**STREETGAMES UK**

**FINANCIAL REGULATIONS**

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**INTRODUCTION**

**1 Financial Objectives**

1.1 The trustees are required to ensure that its assets are properly used, that its funds are spent effectively and its financial affairs are well managed.

1.2 This policy therefore sets out the principles of financial control and administration to be followed by the Board, StreetGames Senior Management and other staff to allow them to:

* meet their legal duties to safeguard the Company’s assets;
* administer the Company's finances and assets in a way that identifies and manages risk and ensures that the requirements of the fraud policy are fulfilled;
* ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information.

1.3 **Review Date**
This policy will be reviewed every three years with the next review being due in October 2022.

**FINANCIAL RESPONSIBILITIES**

**2. Delegation of Authority**

2.1 The Board recognises that the Chief Executive Officer has day to day responsibility for the management of the organisation but that accountability for fiscal oversight of the Company remains with them.

2.2 Specifically the Board’s overall financial responsibilities are to:

* To ensure StreetGames is carrying out its purposes for the public benefit
* To comply with the Company’s governing document and the law
* To act in the Company’s best interests
* To manage the Company’s resources responsibly
* To use reasonable care and skill, making use of its collective skills and experience and taking appropriate advice when necessary

2.3 The Board uses four sub-committees, the Finance Committee, Audit Committee, Fundraising Committee and the Remuneration Committee, to ensure that sufficient oversight is given to all financial matters affecting StreetGames. The financial responsibilities for each sub-committee are to:

2.4 Finance Committee:

* Review the financial health and strategy of StreetGames, and make recommendations to the Board to ensure that the overall financial health is maintained;
* Review day-to-day financial operations and controls including recommending the annual budget, monitoring actual performance against that budget and monitoring the production of timely and accurate management accounts;
* Approval operational financial systems, Investment Management controls and policy;
* Ensure adequacy of risk management, internal control, governance and human resources pertaining to financial and related matters.

2.5 Audit Committee:

* Provide the Board with assurance that an adequate process of corporate governance, risk management and internal controls are in place and working effectively,
* Monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments contained within them, and to advise the Board on the contents of the audit report and any management letter drafted by the external auditors.

2.6 Fundraising Committee:

* Support the development and implementation of a fundraising plan
* Identify strategic fundraising opportunities for StreetGames
* Review fundraising opportunities against StreetGames’ ethical policy and other ethical considerations, making recommendations to the board of trustees

2.7 Remuneration Committee:

* Monitor, review and recommend the level and structure of remuneration for senior management, taking account of comparable organisations and financial restraints
* Oversee any major changes in employee benefits structures throughout the Company on behalf of the board

2.8 The Finance Director is responsible for:

* Day to day financial administration as directed by the Board
* Reporting to the Finance Committee and keeping the Chair of the Committee regularly appraised of financial matters
* Ensuring that appropriate insurance cover is arranged and claims negotiated and that the Board is kept informed of all material changes and developments

2.9 Changes to the Regulations, procedures or systems can only be made by formal agreement of the Board.

**GENERAL**

**3. Accounting**

3.1 The accounts will be kept in accordance with the requirements of the SORP and such other guidance or legislation as is in place from time to time. The Board will take due regard of any advice from the Finance Director (or Chair), the auditor or other such accounting professional as is engaged in the maintenance of the accounts.

3.2 StreetGames will keep accounting records sufficient to explain transactions and show the company’s financial position for the statutory period of six years from the end of the accounting period in which they were generated.

**4 Audit**

4.1 An annual external audit, by Auditors appointed at the Annual General Meeting shall be arranged for the purpose of carrying out an examination of the accounts and financial systems.

4.2 The Auditor will review, appraise and report, where deemed appropriate, to the Board upon all matters required by SORP.

**5. Reserves Policy**

5.1 The Board policy is to maintain sufficient unrestricted funds to cover the costs of closure should the situation arise, which would allow enough reserves to continue to:

* Smooth the effects of funding received in arrears on a number of major programmes;
* Fund shortfalls in project income where we judge this is appropriate.

5.2 The Board have agreed to specifically designate the funds available over and above the free reserves requirement as an Investment Reserve, available to pump prime new or existing activity as required. Plans for utilising this reserve will be scrutinised by the Board as and when proposals are brought forward.

**CONTROLS ON EXPENDITURE**

**6. Procurement**

6.1 In order to ensure best practice and value for money in purchases of significant goods and services, StreetGames has a separate Procurement Policy that should be followed by staff with responsibility ordering resources. The policy provides guidance on when to use quotes or a full tender and when Board involvement is required.

**7. Purchases**

7.1 The purchase of goods or services must be supported by a valid receipt/invoice.

7.2 Payments will only be made against invoices that have been checked for goods received or services provided as required and authorised for payment by the appropriate budget holder. The budget holder should ensure that the goods/ services have been received and were of the appropriate quality and quantity.

**8. Payment of Accounts**

8.1 The normal method of payment of money due from the Company shall be by BACS, cheque, debit/credit card or other instrument (e.g. banker's draft) drawn on the Company's bank account.

8.2 Due diligence should be exercised to ensure the legitimacy of the payee and purposes of the payment, particularly in respect of grants paid out by the Company.

8.3 The Finance Director has authority to certify payment of all amounts to which the Company is legally committed.

**EXERCISING BUDGETARY CONTROL AND MONITORING**

**9. Annual Budget**

9.1 The Finance Director drafts a 3 year financial budget each year following discussion with managers to confirm funding and costs for ongoing projects and for new projects that have been confirmed.

9.2 Budget managers will complete budget templates detailing income and expenditure for inclusion in the annual budget.

9.3 In addition, the budget includes a staffing plan, premises and support costs and a fundraising target for the year.

9.4 The financial budget will go to the February Finance Committee for review and to the March Board meeting for review and approval.

9.5 The approved budget provides a framework for expenditure for the new financial year and any expenditure not budgeted for will require approval by the Board.

**10. Financial Monitoring**

10.1 The Company operates a delegated framework where budgets are delegated to budget holders who are responsible for the economic, effective and efficient use of resources allocated to them.

10.2 Budget holders should follow the procedures set out in the Company’s separate Procurement Policy when incurring expenditure.

10.3 Budget managers will be provided with regular reports of actual expenditure and are responsible for monitoring costs against budget and checking the ongoing accuracy of the reports.

10.4 On a quarterly basis, budget managers will meet with the Finance Director to review actual results against budget and provide an updated forecast if required.

10.5 The Finance Director will provide a quarterly summary of income and expenditure to the Finance Committee and Board for review, with an updated forecast of the year end position.

10.6 Where cash or investment balances are forecast to fall below £500,000 in total, the Finance Director will inform the Chairs of both the Finance and Audit Committees.

**CONTROLS ON THE FINANCIAL ASSETS/RECORD KEEPING**

**11. Banking Arrangements**

11.1 All bank accounts must be in the name of StreetGames UK and must only be used for the business of the company

11.2 The opening or closing of bank accounts and the addition or removal of signatories is determined by the Board.

11.3 The costs and benefits of banking arrangements will be reviewed every three years to ensure that charges and interest rates are competitive and that the banks’ credit ratings continue to be acceptable. The primary focus of banking arrangements will be to ensure security of the Charity’s assets, including diversification of bank balances across a number of accounts as considered appropriate.

11.4 Approved bank signatories have a delegated payment authority limit of up to £60,000 for internet banking which must be approved by two from the authorised staff signatories (Chief Executive, Deputy Chief Executive, Finance Director and Finance Manager).

11.5 Any individual payments over £60,000 must have additional written approval from the Chair of the Board. This can take the form of an email.

11.6 All bank accounts will be reconciled to accounting records at least on a monthly basis.

**12. Credit/debit card accounts**

12.1 The allocation of credit or debit card accounts to staff will be based on operational need as determined by the Finance Director, and will be authorised by any two of the bank signatories. There will be limits set for single transactions and monthly expenditure.

12.2 The cardholder is responsible for:

* Ensuring that the card is kept in a safe place and the PIN is protected from misuse
* Using the card for spend on behalf of StreetGames UK
* Only using the card where there is not an option for payment by BACS
* Obtaining receipts for all expenditure and ~~analysing~~ entering ~~spend~~ the details on the Access expenses system each month
* ~~Ensuring all receipts are passed promptly to Finance each month.~~

12.3 Failure to meet these responsibilities will result in the card being withdrawn.

**13. Petty cash**

13.1 The company will not keep cash on site other than a petty cash account where this is deemed necessary, and any cash held on site will be locked away securely.

**14. Income received in person or by post**

14.1 Cheques or cash received will go to the Finance team to be recorded immediately and banked as soon as practically possible.

**15. Fundraising events**

15.1 Income received at an event will be recorded and reconciled using a control sheet by the staff member responsible, and the cash/cheques held and paperwork will be checked by a second staff member. All income will be returned to the Finance team as soon as practically possible to be checked and banked.

15.2 Income must be returned in full without the deduction of any payments – should cash payments be expected on the day then a cash float should be requested in advance from Finance.

15.3 Public collections will be undertaken with sealed collection buckets, which will be opened and counted in the presence of two members of staff or returned unopened to Finance.

**CONTROLS ON HUMAN RESOURCES COSTS**

**16. Salaries, Wages and Pensions**

16.1 The payment of all salaries, wages, pensions, compensation and other earnings to all employees or former employees of the Company shall be made under arrangements approved and controlled by the Finance Director with the Treasurer/Chair.

16.2 The Finance Director shall be informed of all matters affecting the payment of such earnings, including: Information necessary to maintain records of service for superannuation, income tax, national insurance SMP, SSP etc.

16.3 All of the time records or other pay documents shall be in a form laid down by the Finance Director.

**17. Staff Recruitment**

17.1 Should a vacancy arise then consideration should first be given as to whether an immediate replacement is required or if the work could be carried out differently within other staffing or externally. The judgement should consider value for money, length of funding agreements, staff workloads and organisation priorities.

17.2 New staffing posts require approval by the Chief Executive Officer.

17.3 The StreetGames Recruitment Procedure should be followed to ensure fairness and equality of opportunity.

**18. Salary Reviews**

18.1 The pay scales will be reviewed annually in March by the Board with any changes incorporated in to the annual budget for the following financial year.

18.2 The review will take account of the current financial restraints on the company, changes in the cost of living and salary market conditions.

18.3 Any increases in salary following a job review will require authorisation by the Chief Executive Officer.

18.4 The level of pay for the senior team will be set by the Remuneration sub-committee and approved by the Board.

**19. Claims for expenses and allowances**

19.1 Individuals should not be out of pocket through carrying out work on behalf of Streetgames.

19.2 Full details of eligible expenditure, rates and allowances are included in the separate ‘Travel & Expenses’ policy.

**20. Expenses**

20.1 The company shall reimburse employees, Board Members and volunteers for eligible expenses incurred in the execution of their duties. Reimbursement will only be made on the ~~completion of Company expense claim form~~ submission of claims through the Access expenses system, appropriately ~~signed~~ authorised in the case of employees and volunteers by a line manager or relevant project manager.

**21. Travel**

21.1 Travel expenses will only be paid within four weeks of occurrence on receipt of either a ticket, petrol receipt or mileage claim form attached to a travel expenses claim form stating destination and purpose of each journey.

21.2 All reasonable travel expenses will be paid to allow staff to perform their duties and for Board Members to attend the Board, Board Committees, StreetGames events and other such activities as are necessary for the fulfilment of their roles as Board Members.

21.3 The company will not pay Parking or Congestion Charge Penalty Tickets under any circumstances

**22. Accommodation**

22.1 When the company requires the employee or a Board Member to stay overnight outside of the city of their residence, the employer shall provide accommodation and breakfast as set out in a separate Company Expenses Policy.

**CONTROLS ON INCOME**

**23. Completeness of Income**

23.1 The aim of the policy is to ensure that all income due is received in a timely manner.

23.2 The Finance Director shall decide, together with the Finance Committee, the accounting arrangements necessary to ensure that all monies due and received are banked promptly.

23.3 Where the Company enters into an agreement with a third party to deliver a project or event ~~and will receive grant or other income to do so then~~, in the absence of any specific requirements on the part of the funder or partner, the contract should be signed as follows:

* Contract value up to £20,000 or where there is no monetary value, by a member of the Executive Leadership Team (or equivalent).
* Contract value up to £60,000 by one of Chair of the Board, Vice-Chair of the Board, Chief Executive Officer, Deputy Chief Executive, Finance Director
* Contract value over £60,000 by Chair of the Board. In the absence of the Chair he/she may delegate this responsibility to either a Vice-Chair or the Chief Executive Officer.

23.4 The Director of Finance will ensure that:

* Debtor invoices are raised promptly in respect of income due to the Company. Invoices may be raised by non-finance staff, but this must be with the agreement of the finance department. Where appropriate authorised customer purchase orders must be obtained before an invoice is raised.
* Debtors are raised on official Company invoices
* Swift and effective action is taken to collect overdue debts
* Outstanding debts are monitored and reports prepared as required

23.5 Requests for refunds, credit notes and debt write offs require authorisation by the Director of Finance

**24. Due diligence policy on accepting funds**

24.1 StreetGames must exercise due diligence prior to accepting significant donations, in accordance with the Ethical Fundraising Policy, and ensure that any funds accepted:

* fulfil our mission
* are not in conflict with our values
* do not present a risk to our reputation or independence

24.2 To inform decisions, StreetGames will evaluate the profile of the funder or donor, taking in to consideration the original sources of their funding, the purpose of the funds and whether any conditions attached are reasonable, ethical and achievable.

**25. Legacies**

25.1 The Finance Director will be responsible for ensuring that any legacies due are collected, an accurate record is maintained and that funds are used for the correct purposes.

**CONTROLS ON ASSETS**

**26. Fixed Assets**

26.1 A register shall be maintained of all the Company’s fixed assets, recording an adequate description of them, including such readily portable items of furniture, fittings, equipment, plant and machinery with a purchase price of more than £400 and an estimated life of more than three years. The inventory shall be in a form determined by the Finance Director and approved by the external auditors.

26.2 All disposals of fixed assets with a value greater than £nil require written authorisation from the Finance Director.

26.3 An annual review and physical check of items on the inventory shall be carried out.

26.4 The annual insurance review will ensure that there is adequate cover for all assets.

**27. Stock**

27.1 An inventory of stock held will be checked on a regular basis.

27.2 The annual insurance review will ensure that there is adequate cover for the level of stock held.

**INVESTMENT AND BORROWING**

**28. Investments**

* The management of any surplus funds shall be made by guidance of the Board.
* All investments shall be made in the name of the Company.
* Investments shall be made with regard to environmental and other ethical concerns.

**29. Borrowing**

* A decision to borrow shall only be taken by formal agreement at a meeting of the Board.
* All borrowing shall be carried out in the name of the Company.