

## Financial Procedures for Clubs

Having appropriate financial procedures in place will help to ensure your club is well governed – and fulfils any legal requirements which you may have to meet.

Your constitution (or other governing document) is probably the key place for you to look. This document is likely to set out exactly what financial procedures you should have in place. For example, you may have to hold an Annual General Meeting (AGM) before the end of August every year, at which the annual accounts need to be approved by the meeting.

Over and above that, there are several things you could consider – based on ‘good practice’:

- Your club should have a Treasurer i.e. someone with ultimate responsibility for the finances of the club.
- This person should help your management committee to draw up a simple budget, on an annual basis. They should then provide regular updates to ensure the club is running in-line with this budget.
- Your club should consider having a reserve fund to provide the Club with a buffer to overcome shortfalls in income. The size of the reserve fund would depend on the certainty of your income and the nature of your expenditure.
- Your club should ensure that more than one person has access to key files and to bank details, including on-line banking access, if you utilise this.
- Your club should agree a ‘policy’ for the lease/purchase of items. Perhaps allow certain key personnel to make small purchases but set an upper limit on transaction value. Purchases above that limit would require the approval of your management committee – possibly through the Treasurer. This could also include a policy on which suppliers to use.
- If your club pays staff, you should ensure you have appropriate payroll, Pay As Your Earn (PAYE) and National Insurance Contribution (NIC) procedures in place. The new pension regulations also insist that you have a pension scheme available for staff to contribute into, even if none meet the auto-enrolment criteria.
- If your club has significant assets, you should consider a policy that encompasses the maintenance and replacement of the assets and the treatment of assets in your accounts.



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