



**Scottish Association of
Local Sports Councils**

SCOTTISH ASSOCIATION of LOCAL SPORTS COUNCIL

GOVERNANCE POLICY

CONTENTS

1. INTRODUCTIONS
 2. SALSC MISSION STATEMENT
 3. SALSC OBJECTIVES
 4. ELIGIBILITY of DIRECTORS
 5. GOVERNANCE RESPONSIBILITIES
 6. MANAGEMENT RESPONSIBILITIES
 7. ACCOUNTING, INCOME and BANKING
 8. EXPENDITURE
 9. EXPENSES
 10. MANAGEMENT ACCOUNTS and MONITORING of BUDGETS
 11. FRAUD POLICY
 12. INSURANCE
- GLOSSARY of TERMS
- FORMS

1. INTRODUCTION

The Scottish Association of Local Sports Councils (SALSC) has a significant part to play in the future delivery of local grassroots sport in Scotland. Members must ensure the association is effective, responsible and accountable. Its Directors are there to oversee and take responsibility for everything SALSC does. It is an important role and one not to be taken on without an understanding of what is involved.

However, it is essential for Directors to find out what they should be doing or how they should carry out their duties. In addition, there is an increasing demand from external sources – Funders, Government, Local Authorities, Public – for any voluntary organisation to demonstrate their ability to perform to the highest standards.

This procedural document is designed to provide advice and guidance on governance and financial procedures. It has been prepared to help members by:

- ✓ Providing information about the functions that SALSC performs
- ✓ Assisting individuals to understand more about their roles and responsibilities and potential liabilities
- ✓ Encouraging the development and improvement of practice

Governance for volunteer organisations could be defined as:

The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation.

Governance does not mean management. The difference between the two is shown in the following table:

Governance	Management
Overview of organisation as a whole	Day to day operation of programme or projects
Long-term direction	Short to medium-term implementation of plans
Processes and frameworks for effective working	Detailed planning and supervision
Accountable for actions and decisions	Responsible for delivery

As the table shows, governance is broadly about strategy and management is broadly about operations.

The lines between governance and management are easily blurred. This is because, while good operational management relies on sound direction and strategic planning, the development of a strategic, long-term plan depends on the results of good management.

The main focus for any employed staff should be on operational matters, whilst the Board should focus on strategic matters. The intersection between the two, strategy and operations, is a crucial area for the efficiency and effectiveness of the organisation. Communication at this intersection should have special priority.

2. SALSC MISSION STATEMENT

To provide a voice for sport in the community at local, national and international Level and to develop international relationships through agencies such as ISCA, DGI, etc, particularly at local and community level.

3. SALSC OBJECTIVES

The objectives of the Association shall be:-

Maximising the potential of local sports councils and associate organisations

Promoting participation in sport, physical recreation, health, and fitness at a local level

Creating partnerships with other national agencies with similar aims

Developing links with other countries committed to the ideology of Sport for All

4. ELIGIBILITY OF DIRECTORS

People cannot become part of the Board of Directors of SALSC if they:

Have been convicted of criminal offences relating to the promotion, formation, management or liquidation of a company

Have been persistently in default of company legislation for filing accounts or other returns

Have been found guilty of fraudulent trading

Are disqualified from being company directors

People who have committed a serious offence against children

People who are under the age of 18 years

Members of SALSC can become Directors in two ways. Either they are elected to the Board by a vote at the AGM or SGM or appointed by the existing directors in line with the Constitution. Sometimes the recruitment process will involve applications, interviews and taking up references.

Directors of SALSC will be unpaid but may claim expenses in certain circumstances. This is because SALSC is established for public benefit and not for personal gain. A common exception is where a member of the association is the best person to do a specific piece of work for the organisation, which would in any event be purchased or contracted out. In this case the member might be paid a one-off fee. Good practice dictates there should certainly not be any routine remuneration for the time or effort given to the organisation in the course of a person's duties as a Director.

5. GOVERNANCE RESPONSIBILITIES

This section describes the governance responsibilities of SALSC and its Board of Directors. The aim of this section is to allow the association to operate in a transparent and accountable manner, subject to the Constitution and monitoring at an Annual General Meeting.

5.1 Scottish Association of Local Sports Councils

The role of SALSC is to ensure that the association meets its objectives. To do this, SALSC must ensure the association is effective and well run.

Inappropriate financial operation can lead to grave consequences. Financially, legally, and for the reputation of SALSC. It is therefore imperative that these procedures are always observed. Failure to follow these procedures may also incur personal liability.

This helps to define what SALSC should do, what it should not do, how it can be creative, and how it needs to steer a course between different and sometimes competing interests to meet the objectives of the association. At the same time SALSC members have an opportunity to be creative in the methods that they use to enable it to meet its objectives.

SALSC makes a unique contribution to the organisation of local grassroots sport by focusing on the achievement of its long term objectives. The association is about making a difference for local sport within Scotland, promoting participation in sport and supporting the concept of sport for all.

The association has both formal power and responsibility. The powers and responsibilities are contained in the Constitution and associated procedure documents. If things go wrong, it is SALSC that will be called to account at the Annual General Meeting. Members of SALSC need to be aware of this and to act in the best interests of the association following all requirements of law and regulation. This is sometimes referred to as the need for 'due diligence'.

5.2 Board of Directors

In a word, the role of the Board is leadership. Leadership means setting the vision for the organisation and running it in a way that will achieve these aims. There are many different tasks associated with this role and many different ways that it can be fulfilled. Rarely will the Board undertake this role totally alone without help or support but it is important for Board members to be clear that they are in charge of the association and they are ultimately responsible in law (i.e. legally liable) for what it does.

Board members must understand what they are responsible for. This procedure will give an idea of the breadth of issues that should be considered when establishing and/or running the association.

In a situation of uncertainty it is imperative to seek advice rather than go ahead without being sure of doing the right thing.

What the Board of Directors should do

To enable the association to meet its objectives, the Board should perform the following functions:

the association is clear in its purpose and direction. Strategic planning is imperative and must consider long, medium and short term issues
the association is effectively managed, operates efficiently and works within its policies and budgets, any relevant good practice guidance and the law

all decisions taken are in line with and safeguard the ideals and purpose of the association as laid out in the Constitution
be guided by the objectives when making all decisions
monitor, evaluate and review progress towards meeting the objectives
the association fulfils all its legal obligations
comply with the demands of external regulators
maintain the values of the association
provide sufficient guidance for volunteers and staff in performing their duties
resources are safeguarded and used efficiently in line with the purposes for which they were given
the association is accountable financially and in other ways

What the Board of Directors should not do

The functions listed above mean that the association should focus on the ‘big picture’ ensuring that there is a good strategy in place to meet the objectives of the association. The Board should, as far as possible, stay out of the day-to-day implementation of the strategy and, where possible, steer clear of making operational decisions.

It is usually the case that voluntary organisations work for the benefit of others and this often puts them in a position of trust. In other words someone else trusts them to do a certain thing. This is always true with respect to any money given to the organisation in furtherance of its objectives.

In fulfilling its roles and responsibilities the Board may work with and seek help from voluntary sector infrastructure and intermediary bodies, the public or private sector, its own staff, volunteers. In fact anyone it chooses to ask. For example, the committee of an organisation with staff would be foolish to try and set its vision for the next three years without involving the very people who were delivering its work. Voluntary sector infrastructure and intermediary bodies (like VDS and SCVO) only exist to support the sector so they are very well geared to assist.

5.3 Directors

An essential feature of associations within the voluntary sector is that responsibility is collective. Should there be any legal or financial repercussions from decisions made by the association, then all members of that group are legally liable in equal proportions.

It follows then that the behaviour of one member of the association is the concern of all the others and may possibly have to be explained or accounted for by them. This means that, if a director is absent from a meeting, or series of meetings, they are still responsible for decisions made when they were not present. Their absence does not absolve them from responsibility or liability.

The message is, do the right things, and if you do, it is unlikely that you or the Board of Directors will be taken to task for any errors that may occur.

5.4 *What is expected of individual directors?*

There are six key elements that describe the core remit for individual members. They are as follows:

Know and understand the duties and activities required to fulfill the role including the legal obligations that underpin them

Actively contribute to the work of the Board, as an office bearer, as the chair or simply as a member of the Board or working group
Prepare for, and participate fully in, meetings, training, planning sessions and reviews
Give each other support and help, and do whatever is possible to manage differences constructively
Seek to have constructive, and respectful, communication and coordination with the volunteers and paid staff; and when necessary use the appropriate procedures for managing concerns about performance and for responding to grievances or complaints.
Act with integrity, avoid conflicts of interest and be worthy of the trust invested in the role by ensuring that all decisions are made solely in the interests of the organisation

6. MANAGEMENT RESPONSIBILITIES

This section describes the management responsibilities within SALSC and its Board of Directors. The aim of this section is to allow the association to allocate managerial responsibilities to the appropriate people in order to comply with overall objectives.

6.1 Chairman

As the leader of SALSC, it is the particular responsibility of the chair to manage meetings effectively and in doing so to lead or guide the Board.

Leadership should not be confused with control. Good leadership provides a framework that enables all Directors to take part in debate or discussion and make decisions in the best interests of SALSC.

The effectiveness of the chair depends in creating the right atmosphere where all views are expressed and differences enhance, rather than damage, collective working. This will enable the Board to examine its own performance in an honest and open way

The chair is required to undertake specific tasks associated with:

Running effective meetings, ensuring thorough discussion and clear decision making and taking a casting vote when necessary

Ensuring that information and advice is made available at the right time to Board members

Resolving conflict within, or on behalf of, SALSC

Taking action outside meetings, when a decision has to be made with urgency again this is in line with the Constitution

In addition the chair may also take on other duties such as:

Chairing subcommittees

Representing the Board at external meetings or events

Being actively involved in fundraising or public relations activities

Acting as cheque signatory and/or as a signatory to funding applications

Taking part in the recruitment of staff and acting as a supervisor or coach to senior staff or managers

6.2 Vice Chair

The Vice Chair should deputise for the Chair at meetings and where authorised or requested by the Chair at events and functions that the Chair is unable to attend. The

Vice Chair should assist the chair on request in any matter practicable to allow the Chair to carry out his duties in a proper manner

6.3 Company Secretary

The Company Secretary is, as far as the law is concerned, the 'senior administrator' responsible for ensuring that regulations are complied with. The duties of the Company Secretary include:

Preparing the paperwork for meetings

Being familiar with and overseeing procedures for the operation of the Board e.g. organising the Annual General Meetings

Providing the Registrar of Companies with required information e.g. annual financial returns, changes in members of the Board and notification of where the organisation's records are kept.

Although the Company Secretary is responsible for carrying out particular duties, it is the Board that is expected to ensure the organisation conforms to its legal obligations.

Unlike an honorary office bearer, the Company Secretary need not be a member of the Board. A member of the volunteer or paid staff could hold the post.

6.4 Treasurer

The primary role of the Treasurer is to assist the Board of Directors in its duty to ensure sound financial management, and to meet its obligations to account for the finances. The duties of the Treasurer include:

To manage the day-to-day financial operations of SALSC and ensure the prompt progression of all financial and related business, ensuring that expenditure is consistent with the organisation's plans and the requirements of any funders

To advise the Chairman and the Board on financial matters ensuring the financial integrity of the association

To advise on the viability of the Board's financial strategy, in the form of written comments on the annual accounts and budget, submitted to the Board and the Annual General Meeting

To present the Budget drafted by the Board for the forthcoming year to the first Board meeting of the new financial year

To ensure that the budget as a whole and individual budget headings are not overspent

To present accounts showing expenditure to date against the headings of the approved budget to the Board

Helping to put together financial plans, reports and related policies and to oversee the preparation of accounts for audit

Liaising with the accountant, auditor or any other financial examiner

To present yearly accounts to the Board by the end of December, annually

Ensure statutory returns are made to any relevant regulators

6.5 Director of Administration and Policy

The primary role of the Admin Director is to make sure that the paperwork for meetings is in good order. The duties of the Admin Director shall include but will not be limited to the following:

Helping the Chair to set the agenda
 Taking the minutes at meetings of the Board and Working Groups
 Assisting with arrangements for the Annual General Meeting
 Being the contact point for correspondence
 Sending out correspondence on behalf of SALSC
 Being a cheque signatory
 Carry out all duties as detailed within the job description

7. ACCOUNTING, INCOME AND BANKING

7.1 Accounting

The financial year shall commence on 1 November and end on 31 October.
 All SALSC financial records shall be stored electronically using Sage software.
 The treasurer to perform all sage back-ups, maintenance procedure, month and year ends. Accounts shall be audited annually and presented to the AGM for approval

7.2 Income

The procedure for dealing with income is as follows:

Match income with any outstanding SALSC Invoice
 SALSC banking sheet to be completed for any cheques or cash received
 If necessary issue cheque or cash receipt. Receipt to be sequentially numbered
 Cash or cheques to be locked in cupboard awaiting banking
 Mark Bank Giro Credit number on to the SALSC banking sheet
 Update Sage from the SALSC banking sheet
 File completed SALSC banking sheets in date order

Membership Fees will be set annually at the Annual General Meeting in line with the Constitution

7.3 Banking

All monies received on behalf of the Association shall be paid into an Account or Accounts in the name of “The Scottish Association of Local Sports Councils” at a Bank and/or Building Society or other approved financial institution approved by the Board.

All cheques drawn against the Association’s Account or Accounts shall be signed by the Treasurer and any one other from Chairman, Vice-Chairman or Company Secretary

Position	Name
Chairman	Jim Conn
Vice-Chairman	David Laing
Treasurer	George Ferguson
Company Secretary	TBA

Cash, cheque books and other primary banking material must be stored in a lockable cupboard or safe.

Cash held on the premises should not normally exceed £250.

Banking of the takings should be done at least weekly and is the responsibility of the Treasurer.

8. EXPENDITURE

8.1 Budgets and Virement Arrangements

Budgets

The initial Draft Budget will be prepared by the Treasurer on behalf of the chairman, with the assistance of the four Working Groups. (See Budget Template)

The Treasurer shall also receive applications for funding from the chairs of its Working Groups by 1st October each year. (See Working Group Budget Proposal Template)

The Treasurer must present the initial Draft Budget to the Board immediately after the AGM for formal approval.

Once approved by the Management Board, budget alterations and/or deviations outside the approved expenditure can only be authorised by the Board.

The Treasurer will be responsible for transferring the approved budget to SAGE and managing said budget on a day to day basis

Virement Arrangements

Virement arrangements allow for the transfer of a surplus from one budget account to cover a deficit in another.

The virement rules as they relate to SALSC expenditure are that:

The Treasurer may, after agreement with the Board, transfer monies between any of the budgets for which he/she is responsible, provided that:

There is no overall effect on the Board's budget;

The proposal will not result in additional commitments in future years that cannot be financed within SALSC's financial plan;

and

The proposed expenditure is in accordance with the approved policies and objectives of SALSC.

Budget transfers involving transfers between Working Groups are subject to consultation with the relevant Working Group Chairmen before the proposed transfer is referred to the Board for approval.

8.2 Purchases

The process for purchases is tracked by the SALSC expense form which is completed in three stages.

8.2.1 Purchase Request

Anyone can make a request to buy something, or to buy something on behalf of SALSC

The request must be made by filling in a Purchase Order. This form should then be placed in the Requests to Purchase file, or passed to the Treasurer, who shall place it in the Requests to Purchase file. The Chairman is responsible for checking the Requests to Purchase file frequently.

8.2.2 Authorisation

Who can authorise or refuse purchase

Once a Request to Purchase has been made, SALSC has to decide whether to make the purchase. The amount requested determines who has authority to make this decision, as follows:

Authority Authorisation limit

Treasurer £100

Chairman £250

Management Board £250 and over, but subject to ratification by Board.

It is the responsibility of the Treasurer, upon receipt of a Purchase Order, to initiate the authorisation process or to ensure that it is brought promptly to the attention of the relevant authority.

8.2.3 How purchase is authorised or refused

When the purchase is to be authorised by the Treasurer, the Treasurer signs the completed section 2, "Authorisation", of the aforementioned form. This signature constitutes authority. For auditing purposes, a second signature should also be obtained in retrospective approval. This will normally be the Chairman but in exceptional circumstances may be any other member of the Board.

This signature shall not be withheld unless the Treasurer has clearly acted outside of his/her authority.

When the purchase is to be authorised by the Chairman, the Chairman signs the completed section 2, "Authorisation", of the aforementioned form. This signature constitutes authority. For auditing purposes, a second signature should also be obtained in retrospective approval. This will normally be the Treasurer but in exceptional circumstances may be any member of the Board. This signature shall not be withheld unless the Chairman has clearly acted outside his/her authority.

When the Purchase Order is to be authorised by the Board, authorisation is confirmed by two members of the Board signing the completed section 2, "Authorisation", of the aforementioned form, with the explicit support of a quorate meeting of the Board and recorded in the minutes.

8.2.4 Budgeting

It is the responsibility of the Authority authorising a purchase to indicate the Budget heading from which the purchase is to be drawn, normally in consultation with the Treasurer. The Chairman has the power to overturn any purchase Order if the Chairman believes that the purchase would be illegal or it would seriously compromise SALSC's integrity, financially or legally. The Chairman should write on the form, "Overturned", and sign and date. An explanation should be kept with the form on a separate sheet. The authority which authorised the purchase should also be informed at the next meeting of the Board, and an explanation offered.

If overspending of budget headings is required, the decision must be made according to the guidelines in "8.2.1 Budgets" section of this document.

8.2.5 If purchase is authorised

If authorisation is made, the Form shall be placed in the "Authorised" file. If it is required for reference, a photocopy should be made. If the original form is taken off-site for any reason, it must be signed out using the logbook.

8.2.6 If authorisation is refused or overturned

If authorisation is refused, or if authorisation is overturned by the Chairman, then the form is moved directly to the “Processed” file, and archived by the Treasurer. The person making the request and the Authority (in the case of an overturning – see above) must be informed promptly.

8.2.7 If returns are anticipated

For activities yielding returns, such as sale of stock, the Budget should specify an upper limit on the cash bound in stock (rather than an upper limit on the total purchase of stock, since that will depend on demand), as well as an estimate for the net profit through that activity (or loss, in case of subsidised services).

8.2.8 Purchasing

It is the responsibility of the purchaser on the Purchase Order form, to make sure that the purchase is carried out in accordance with the guidelines in this and the following sections.

A single Purchase Order may encompass several purchases made from separate companies.

As soon as each purchase is made, the reference number of the delivery notes, invoice, and any other relevant documentation should be added to the detail section of the Purchase Order form (if necessary continuing on separate sheets).

Obtaining quotes

The purchaser must always try to get the best deal for the purchase. For items over £500, three written quotes must be obtained, and should be stored with the documentation relating to the transaction.

Making the purchase

by purchase order

For goods and services costing over £50, the order should be placed using a Purchase Order Form.

Two copies are taken, and the form is then sent to the supplier. One copy is kept by the purchaser for checking the goods upon receipt. The other copy is given to the Treasurer, who enters the details into the SAGE system for reference. The number of the Purchase Order should correspond to the number of the Purchase Order form. (If several purchases are authorised by one Purchase Order form, then the number of the Purchase Orders should be the same as the number of the Purchase Order form, but followed by a letter – A, B, C,... etc.)

by direct invoice

If the order is placed by telephone or internet, the purchaser notes the purchase details on the Purchase Order form.

Incoming invoices should be stamped with the date of receipt and the number of the Purchase Order form together with any query on the goods or services provided. If an invoice is held for query the supplier should be notified immediately in writing. The Chairman or the Treasurer must sign

the incoming invoice (matched to a Purchase Order form), to authorise payment.

It is the purchaser's responsibility to carefully check any goods for faults upon receipt. Faulty goods or goods not matching the description on the Purchase Order, or invoices disputed for any other reason, should under no circumstances be paid for. SALSC reserves the right to hold the purchaser personally liable for payments made for faulty or incorrect goods.

Invoices should be stamped when they are paid, to avoid duplicate payment. Payment to suppliers must always be in response to an invoice and never to a statement. If a statement showing any unpaid delivery is received and the invoice cannot be found, a copy must be requested from the supplier.

Incoming invoices should be processed within a week, and in any case before the due date indicated on the invoice.

from petty cash

Petty cash is held by the Treasurer on the condition of full personal liability. The value of petty cash at any one time, including unprocessed expenditure of petty cash (e.g. receipts, etc.), shall be £75.

Petty cash must only be used for items costing £50 or less. Expenditure must be approved according to the usual procedure for purchase using a Purchase Order form. All expenditure must be supported by receipts. Instances of lost receipts will be reviewed by the Board on an individual basis.

The Treasurer must keep the supporting receipts together with the cash, and note all expenses in the petty cash book, together with the reference number of the corresponding Purchase Order form, if applicable, filling in all further details as required.

To obtain more petty cash, the Treasurer shall take the receipts and the petty cash book to the Chairman, who will authorise the Treasurer to issue cash to bring the total held to £75.

as expenses

This method is only for the chairmen of a SALSC Working Group.

The purchaser buys the goods directly, enters the details on the "Purchase Details" section of the Purchase Order form, and attaches the receipt to the form.

Expense claims should be submitted to the Treasurer, consisting of the completed Payment Voucher, the Purchase Order with Purchase Details filled out, and supporting by documentation (receipts, invoices).

Each expense claim must show the number of the authorising Purchase Order form. Only purchaser(s) named in the Request to Purchase may claim expenses.

Expense claims must be submitted as soon as possible after the expense was incurred, and in any case within the financial year in which authorisation was obtained. The Board reserves the right not to reimburse expenses dating back more than one year from the expense claim.

Claims without invoices or receipts to support them will be considered by the Board on an individual basis. The Board should not authorise such claims in the absence of exceptional reasons.

Transfer for Payment by Accounts

Once the order has been completed, and the goods or services provided, the Treasurer is responsible for payment, for updating Sage and ensuring that the paperwork is filed.

9. EXPENSES

Expenses will be paid as follows:

When attending a SALSC Board Meeting, actual expenses incurred will be paid by the members Local Sports Council.

When attending a SALSC Working Group or SALSC sub-committee, actual expenses incurred will be paid by SALSC.

When working for or on behalf of SALSC when authorised by the Chairman, or in his absence the Vice Chairman, and Treasurer, actual expenses incurred will be paid by SALSC.

9.1 Expense Reimbursement

All reimbursement claims must be authorised by the budget holder. If it is the budget holder re-claiming expenditure then this must be authorised by the Chairman.

Re-imbusement claims of the Chairman must be approved by the Treasurer.

Claims for reimbursement will be paid by the end of each month unless the claim is for a large amount personally incurred whilst performing services on behalf of the organisation in which case payment shall be made earlier at the discretion of the Treasurer.

All reimbursement claims must have receipts attached and the claimant must sign the Expenses Form.

9.2 Phone Accounts

Only those persons appointed to a position requiring personal or work phone calls to be made on their personal phone to perform that role will be reimbursed for phone calls.

Reimbursement will only be made for expenses to a level agreed to prior to the expenditure.

Mobile phone use will not be reimbursed unless prior approval has been given in writing.

Copies of itemised accounts should highlight each call, who was called and the purpose of the call.

9.3 Travel

Any rental vehicle must be authorised and booked through the Treasurer.

Private vehicle use must be authorised by the Treasurer prior to use, otherwise, no reimbursement shall be approved. Anyone using a private vehicle for business use should ensure that it is insured for business use.

SALSC will pay members of staff and/or members 30 pence per mile or will reimburse petrol costs for the private use of a vehicle on authorised SALSC business.

Reimbursement for petrol costs for rental vehicles should be made on the standard Expense Claim Form.

SALSC will not be responsible for any mechanical or legal costs (i.e. parking tickets) incurred in the use of a rental car or private vehicle for SALSC business. It is the responsibility of the individual to operate within the law.

Travel by train or bus should be at standard class and be authorised by the Treasurer.

Air travel must be authorised and booked through the Board. Any changes to tickets for personal reasons, which incur additional costs, are to be met by the individual.

10. MANAGEMENT ACCOUNTS and MONITORING of BUDGETS

10.1 Bank Reconciliations

The Treasurer will reconcile the bank accounts each month on Sage Line 50. Prior to producing the bank reconciliation, the Treasurer must ensure that:

All payments in the month have been posted

All direct debits and standing orders have been posted

All banking sheets have been posted

All outstanding Sage items that are matched against the bank statement should be marked as reconciled

Bank reconciliation should be printed once reconciled

Any unreconciled items must be followed up with an explanation noted on bank reconciliation

Any cheques that remain unpresented for more than one year should be written back

The bank reconciliation should be signed off by the Treasurer on receipt of each bank statement

10.2 Aged Debtors Listing

The aged debtors listing should be reviewed on a monthly basis

The aged debtors listing should be signed off by the Treasurer

Any aged balances greater than 2 months should be followed up by either issuing a copy invoice or contacting them directly

Any outstanding invoices greater than 3 months should be referred to the Chairman for further action

Before any invoices are written off, written authorisation must be obtained from the Board

Any amounts deemed to be irrecoverable that are greater than £250 must have written authorisation from the Board

10.3 Management Accounts (Board Meetings)

Management accounts will be prepared to coincide with the Board meetings

The management accounts will consist of:

Income and Expenditure account

Budget Report for the period and year to date with an explanation for significant variances

Accounts receivable ageing summary

Bank Reconciliations for the period

A balance sheet will be prepared every six months and presented at the following Board meeting

The management information will be reviewed by the Chairman and Treasurer prior to the Board meeting

The management accounts will be presented by the Treasurer at the Board meeting

10.4 Grant Management Systems

SALSC receives grant income from a number of sources, primarily **sportscotland**. Conditions are generally attached to each grant.

Income and expenditure linked to grant income must be accounted for using separate nominal ledger codes to ensure expenditure is made according to grant conditions and to simplify reporting to the grant giving body.

10.5 Document Retention

All financial or legal documents will be safely stored for a period of 7 years. The original documents should never be removed from their files. Photocopies should be made instead. If, for some reason, it is necessary to take a file off-site, it must be properly signed out using the log-book.

Electronic backups of the financial data are to be saved to the computer hard drive on a daily basis by the Treasurer.

A weekly electronic backup should be saved to disc, kept in a safe and stored off-site.

All records of a personal and/or confidential nature are to be kept in a fire safe locked cabinet and be destroyed when no longer relevant or required to be kept by law.

10.6 Asset Management Procedures

SALSC will maintain a fixed asset register (on Sage) which will be managed by the Treasurer.

Any asset with a value greater than £500 will be capitalised, any assets less than this value will be written off in the year.

The fixed asset register will maintain an accurate record of assets owned by SALSC, a record of the location of the asset, the purchase date, cumulative depreciation and written down value.

SALSC will review the asset register annually and make the necessary depreciation adjustment.

Purchase of fixed assets should follow the procurement procedure.

Additions will be depreciated from their purchase date.

Disposals will be at the end of the year, taking effect from the date of the actual disposal

A physical inspection of the assets should be made by the Treasurer and Chairman and agreed to the Fixed Asset register on an annual basis.

Log-book

A log-book should be maintained for recording removal of any SALSC property from the premises. All SALSC property taken off-site must firstly be copied and signed out. This includes, in particular, items on the asset register and documents.

Write-offs

Disposal of items on the asset register must always be documented. Writing off items must be authorised by the Chairman.

10.7 Depreciation Policy

Depreciation is calculated to write-off the cost of the fixed assets on a straight line basis over the expected useful life of the asset concerned. The annual rates of depreciation are as follows:

Computer Equipment 33%
Office Equipment 20%
Sports Equipment 20%

10.8 Investment Policy

SALSC's investment assets are to be invested in such a way as to maximise long term returns consistent with prudent levels of risk, whilst maintaining sufficient liquidity to enable SALSC to meet its day-to-day financial commitments.

Currently, any surplus funds are held within an investment account with the Bank of Scotland. Any amendment to this must be agreed and signed off by the Board.

Any investment tagged for specific projects will be kept in a separate bank account and itemised separately in the nominal ledger

10.9 Payroll

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 Treasurer

A formal notification from **sportscotland** should be received detailing the new payroll charge

Monthly payment advices should be checked to the amendment forms (if any).

The monthly direct debit from the bank account should be reviewed and agreed to this payment advice

Any anomalies should be investigated immediately

Sage needs to be updated with the monthly salary payment

Payment advices should be filed in the Paid Invoice file

10.10 Credit Card Payments

SALSC shall have a credit card which shall be the responsibility of the Treasurer

Credit card payments will be restricted to expenditure approved by the Board and used to only assist in the booking of flights, accommodation and the annual seminar

On receipt of a credit card bill, the Treasurer will match each item of expenditure with the relevant Purchase Order

File all credit card bills in the PAID INVOICE file

Update Sage with credit card payment and relevant expenditure

10.11 Value Added Tax (VAT)

SALSC does not need to register for VAT purposes and it would be of little or no advantage to do so.

11. Fraud Policy

SALSC is absolutely committed to maintaining an honest, open and well-intentioned atmosphere. It does not tolerate fraud.

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.

SALSC encourages staff not to turn a blind eye to fraud but to report it to the Chief Executive or other Board members.

SALSC 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. Insurance

The Chairman is responsible for arranging for insurance cover for SALSC.

Currently there are two policies in place, as follows:

Perkins Slade: Civil liability (£5,000,000) and Employers liability (£10,000,000)

Both policies expire on 2 September and so prior to renewal of the policies the Chairman should ensure that the cover is adequate and the premiums still competitive.

Glossary of terms

Activities	The actions, tasks and work a project or organisation carries out
Aims	Particular changes or differences the project or organisation plans to bring about for its beneficiaries, users of services, and/or communities.
Appraisal	A judgment of the extent to which the association is fit for purpose and competent to fulfill its obligations efficiently and effectively
Audit	An examination to ensure appropriate accountability of an organisation, especially finances
Beneficiaries	Those who benefit, and/or receive services, from the organisation
Board of Directors	The group elected at the Annual General Meeting charged with the conduct and management of the company's affairs.
Business Plan (sometimes referred to as Operational or Forward Plan)	A document prepared to describe and guide the organisation. It generally projects future opportunities, maps the financial operations, marketing and organisational strategies that will enable the organisation to achieve its goals.
Conflict of interest	Applied to an individual, in this case a Board member, when their different interests 'clash'. In particular where a personal or professional interest may get in the way of making a decision in the best interest of the organisation.
Ethos	The distinguishing values, beliefs and character of an organisation.
Evaluation	Using information from monitoring and elsewhere to judge the performance of an organisation
Governance	The systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation.
Governing document	A formal, written document that sets out the organisation's purpose and how it will be run. The document may take many forms, those most commonly used include: Trust Deed, Rules, Constitution, Memorandum and Articles of Association.
Fiscal	Relating to financial matters most commonly used in relation to government revenue and taxes.
Induction	A formal process of introduction to a new job or position within an organisation.
Monitoring	Collecting and recording information in a routine and systematic

	way to check progress against plans and enable evaluation.
Mission	Why an organisation or project exists and the broad effect that it wants to have. A summary of the overall difference it wants to make. Often produced as result of organisation-wide discussions.
Objects	'Objects' are the statement of an organisation's purpose set out in its governing document.
Objectives	The areas of activity or practical steps a project or organisation plans, to accomplish its aims.
Outcomes	The ultimate effects or impacts of an organisation's activities.
Policies	Statements which describe the desired conduct of the organisation, its volunteers and paid workers and how to remedy any breaches.
Probity	Behaviour in accord with accepted norms – the quality of having strong moral principles of honesty and decency.
Procedures	A written statement that describes the way in which a policy will be implemented.
Purpose	The reason or rationale for an action or for an organisation's existence.
Regulator	A person or body empowered by law/statute that supervises a particular industry, business activity or other sphere of influence to ensure that public benefit is maintained.
Resources	Everything a project or organisation draws on to carry out its activities. These will include people, equipment, money and services. They may also include the less tangible: time, morale and knowledge.
Scrutiny	Critical observation or examination.
Stakeholder	Anyone with a significant interest in the good management of an organisation. This could include funders, trustees, volunteers, staff, suppliers, users etc.
Strategy	A broad course of action with an identifiable outcome.
Succession	A process of one person leaving a job or position and another replacing that person.
Target	A defined level of achievement which a project or organisation sets itself to achieve in a specific period of time.
Trustee	A person who has legal authority to take control of and manage another's finance and property for the advantage of the beneficiary. A trustee may also be known as Managing Trustee, Committee Member, Governor or Director.
Values	A set of principles, which the organisation seeks to apply, both in setting its mission and aims and in its day-to-day operations.
Virement	The transfer of a surplus from one budget account to cover a deficit in another
Vision	The ideal state a project or organisation, wants the world to be in.

What the world will look like if the project or organisation is successful in achieving its mission.