

## **Midland Region Hockey Association Ltd(MRHA Ltd)**

### **2020/21 Financial Policies**

- a) The Directors of MRHA Ltd have delegated control of finance to Council and Committees.
- b) Council will operate a bank account funded by affiliation fees to pay firstly, overhead costs incurred by the MRHA Ltd board of directors including insurance, secondly, overhead costs incurred by the MRHA Ltd Council, thirdly, fund cash deficits of MRHA Ltd Committees with prior approval of Council, fourthly, make grants to support Hockey development in the Midlands with prior approval of Council, and fifthly, maintain a cash balance to fund future expenditure which is incurred before income is received.
- c) Each Committee will operate a bank account funded by fees charged for participating in the activities organised by the Committee to pay firstly, overhead costs incurred by the Committee, secondly, direct costs incurred by the Committee including coaching, pitch hire and umpire costs, thirdly, any other costs related to the activities of the Committee, fourthly, maintain a cash balance to fund future expenditure which is incurred before income is received
- d) Council and the Committees will prepare annual accounts on an accruals basis with a year end of 31 August.
- e) It is expected that the Council and the Committees will break even on a year by year basis and not accumulate cash balances on the basis that fees charged will cover expenditure.
- f) If a Committee forecasts a potential cash deficit from its proposed activities then Council at its discretion can agree to fund it.
- g) The cash balances of Council and Committees at the year- end will be allocated between firstly, working capital requirements which is based on the prior year's recurring expenditure disclosed in the accounts of the Committee and Council with one off expenses being excluded from recurring expenditure and, secondly, surplus funds. This method of calculating working capital is considered to be conservative as it assumes payments of expenditure are made before the receipts of fees and therefore avoids the Committees having to draw up monthly cash-flow forecasts. The surplus funds should be reduced by either one off expenditure or incurring annual cash losses as long as the cash balance is not reduced below the working capital requirements.
- h) Council and the Committees should not incur liabilities including forecast liabilities in excess of the working capital cash balance held at the previous year end without the permission of MRHA Ltd Directors.
- i) Council and the Committees have delegated authority by the directors of MRHA to enter into contracts. These contracts should not include indemnities or guarantees which could give rise to open ended liabilities unless they are approved by the MRHA Ltd Directors.
- j) The Administration Fee for Disrepute Offence, Red Card and Matchday Misconduct offences dealt with by Regional Disciplinary Administrator and the Deputy Regional Disciplinary Administrator is set at £60 which is due 7 days after the issue of the Penalty Notification Form and an additional fee of £10 per week made for overdue payments.
- k) Council has given the Treasurers of Council and the Committees discretion to charge an additional fee of £10 per week for any other overdue payments due to MRHA Ltd Council and Committees.
- l) The Committees should arrange for the Treasurer and two other Directors of MRHA Ltd to be cheque signatories of the Committees bank accounts to ensure there are continuing cheque signatories on potential multiple changes of personnel on Committees. The Treasurer and two other Directors of MRHA Ltd to have internet viewing rights of the committees' bank accounts in order to exercise financial control over MRHA Ltd.
- m) The Indoor and Masters Committees have incurred deficits which has been funded by the MRHA General account and any surpluses made by the Indoor and Masters Committees will be transferred back to the MRHA General account upto the amount of funding provided by the MRHA. The Indoor and Masters Committees are funded on year by year basis agreed in advance by the Directors.
- n) Any queries on the above policies and issues on Committee finance issues should be addressed to the MRHA Ltd Treasurer.

Approved by Directors

23/07/2020