



ESG Gaming

Financial Management & Accounting Policy



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Financial Management & Accounting Policy

Financial management is more than just ensuring there is sufficient cash and keeping to budget.

Financial management involves:

- ✓ Setting financial objectives
- ✓ Planning and acquiring funds
- ✓ Ensuring funds are being effectively managed
- ✓ Management and financial accounting
- ✓ Formulating strategy
- ✓ Planning and controlling activities
- ✓ Decision-taking
- ✓ Optimising use of resources
- ✓ Disclosure to other interested parties external to the Organisation
- ✓ Disclosure to employees
- ✓ Safeguarding assets.

Clear procedures are needed to ensure that the Directors of the Organisation have the tools and skills to ensure effective financial management takes place. Where staff and/or volunteers are involved the individual responsibilities should be clear to avoid confusion, inconsistency & conflicts.

The role of the Chair is often crucial in discussion with key funding bodies, suppliers, commissioners of services, auditors etc.

Definitions:

The Organisation: ESG Corporate Community Interest Company (trading as ESG Gaming)

Board: The Board is the Board of Directors of the Organisation.

Financial Year: The Organisation's financial year is 01 August – 31 July

Treasurer: The Chair is the member of the Board who leads the strategic and operational responsibility for the financial management of the Organisation.

Authorised Person: Authorised persons are those persons authorised by the Board of Directors to approve financial instruments (cheques, purchase orders, invoices, etc) on its behalf.

Income Policy & Procedures

Purpose:

To safeguard, monitor and control income including grants, donations & contribution in the form of BACS and cheques. Cash donations are not permitted.

To outline the structure of authorisation for dealing with income, credit-control and cash management.



Invoices:

Invoices should be issued whenever it is appropriate using xero.

Invoices should include the following details:

- ✓ The Organisation's logo;
- ✓ A statement that the Organisation is a registered Organisation, and its Organisation number; (delete this clause if not appropriate);
- ✓ The name and address of the person or organisation being invoiced;
- ✓ The date of the invoice, which must be the date it is posted to the accounts;
- ✓ The nature of the services and/or goods being charged for;
- ✓ The rate at which services and/or goods are being charged for;
- ✓ The purchase order number (where available) and/or any other appropriate identification information provided by the person or organisation being invoiced;
- ✓ If the invoice is to a funding body it should state the funding period to which it relates;
- ✓ The invoice total;
- ✓ The Organisation's payment instruction & terms of payment.

Where acceptable to the person/organisation to which it is addressed, the invoice may be sent electronically in PDF format.

Outstanding invoices:

The chair will review the outstanding invoices every month.

If an invoice hasn't been paid within 28 days of being issued, then a second invoice should be issued. The second invoice should be a copy of the first, but with "REMINDER" added to it.

Any invoice which remains unpaid for more than 56 days must be brought to the attention of the Board to determine what further action should be taken.

Unless there are extenuating circumstances, debtors with invoices more than 56 days overdue will not be allowed any further credit (eg: the provision of goods or services, or access to any of the Organisation's facilities or resources) until the outstanding debt has been repaid in full.

Recording Payments:

Payment by BACS:

Where payments are made directly into the bank account via the BACS payment system the Chair or Appointed Person will check for such direct payments each time a bank statement is received, or on-line as circumstances require.

When payment by cheque is received:

When cheques or cash arrive the Chair or Appointed Person will ensure that cheques are properly signed and made payable to the Organisation and will record their arrival in the accounts; Cheques received should be banked the same day where possible but at least once per week.



Budgeting Policy and Controls:

Purpose:

To provide a means of balancing projected expenditure against projected income and ensuring resources are allocated fairly;

To provide a structure for monitoring and controlling expenditure and allow authorised budget-holders the flexibility to manage their respective budgets within the limits laid down by the Board.

To ensure that funds cash flows can be effectively and efficiently managed to ensure that there are always sufficient accessible funds available to meet the Organisation's financial commitments as they arise.

Policy:

The annual budget will provide budget-holders with the authority to spend within the amounts specified under each budget heading.

The amounts budgeted for the income and expenditure, both within budget categories and overall, of the Organisation cannot be exceeded, transferred or altered without the authorisation of the Board.

The Chair will provide budget-holders with regular reports (informal reports will be provided monthly as appropriate, formal reports will be provided quarterly) detailing actual expenditure against budget heading and ensure that budgets are not exceeded.

The Chair will ensure that the Board is informed where any breaches of this policy may occur.

Budget-setting Process:

A budget is a plan translated into money for a defined period of time. The time period is usually the financial year. The budget is prepared after the Organisation has clarified its aims and objectives and produced a variety of action plans to achieve them. The purposes of a budget are:

- ✓ To co-ordinate different activities towards a single plan;
- ✓ To set and communicate financial targets;
- ✓ To maximise and allocate resources;
- ✓ To identify financial problems;
- ✓ To establish a system of control by having a plan against which actual results can be compared;
- ✓ To compel planning.

As the budget is a vital element of the procedure for negotiating grants and contracts, it is important that a budget is produced in good time .

The Chair will produce a draft budget based on previous income & expenditure patterns and the expected actual income & expenditure for the coming financial year. The draft budget and any explanatory notes will be circulated to the Board for comment.

Any necessary revisions will be made and a final draft budget presented to the Board for approval & adoption no later than the last day in the financial year prior to that to which it applies.



Monitoring and Revision:

The Chair or Appointed Person will monitor income and expenditure and ensure that the Board receives accurate and up to date information regarding any shortfall in projected income or increase in expenditure. Where necessary, the Chair or Appointed Person will make recommendations on various options for remedial action.

Where such action may affect the level of service or staff then negotiations should be initiated with the relevant parties immediately.

Payroll Policy and Procedure:

Purpose:

To ensure staff are paid in accordance with their terms and conditions of employment.

To ensure salary rates are competitive enough to retain staff.

To ensure statutory deductions are made and paid to the relevant authority within the time limit.

Payment of Salaries:

All salaries are paid 50% in arrears & 50% in advance by direct transfer into employee's personal bank accounts on 15th of each month, or nearest day where this falls on a Saturday, Sunday or Bank Holiday.

Staff must supply the Chair or Appointed Person with the name of their bank, account number and bank sort code within a week of starting. P45s must be handed in as soon as possible to ensure the correct tax code is applied. Where no P45 is available the member of staff will be required to sign a P46 (as are all volunteers who receive any expenses).

Where staff requires any other arrangement they must ask for consideration of the matter as soon as possible and the matter will be referred to the Board.

The final salary payment of a person leaving employment with the Organisation must be authorised by the Board.

Deductions:

Only statutory deductions will be made without the prior written and signed authorisation from the employee.

Overtime:

Staff will not be paid for overtime but will be expected to take time off in lieu (TOIL) equivalent to any overtime they were required to work.

Termination of Employment:

Any outstanding debts will be deducted in full from the final net salary payment. Paid annual leave taken before it has accrued will be deducted from the gross and any accrued annual leave added to the gross. The employee should receive their P45 with their final payslip.



Timetable:

In the second week of the month the Chair or Appointed Person reconciles the previous month's salary payments to the payroll reports.

The Chair or Appointed Person must be given an email relating to any of the following. As much notice as possible should be given.

- ✓ New employees;
- ✓ Employees leaving;
- ✓ Details of sickness or maternity leave;
- ✓ Any permanent changes (in hours or pay for example);
- ✓ Unpaid leave arrangements;
- ✓ Any tax code changes;
- ✓ Any overtime or other agreed temporary changes.

From these the Chair or Appointed Person will calculate salaries and produce accurate payslips and deduction reports.

The Chair or Appointed Person will prepare the Inland Revenue return for the previous month and make appropriate arrangements for its payment by the due date. Whenever possible, payments will be made electronically (either by BACS or by Direct Debit) in accordance with the recommendations of HM Revenue & Customs.

Statutory Year End Annual Returns to the Inland Revenue are made, and any additional payments made, by the due date.

Purchasing Policy and Procedures:

Purpose:

To ensure that all expenditure is properly authorised and provide a standardised procedure for dealing with expenditure items.

Orders – Goods and Services:

The value of an order/purchase to be shown along with delivery charges where appropriate and both inclusive of VAT.

Budget-holders may order items within their own budget and up to £150 in value.

For purchases outside of budget or over £150 and up to £500 value the authorisation of the Chair or Appointed Person is required.

Items over £500 in value must be authorised by the Board. For any purchase over £5000 in value, at least 3 quotes must be obtained in order to ensure a competitive price is paid.

Delivery notes must be checked and initialled by the budget-holder and be filed in the delivery notes file.



Any discrepancy between the order and delivery notes must be notified to the supplier immediately. In the event that a discrepancy is not rectified by the supplier as soon as is reasonably practical the Chair or Appointed Person must be informed.

Invoices must be checked against the relevant delivery notes, initialled and dated when received by the budget holder and forwarded to the Chair or Appointed Person for payment.

In the event of any shortfall in delivery or the return of goods for any reason, the relevant credit-note must be received from the supplier before payment is made.

Purchases – Depreciable Assets:

All depreciable items over £1000 (in aggregate where the purchase is of related items) will be recorded in the accounts as a tangible fixed asset and depreciated over the appropriate period of time as defined in the Annual Report and Statement of Financial Activity.

On-Line Purchases Using Credit/Debit Cards:

It is recognised that the increasing availability of on-line purchasing means that it is very often possible to secure products at very competitive prices.

The Organisation's bankers do provide a debit card to allow such purchases to be on-line with direct charging to the Organisation's bank account. This means that the Organisation can only take advantage of competitive on-line pricing where budget-holders are willing and able to make such purchases using their own personal debit card and reclaim the expenditure from the Organisation. The Organisation accepts that, provided that due care is taken to ensure probity, that this is a reasonable and beneficial way of proceeding.

All such on-line purchases must have the prior approval of a Director who is not otherwise involved in the purchase, in addition to the budgetary approvals specified earlier.

On-line purchases of items for the Organisation must not include within the same order any item for the personal use of the person placing the order.

Whenever possible, the delivery address for such on-line purchases should be the Organisation rather than the purchaser's billing address (usually their home address).

The procedures for handling delivery notes, credit notes and invoices for purchases charged to a personal credit/debit account shall be the same as those for purchases made directly by the Organisation. The reimbursement of individuals for purchases made on behalf of the Organisation will always be signed by two Directors who are not otherwise involved in the purchase (including reimbursement which are within the single-signature limit in the Organisation's bank account mandate).



The Accounting and Audit Procedure:

Purpose:

To ensure that the Organisation meets the statutory accounting requirements of the CIC Regulator and Companies House

To provide accurate and useful data for the Board and staff.

Procedure:

The Organisation's accounts will be managed electronically using xero approved by The Board and the Organisation's Auditor/Examiner;

The Board of Directors appoints the Auditor/Examiner at the AGM, or at other times when circumstances require;

The Chair or Appointed Person will ensure that all financial records, supporting documentation and reconciliations are accurately maintained, up to date and easily retrievable for analysis and examination purposes;

The Chair or Appointed Person will prepare timely and accurate year-end accounts in the appropriate format with the required supporting working papers and relevant reconciliations.

The Chair or Appointed Person will meet with the Auditor/Examiner to ensure that audit/examination queries are resolved and that accounts are completed and signed within six months of the year end.

The Chair or Appointed Person will ensure that the audited/examined accounts are filed with Companies House within nine months of the financial year end;



ESG
Gaming



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ESG Gaming is a trading name of ESG Corporate Community Interest Company.
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