

**Pentathlon Ireland**  
**Financial Procedures Manual**

## **Objective**

The objective of this document is to detail the procedures and controls around all the Budgeting and Accounting Functions of Pentathlon Ireland. Our procedures are designed to ensure accountability and that our financial records are timely, accurate and transparent.

## **Purpose**

- 1) To define the budget and forward projections processes.
- 2) To clarify the controls and procedures around the accounting information
- 3) To establish levels of expenditure for which specific authorisations shall be required
- 4) To define the controls around the expenditure incurred by employees & volunteers when conducting the business of Pentathlon Ireland.
- 5) To establish the data and the review process required to ensure that the financial position presented by the Treasurer to the Board of Pentathlon Ireland is accurate and timely.

## **Content**

- 1) Budget and Projections process
- 2) Periodic Review Process
- 3) System Access & Security
- 4) Bank & Key Control Reconciliations
- 5) Petty Cash
- 6) Payroll
- 7) Fixed Assets
- 8) Procurement

## **1 Budget and forward projection process**

### **1.1. Budgeting**

An overall budget, conforming to the template in Appendix 1 is prepared by the CEO by the end of October or in time for review and ratification by Finance Committee and Board in accordance with submission date to Sport Ireland. A revised budget is prepared once the following year funding allocation is known, usually late December. This revised budget should be reviewed and ratified by the Board in January.

### **1.2. Budget and projection template**

The budget will be prepared on a detailed basis showing projected income, expenditure month by month for each item in the chart of accounts. Monthly cash projections will also be shown as per the template.

## **2 Periodic Review Process**

### **2.1. Monthly and Quarterly reviews**

At the end of each month the template, showing budget, actual and projected income and expenditure will be prepared by the CEO for consideration by the Finance Committee, with an explanation for material changes. Quarterly reports, with the account headings will be submitted to the Board following the end of each quarter.

### **2.2. Annual Audit and Presentation to AGM**

The annual audit is planned for completion by end Q1. The Treasurer is the designated liaison with the Auditors and will present draft audited financial statements for the Finance Committee. Following review and ratification by the Finance Committee, audited financial statements are considered by the Board no later than Q3. Subject to Board ratification and sign-off, the audited financial statements are circulated to members with the AGM papers.

## **3 System Access and Security**

### **3.1. Authorised Personnel**

Access to the financial systems is restricted to the Treasurer, the CEO, the Administrator and a member of the Finance Committee as follows:

- 3.1.1. Accounting Package – Treasurer, CEO and Administrator. The administrator enters data on the accounting system in accordance with the chart of accounts. Review in line with budget on a monthly and presented Quarterly. This is covered in 2.1
- 3.1.2. Payroll Package – Treasurer and Administrator. Timesheets approved by CEO. This is covered in 6.1. The Administrator process the payroll through the payroll package.
- 3.1.3. ROS – Treasurer and Administrator. Payslips are emailed to the Treasurer for approval to ROS. The payroll package automatically updates the ROS system with payroll details, Treasurer reviews payroll report to ROS and authorises payment which is credited to revenue through an automatic debiting system.
- 3.1.4. Banking - Treasurer, CEO, Administrator and a member of the Finance Committee. The Board authorises bank signatories when change is necessary.

Instructions to the bank/outgoing payments require two signatories/authorisations. All bank accounts can be accessed online and Banking access devices are with the Treasurer, Administrator and one Finance Committee member. Approved payments by CEO/Treasurer are posted by the Administrator and authorised by one of the other two device holders.

#### 3.1.5. Credit Cards

Pentathlon Ireland operate two credit cards – one is held in the office and the PIN is held by the Administrator. The other is held by the Performance Director. The credit card may only be used for company business, this includes:

- Accommodation and subsistence during work-related travel
- Legal document expenses (e.g. Visa)
- Air, train, ship or other transportation fares
- Necessary medical expenses (e.g. vaccinations)]
- Local transportation during trips (taxi fares, rental cars etc.)
- Other minor or per diem expenses (e.g. meals, business material)
- Pre-approved training and educational material

Users of Credit Cards must:

- Ensure that each transaction must be supported by a receipt or payment acknowledgement. These may be electronic.
- Ensure that only Pentathlon Ireland expenditure is applied to the card  
The company credit card must not be used for personal expenses or for cash withdrawals.
- Ensure that cards are kept safe and secure and holders must act immediately to cancel the card if there is a security issue.

## 4 Detailed Procedures

### 4.1. Recording

All transactions, either made or pending, shall be recorded in the accounting software, coded in accordance with the Chart of accounts. External Income (grants, membership, sponsorship etc) is recorded when actually received. The administrator will generate and issue an invoice through the system for the supply of goods and services by Pentathlon Ireland. Expenses, supported by invoices, contract or expense claims shall be entered once approved. At any time, the P&L of the accounts package should record the actual position, subject to adjustment for invoices yet to be approved.

### 4.2. Accounts payable

No bank account payment or payroll report can be made without an appropriate invoice or expense claim. Invoices and expense claims are required to be dated, signed and endorsed with the relevant chart of accounts code. Expense claims must be signed by the claimant and authorised by the approving officer either through signature or by supporting e-mail. Where any payment is more than 10%

over budget the payment shall be approved by both Treasurer and CEO. Accounts payable should be settled within 30 days of invoice.

#### **4.3. Accounts Receivable**

Pentathlon provides services such as pre-payments for competition camps, and training sessions, use of the hall, hire of equipment. These services are invoiced to the user when incurred and statements are then sent at monthly intervals. Accounts receivable are to be reviewed by the Treasurer and CEO on a monthly basis and appropriate action is taken to recover any amounts overdue. Debtors are considered overdue 30 days after 1<sup>st</sup> statement date.

#### **4.4. Expense Claims**

**4.4.1.** Where a staff car is used for official travel, the staff member/volunteer can claim for the kilometres travelled at Revenue approved rates. Tolls will be reimbursed at cost.

**4.4.2.** Flights shall be booked by the administrator ensuring best available economy fare.

**4.4.3.** Accommodation and meals at the lower of actual cost incurred or the Revenue approved rate.

4.5. Claims shall be made on the Pentathlon Ireland approved form.

### **5 Bank and Key Control Reconciliations**

5.1. At the end of each month, the Administrator will prepare a report that records bank and credit card reconciliations and outstanding debtors and creditors. The reconciliation report should be reviewed and approved by the Treasurer.

### **6 Petty Cash**

Pentathlon Ireland does not operate a petty cash account. Cash payments may occur, but these are infrequent and small and are handled through expense claims.

### **7 Payroll**

#### **7.1. Staff**

Staff whose salaries are based on hours worked, submit their hours for approval prior to the payment month end. Once approved, payments to staff are processed through a payroll package into which these hours are input (for hourly paid employees) and the appropriate statutory deductions are computed and the net amounts are transferred electronically following transfer protocols before the month end. Staff members are issued with monthly payslips.

#### **7.2. Non-staff pay**

In the course of its work Pentathlon Ireland relies on individuals who carry out work on behalf of the organisation for an agreed fee, ie contractors.

Payments made to contractors are paid on presentation of an invoice. Any contractor performs their duties in accordance with the standard contract for services, with their direct line of reporting.

Responsibility for payment of taxes lies with the contractor.

## **8 Monthly Review Process**

- 8.1. The Treasurer is the Chairperson of the Pentathlon Ireland Finance Committee. The Treasurer is in regular contact with the CEO and the Administrator on the day to day running of the financial affairs of Pentathlon Ireland. The Finance Committee normally meet once a month and more regularly as required. The main focus of the monthly meeting is the review of the monthly accounting information and the financial position of Pentathlon Ireland.

## **9 Fixed Assets**

- 9.1. All fixed assets purchased by Pentathlon Ireland will be recorded
  - 9.1.1. as a fixed asset within the general ledger
  - 9.1.2. as an asset in the asset register of Pentathlon Ireland
- 9.2. The fixed assets on the general ledger will be created as assets are purchased and paid for through the general ledger. The asset register will be updated when an asset is purchased or disposed of.

## **10 Procurement**

- 10.1. The following procedure must be followed for asset acquisitions or contracting of service.
- 10.2. The spending must have approval in principle through inclusion in the Budget. If not included in budget, Board approval is required.
- 10.3. Where the asset or service has a value in excess of €5000, three written quotes/proposal from suppliers should be supplied.
- 10.4. Where three suppliers are not available, a justification shall be presented for approval by the decision makers for the selected supplier.
- 10.5. Any relationship between the preferred supplier and any individual involved with Pentathlon Ireland must be disclosed to the Finance Committee
- 10.6. Final agreement to purchase or contract rests with the Finance Committee