interests of close family members.

Purchasing Policy

The Company seeks to ensure that its operational activities are consistent with, and supportive of, the Strategy and its associated values and aims, and are consistent with the policy stances taken by the organisation on equal opportunities, Company affairs and environmental issues. The Company, therefore, wishes to ensure that the process of the purchasing of goods is sensitive to environmental factors, that it shows commitment to the Company by, wherever possible, procuring goods from local firms, and that it facilitates equality of opportunity through contract compliance measures. These principles of purchasing will only be adopted, however, where value for money and quality can be achieved.

1. The Company will seek to achieve value for money in all purchases. A number of factors including price, quality and fitness for purpose are relevant when considering value for money.
2. Wherever possible, the Company will not deal with companies who are known to operate discriminatory practices (e.g. employee, racial/ethnic, and equality).
3. Products will normally be sourced from within the Company's area of benefit, subject to value for money and fitness for purpose.
4. Where appropriate, purchasing will be on the basis of "just-in-time" to prevent unnecessarily large levels of stock being maintained.

The Company has an aim of moving events around the region, so that there is a fair distribution of travel and overnight stays, as appropriate. However this aim does not override the value for money principle and suitability.

Purchasing Procedures

1. Before any actual item to be purchased is identified the requirements of the item must be established, e.g. the need for a touch screen portable computer is established not that a tablet is needed.
2. Where appropriate, two quotes for the purchase should be obtained. There are exceptions to this for repeat purchases or uniqueness. In the case of uniqueness comparative costs should be obtained if possible.
3. The purchase must be within the already agreed budget. If it is not, then exceptionally approval of the Directors shall be sought by way of a Budget Variation request. It should be noted that approval is not automatically given.
4. The supplier must be agreed with the Directors and a written order must be produced for the purchase.
5. The invoice must be addressed to Swim England East Region and sent to the person producing the order, who will authorise payment and pass the invoice to the Finance Administrator for settlement.
6. All equipment, including personal wear that is to be purchased depicting the Swim England East Region logo, must be ordered through the Regional office.

Planning & Budgeting Policy

Principle

The Directors need to be sure that the Company's aims and objectives are being delivered by its staff and committees and Leadership Groups operating under its control. They also need to be able to report on activities undertaken in the Annual Report and at the Annual General Meeting.

Planning

The Company and its Leadership Groups will produce a yearly plan for its activities, working in partnership with Regional staff. Although the plan does not need to be a complex document, it must cover the following areas:

Operational

These are activities that have to be undertaken just to manage the Leadership Group e.g. Group meetings

Annual

These are activities that the Group undertakes on an annual basis e.g. competitions, together with expected dates.

Development

These are activities that move the discipline forward. These must be items covered by the Company's Strategy. The plan will be reviewed and agreed at the Board meeting prior to the start of the Company's financial year.

Budgeting

Together with Regional staff, each Group will produce a budget to support the plan that has been developed.

The budget will cover both income and expenditure and will be broken down into the three areas described above, using the prescribed standard headings to enable collation into an overall annual Company budget. The budget must also be split by expected month of expenditure so that the Company can predict cash flow.

The budget will be reviewed and agreed at the Regional Operations Committee and Board Meeting prior to the start of the Company's financial year.

Management

Each Group will manage their operational and annual activities. Development activities will be co-managed by the Regional staff in line with the approved plan and budget.

Variations

The Directors are able to agree any changes to plans and budgets. The Directors will seek to discuss significant changes with the Regional Operations Committee in advance of making a decision. Where this is not possible the decision will be notified at the next meeting of the Regional Operations Committee.

Reporting

Leadership Group Managers, will receive monthly budget reports from the Financial Administrator, detailing actual income and expenditure in the relevant budget codes, compared with budgeted income and expenditure. They should share these with their Group and at each meeting discuss those received since the last meeting. Regional Staff will also receive monthly reports on income and expenditure, relating to development activities, and will report to the Directors on any exceptions.

Leadership Groups, Committees and staff may be requested to report to the Directors or Regional Operations Committee, on progress against plan, and comment on their financial position.

Expenses Policy

Principle

Individuals who volunteer to undertake activities on behalf of the Company are giving up their time to do so. The Company does not expect them to have to pay to volunteer. Necessary expenses incurred by individuals, undertaking voluntary activities directly attributable to the Company, will be reimbursed by the Company.

Procedure:-

Travel

Travel expenses must only be incurred when face-to-face meetings are essential. For 2021 the Directors have stated that all meetings should be virtual rather than face to face

Fares

The normal class of travel is standard. Valid receipts are required to claim reimbursement for all business travel.

Mileage Allowance

Detailed descriptions of the start and end point of each journey, plus date(s) and mileage travelled for each journey, must be shown on all expenses claim forms. Failure to provide sufficient detail may result in the mileage recovery claim being rejected or payment being delayed.

The current mileage rate is 45p per mile. This is aligned with the current rates allowed for employees by the HM Revenue & Customs and does not infer individuals are employed by the Company.

Car parking fees and tolls will be refunded, obtaining receipts whenever possible.

Accommodation and Subsistence

Subsistence covers breakfast, lunch, evening meals, and any other necessary refreshments incurred throughout the day.

Overnight accommodation will only be considered where a trip cannot reasonably be completed within a day, or where a meeting, or event, covers more than one day and travelling home overnight would be unreasonable. In these circumstances the event organiser will detail the criteria for overnight accommodation and may set expenses limits that are no more generous than those detailed in this document.

Budget hotels such as Holiday Inn Express, Premier Inn or Travelodge should be used whenever possible. Staff and event organisers should negotiate prices with preferred hotels and, where this is the case, they must be used unless specifically arrangements are agreed with the event organiser in advance.

The maximum amounts per person that can be claimed for Subsistence are;

Breakfast	£10
Lunch	£5
Dinner	£15

Claims for more than one person can only be made if the additional person is on recognised Company business, e.g. The President's Consort has also been invited to attend.

Any other personal expenses, excluding those above, must not exceed £5.00 per day. Any additional expenses incurred during a hotel stay such as video channels, drinks, laundry etc., will be the personal responsibility of the volunteer. They must be paid on leaving the hotel and cannot be reclaimed from the Company.

Telephone Calls

The cost of any telephone calls made on behalf of the Company will be refunded at the rate charged by the service provider used.

Although Zoom is the preferred method where meetings are held via Conference Call, the Company's designated provider should be used. The Regional office will be able to provide details of the designated provider.

Claims

All claims must be made on the Company's designated Expenses Claim Form. These forms must be completed fully and sent, with any receipts, to be duly authorised as detailed below. The form can either be submitted in 'hard copy' or electronically, but both must contain the signature of the claimant. If forms are submitted electronically then any receipts must also be provided electronically. Paper copies are not required for electronic submissions but must be kept for seven years should they be required by HMRC.

Any claim should be made within 28 days of the expenditure/event. If claims are not received within 28 days the Company reserves the right to refuse to pay such claims.

Authorisation Process for expenses

No person can authorise their own expenses, or those of a close family member or partner.

- Discipline Managers can approve expenses within the agreed budget up to £1000 for their discipline. Amounts above this will need to be approved by the Discipline Manager and an unrelated Director.
- Discipline Manager and Director's expenses will be approved by the Finance Director if they are less than £1000. Amounts over £1000 need to be approved by a second unrelated Director.
- The Finance Director's expenses will be approved by the Chairman if they are less than £1000. Amounts over £1000 need to be approved by a second unrelated Director.
- The Chairman's expenses will be approved by an unrelated Director if they are less than £1000. Amounts over £1000 need to be approved by a second unrelated Director.

In the absence of the Chairman or the Finance Director, another Director can authorise expenses other than their own.

Authorisation by signature, either actual or an electronic copy, is preferred. Authorisation by e mail will be accepted provided it contains the following wording:

*I authorise the payment of £(amount) to (person or organisation) in respect of the expenses form * or invoice * to be charged against _____ event/budget.*

Where a physical signature is used the sentence above must be used together with the details below.

Signature _____ dated (dd/mm/yy).

* delete as applicable.

Invoice Payment

Authority to pay invoices up to £5000 should come from the Discipline Manager concerned. If they are not available, the Chairman or Finance Director can authorise the payment.

Where the invoice is in respect of stock, facility hire or development, Regional staff can authorise payment up to £5000 provided that they made the booking, or placed the order, and it is for an amount within the budget.

Staff recharge invoices should be authorised by the Regional Development Manager and approved by the Chairman which will act as the secondary authorisation as required in the following paragraph.

Payments above £5000 require the secondary authorisation of a Director or a different Director if the payment was initially authorised by a Director.

Capital Expenditure Policy

The Company's policy, and direction, with regard to capital, is to secure sufficient equipment to enable the Company to conduct its affairs satisfactorily within available resources.

Definition of Capital Expenditure

The Company has a clear definition of capital expenditure as follows:

- 1) Capital expenditure is expenditure on a tangible resource with an expected life in excess of one year.
- 2) The capitalisation limit is expenditure of £1000 or more on:
 - a) A discrete asset
 - b) A collection of assets, which individually may be valued at less than £1000, but which collectively form a single capital asset because the items fulfil **all** of the following criteria:
 - i) The items are functionally interdependent
 - ii) The items are acquired at about the same date and are planned for disposal at about the same date
 - iii) The items are under single managerial control
 - c) At the discretion of the Finance Director, a collection of assets which individually may be valued at less than £1000 but which form part of the initial equipping and setting-up of a discipline capability.

Chargeable period and depreciation

- 1) Depreciation is payable on assets at the end of the financial year in which they are purchased.
- 2) Assets will be depreciated on a straight line basis over their estimated useful life. This is 3 years for IT equipment, 5 years for office, technical swimming and promotional equipment. Furniture is depreciated over 10 years.

Cessation of depreciation charges

Depreciation ceases to be payable on disposal of an asset. Disposal is deemed to arise when the asset is no longer available for use and is removed from the asset register. This will occur because the asset is:-

- Sold, or ownership is transferred;
- recorded as being lost or destroyed; or
- permanently removed from the Company when it has reached the end of its useful life and is scrapped

Use of assets

The Company's assets may only be used for the Company's business, or connected purposes.

Recording of assets

The Company's assets will, wherever practical, be clearly marked with a Company logo or asset number and recorded in an asset spreadsheet.

Assets surplus to requirements

An asset, which has been declared surplus to requirements but is still available for use will still incur depreciation charges if it has not been reached the end of its depreciated life.

Approval to write off and dispose of surplus and redundant assets

The Directors are responsible for this and will be advised by the Finance Director.

Assets transferred from the Unincorporated Association

The Directors will, during the first year of trading, review any transferred assets and decide how they should be handled in accordance with the policy above.

Debt Recovery Policy

The Company places considerable emphasis on the collection of monies due to it and has developed a debt recovery policy as stated below, supported by a set of procedures.

Policy Statement on Debt Recovery

- 1) The Company will actively pursue the collection of monies owed to it.
- 2) If an invoice remains unpaid the Finance Director will endeavour to establish why the account has not been paid and when payment is to be received.
- 3) The Company will seek advice from Swim England Finance Team in the pursuit of debts.
- 4) The Company will be mindful of the well-being of its debtors who are also members and will have regard to their inability, on occasions, to meet their financial responsibilities on time due to reasons beyond their control, or where it has been established that they have severe financial difficulties. Notwithstanding this, the Company will not prejudice its own financial viability in order to provide relief to its debtors.

Principles of Implementation

The debt recovery procedures will be followed to ensure that debts are recovered in a cost effective and timely manner.

Treasury Management Policy

The Company is concerned to ensure effective management of surplus cash balances. For this reason, the Company will minimise its exposure to individual banks by using a number of high street banks with separate banking licences.

The Directors will decide on the opening and closing of bank accounts and will approve the list of signatories. To facilitate payments for on line and telephone purchases and bookings, and to avoid the need for the use of personal accounts, debit cards will be issued to key officers and staff.

The Company will aim to keep the amount held by a bank within the limit of the deposit protection scheme. Banks will be chosen to allow easy access to paying in facilities. Wherever possible, on line banking will be used to improve efficiency. Monies not required for day to day operations will be placed in notice deposit accounts to maximise interest income. An alternative way to maximise interest income will be to make loans to Swim England when they seek to borrow from Regions.

Responsibility for Treasury Management lies with the Finance Director.

VAT Policy

The Company is not registered for VAT and will seek to remain so.

Tax Planning Policy

The Company will not carry out any activities outside its Area of Benefit as determined by the Memorandum of Association. It will restrict its activities within its Area of benefit to County Associations, Affiliated Clubs and their members. In that way it will not carry out any trading activities so not be liable to Corporation Tax.

Insurance Policy

The Company's insurance cover will be provided under the Swim England insurance policy obtained through its affiliation to Swim England. The Company will also separately arrange insurance for its property.

Commercial Ethics, Declaration of Interests and Acceptance of Hospitality and Gifts

Like any organisation, the Company expects the highest standards of conduct from its staff and volunteers. The Company is a governing body, in receipt of members' funds, and, as such, has significant obligations. It has a duty to protect members' assets, ensure that management and other practices accord with the standards of probity expected of sporting bodies, and a duty to ensure that the resources available to it are used only in furtherance of the Company's objectives.

Against this background, anybody holding an elected or appointed Company position is expected to comply with the principles of conduct set out below. These principles are intended to apply in particular to the conduct of financial and related business, but they should be regarded as having a general application to the full range of the Company's activities.

Commercial ethics, declaration of interests and acceptance of hospitality and gifts

Individuals acting on behalf of the Company are expected to observe the following principles of conduct in all financial and related transactions.

- 1) Decisions must be taken solely in terms of the Company's interests. Personal relationships, friendships, family links or personal advantage must not influence decisions. Similarly individuals must not place themselves under any financial or other obligation to outside individuals or organisations, which might influence them in the performance of their Company duties. Any conflicts of interest in these respects must be declared to the Chairman or Discipline Manager at the time that such conflict becomes apparent. Where the conflict of interest is judged to be material, an individual with such an interest will be required to withdraw from the decision-making process.
- 2) No contracts, or sub-contracts, may be placed by any individual with a company, partnership, sole trader or other entity owned by a person holding an elected or appointed Company position or a 'related party' to that person without formal authorisation by the Board Chairman, who must be notified of the possibility of such a contract as soon as it arises.
- 3) Value for money must always be a prime criterion in any transaction. This does not mean, of course, that a product or service should be purchased only by reference to price; other factors - including for example quality and fitness for purpose - are relevant considerations. Where this is the case the decision, along with the reasons must be fully documented.
- 4) All people holding an elected or appointed Company position have a responsibility to protect the assets and integrity of the Company, and are expected to take all reasonable steps to safeguard and protect the physical assets and other property of the Company (including cash and equipment).
- 5) Company equipment and other facilities should not be used for personal advantage, except as may be agreed by the Chairman.
- 6) Breach of this policy is a breach of the Code of Ethics and could result in disciplinary procedures being invoked.
- 7) Elected or appointed Company office holders may accept meals, and equivalent hospitality, only in the normal course of their Company duties and only when the hospitality is of a reasonable level.

Giving of hospitality or gifts to external bodies, external clients and Company office holders

- 1) Hospitality or gifts to external bodies or individuals should only be offered in the normal course of business, and only when the hospitality is of a reasonable level.
- 2) Gifts to members of the Company are not regarded as the normal course of business. Awards presented, or intended to be presented, at the Company's AGM or other awards presentation are regarded as the normal course of business.

Fraud and Other Financial Irregularity

The Company places considerable emphasis on the prevention of fraud. Measures include the denial of opportunity, effective leadership, auditing and volunteer screening.

- 1) Duties shall be segregated so that no one individual has undue management control of purchasing, payments, income or assets.
- 2) Wherever practicable the duties of individuals who have access to financial systems should be rotated
- 3) Physical access to computerised financial systems should be restricted to prevent misuse of information and systems.
- 4) Key determinants in behaviour in an organisation are the standards observed and set from the senior management
- 5) The Company may be subject to an audit by Swim England
- 6) The Company's annual accounts are subject to external examination by a person or firm appointed at the AGM.
- 7) The Directors should ensure that internal management systems are designed with effective internal check and internal controls. This includes several people having access to the bank accounts, distribution of reports to the Board, includes segregation of duties, reconciliation procedures, random checking of transactions and review of management accounting information.
- 8) The Audit, Risk and Probity Committee will oversee the Directors management of this area.

Fraud Response Plan

In the event of suspected fraud, assistance may be sought from the Swim England Finance Team.

Bad Debt Write-Off

A debt is to be written off as a bad debt expense when it has fulfilled one of the following criteria:

- It is not economical to pursue the debt further;
- The debt cannot be proved;
- The debtor cannot be located;
- The debt is overdue greater than one year.

The amount of the bad debt, plus any collection costs, will be debited to the relevant budget code as a bad debt expense. The bad debt write off is to occur in the same month as when the debt is recognised as bad. The Directors are responsible for the analysing the outstanding receivables and creating a provision in the accounts for those, which are deemed doubtful or uncollectible. The amounts may be an exact amount or an estimate but must be supported by the documentation that is held on file.

Project Management

The Company will project manage all significant new activities. The aim is to achieve effective and economic management of developments with visible and clearly established project leadership. Championships and training activities that are taking place for the second or subsequent time can be treated as ongoing activities and need not follow this policy.

A project must have:

- A Project Mandate that defines the reason for the project and what outcome is required – this should support Company strategic objectives.
- Have well-defined objectives within an accountability framework.
- Employ sound management principles.
- Be adequately resourced by relevant Disciplines.
- Be managed in a manner sensitive to risk, complexity and economy of resources.

Employment Status

The Company regularly receives invoices or claims for paid work undertaken on its behalf; typically they are from tutors or coaches. HMRC regulations state that all individuals must pay tax on all income received. Those individuals who are classed as self-employed do so by way of the self-assessment tax return. For individuals who are employed elsewhere, they must also declare income earned over and above their regular job. Whilst it is their responsibility to declare additional earnings to HMRC, legally it is those companies/institutions, who hired the individual, who have the responsibility to deduct tax and pay it over to the HMRC.

In order to ensure that the Company does not fall foul of HMRC rules, the Company will not pay any invoice gross without proof of self-employed individuals' unique tax reference number, this will ensure that:

- The Company is not at risk of contravening HMRC rules
- The correct PAYE deductions are enforced on anyone not registered as self employed
- The following process must be followed;
 - If self-employed, they raise an invoice and send in along with evidence of their unique tax reference number to the relevant budget holder who will authorise it for payment and sent it to the Company for payment.
 - If not self-employed, they must complete the work as a Swim England Casual Worker, which includes providing confirmation of the right to work in the UK, and a Casual Worker Agreement for Services. Swim England will make the payment net of tax and NI. The relevant budget holder will authorise payment to the Company office upon receipt of invoice from Swim England.

Accepting payments direct to our bank account.

There are advantages to the Company receiving payments directly into our account. It is faster, cheaper for the bank and less work for us. However, there are also disadvantages if the process is not managed. We end up with money where we do not know the reason why and cannot allocate to the relevant event or discipline.

It is therefore important that the payee advises member of staff, or the person within a Discipline expecting the payment, and the Finance Administrator (Finance@eastswimming.org) that they have made a payment, the amount paid, and any breakdown of the payment e.g. coach passes and competition entries.

The Company has accounts with the Co-operative and Nat West banks. Details will be provided on request.

Online and Card Payments

For competitions, courses, and events where entry or booking is done online rather than the sending in of a paper form payment should be done online using either Paypal or Stripe as detailed by the organiser.

Payment for spectator entry by Credit or Debit card is now an option using a Square terminal.

Competitions, courses and events using these methods must allow for transaction costs when setting budgets and fees but it should be noted that a specific fee for using these methods is not allowed.

Refunds

In exceptional circumstances, the Region will consider refunding entry and booking fees for competitions, courses and events. When considering requests for refunds the Region will consider the individual circumstances, but will also take into account committed expenditure, administration and other costs and potential loss of revenue. Where appropriate, independent verification may be sought. Information on refunds will usually be included in the entry conditions for regional competitions and booking forms for courses and events.

Non purchase agreements

No agreements, with individuals or organisations, shall be entered into, or renewed, without the prior agreement of the Directors. If agreed, the agreement should be signed by the Chairman or, in their extended absence, a fellow Director. A copy of the agreement should be held with the minutes of the relevant Board meeting, and a further copy held in an agreements file in the office.

This includes any sponsorship arrangement made with different disciplines, but for the benefit of the Company. Except in exceptional circumstances, agreements should not exceed a three year term.

Reserves

The Company will aim to have cash Reserves to enable it to pay for staff and essential running costs for a year in the event that there is no affiliation or other income.