



IPC Financial Records Policy & Procedures 2019

The Directors of the IPC are responsible for the financial probity of the Irish Pony Club including its branches. The Director's primary responsibility is to protect the **Irish Pony Club CLG**.

The District Commissioner has ultimate responsibility for the financial stewardship of their Branch. This does not mean that they need to have advanced financial skills, but they should ensure that sufficient financial controls are in place to mitigate against the risks of fraud. The object of these controls is to make it so obvious that theft will be detected that nobody will be tempted.

Should it appear that a Branch Treasurer or any other person carrying out the functions of a Treasurer is not providing the required level of financial stewardship; **the Executive Committee may suspend them from office**, and order that all of the Branch's financial records and documents should be surrendered to a named person. In the period between Executive Committee meetings, the Chairman of Finance of IPC may initiate the suspension.

Basic Financial Controls Required

1. Basic Financial Controls Required

An Income and Expenditure Account (plus a list of Debtors & Creditors) (to 31st October) **must** be presented to the Annual Parents Meeting, these accounts together with a copy of the **opening and closing bank statements, and cash balances, must be sent to IPC HQ by 30th November, each year**. At the Annual Parents Meeting, the accounts must be proposed and seconded and adopted by those present. The accounts must be made available to parents (via email or on the branch website) at least 48 hours before the Annual Parents Meeting.

A **Bank & Cash Reconciliation** must also be completed and included with the Annual Accounts. The DC and Treasurer must **sign the accounts**, indicating they are a true and accurate account of the branch financial status. Where a branch uses cash receipts to pay for expenses, all these transactions must be included in the Income and Expenditure Account. Where a branch has a deposit account as well as a current account, the deposit account must be included in the Annual Accounts (the Deposit

Account Statement must also be presented at Branch committee meetings and the Annual Parents Meeting (APM). These accounts should be either audited or reviewed by member of the Branch Committee.

Every effort should be made to have the accounts audited, but it is recognised that Branches may have difficulty in finding someone prepared to take on this task. If this is the case, a member of the Branch Committee (who could be the District Commissioner) should review the annual accounts with the Treasurer. The review must include **agreeing the reconciliation of the bank statement(s) and cash balances to the Income and Expenditure balance**. The reviewer should then submit a verbal or written report to the next Committee meeting, and this must be minuted. The DC and Treasurer must then sign the accounts confirming they are a true and accurate account of the branch finances before sending them to HQ. The audit / review is a good check but by definition, it only happens once a year. A more frequent control is:

2. A statement of income and expenditure should be produced at each meeting of the Branch Committee (at least 3 times a year).

The Agenda for every Committee meeting should contain a financial report by the Treasurer, and the Treasurer should bring the account books and the latest bank statement(s) to the meeting, so that the Committee members may inspect them.

This serves two purposes. One is that a look at the bank statements will reveal any unusual activity for example, numerous transactions involving money flowing into and out of the bank account. Secondly, the organisers of events usually have a good idea of their financial outcome. If the books do not reflect this, they need to be investigated.

Again, this may be an infrequent check, as Committees might meet only 4 or 5 times year. A monthly control is available through the next check: -

3. Duplicate bank statements should be requisitioned, with one being sent to the Treasurer and another to the District Commissioner, monthly. Statements should be received from banks at not more than monthly intervals, normally as at the last calendar day of the month.

4. No person should be allowed single access to Branch funds (including Deposit accounts, Credit Union Accounts, Post Office savings accounts etc.). **Two signatories are required on all cheques/payments**, one of which **must** be the District Commissioner. When the DC or Treasurer is replaced the incoming DC and/or Treasurer must complete the Bank's change of signatories' form at a Branch Committee meeting.

5. On-line Banking

On-line banking is permitted, provided that the Bank has the facility which requires two separate people to authorise the transaction.

6. Branch Credit Cards

Branch Credit Cards are **not allowed**.

7. Branch Debit Cards

Branch Debit Cards may be used, the DC must be responsible for same and where possible named on the card (along with the Branch Name). The Treasurer may not be the holder of the card. The person who is the holder must give the transaction dockets to the Treasurer at not greater than fortnightly intervals, together with an explanation of the reason for each purchase.

8. The Signing of Blank Cheques Must Not be Permitted

It is very tempting to sign a supply of blank cheques, particularly if the signatories live some distance apart. However, this is one of the ways fraud is perpetrated in sporting organisations. It should be noted, that Insurers will not pay out in cases of single signatory cheques. Neither will they pay if blank cheques have been signed by a dual signatory.

9. A Cash Book must be kept where details of all cash transactions at rallies and camp should be recorded. Lodgements must relate to the Cash Book recordings.

All items paid for must have an invoice or receipt, including payments to Instructors and expenses to Branch Officials. This is essential for any cash payment.

It is recommended, where possible that you do not make payments in cash.

10. A Register of All Fixed Assets Must be Kept (land, buildings, vehicles, caravans, trailers, jumps, trophies, and other equipment) belonging to the branch, whether or not the branch capitalizes fixed assets in its accounts. Items costing or valued (whichever is the greater) less than €100 need not be entered on this register. Property comprising a set should be priced as a set, not as individual items. This register must be physically checked at least once every year.

11. The accounting records of the branch (including but not limited to ledgers, bank statements, cheque books, cash books) **are the property of the branch.** Should the accounts be kept on a computer, (excel sheet) then the rights to such records and passwords are also the property of the branch and should be known by another member of the branch committee as well as the Treasurer, preferably the DC. If the Treasurer is using his own software package (i.e. Sage or other), it is best practice that the branch owns the rights to the software. However, as a transitional arrangement where the Treasurer is currently using his own software, this may continue, until the next time that the software is changed. It is vital that the password or activation codes are known to another member of the Committee.

12. The Treasurer may not be the District Commissioner, nor may he or she be anybody residing at the same address as the District Commissioner.

It is the basic objective of financial controls that collusion should be necessary if fraud is to be perpetrated. If the DC, who should be the financial steward, is also the Treasurer, the opportunity for fraud is greatly increased.

13. Conflict of Interest – At all levels of the Irish Pony Club, from the Board of Directors to Branch Sub-Committees, avoidance of any potential conflict of interest must be strictly observed. “No person who is financially interested in hiring out horses, ponies or venues for their personal profit shall be eligible for appointment as District Commissioner”. Any Instructor, venue owner, or anyone who would benefit financially for Pony Club activities should absent themselves from decision making on such matters.

Whenever an individual has a personal interest in a matter to be discussed at a meeting of a committee of which he/she is a member, he/she must:

- a) Declare his/her interest before discussion begins
- b) Be absent from the meeting for that item, unless expressly invited to remain to provide information
- c) Not be counted in the quorum for that part of the meeting
- d) Be absent during the vote, and have no vote on the matter.

14. Monies Subscribed by Parents on behalf of members should ideally be used for the benefit of those members in the current year. It is acceptable to set aside a small amount of money each year for capital purchases (e.g. jumps, trailers, Mounted Games equipment etc.) or as a provision for unexpected expenses. The accumulation of large deposit accounts (without a specific purpose or plan) is discouraged.