

English Chess Federation

Bye Law No.4 the Financial Bye Laws

1. Made by the Council of the English Chess Federation (ECF) on ~~22nd~~26th April ~~2023~~2025 pursuant to Article 85 of the Articles of Association (the “Articles”).

Definitions

2. Expressions defined in the Articles shall have the same meanings in these Bye Laws.

Budgeted Expenditure

3. The Board shall submit its budget proposals to Council for approval at its annual Finance Council meeting.
4. The budget will include estimates of income, ~~budgeted and~~ expenditure for each Directorate, anticipated surplus on operations for the period, capital expenditure and any planned movements in reserves.
5. The Board is expected to manage the operation of the ~~Federation~~ECF within the overall agreed income and expenditure budget as allocated to each Directorate.
6. Directors are required to ensure that a record of their Directorate’s income and expenditure ~~and income~~ is maintained in conjunction with the Finance Director.
7. The Finance Director should provide the Board and individual Directors with management accounts of the status of their budgets at intervals throughout the period concerned.

Donations and Sponsorship Monies

8. Any sponsorship or donation monies received will come under the responsibility of the Board.
9. For donations the Board will take account of the wishes of the donor. Sponsorship

monies must only be spent for the purposes agreed with the sponsor and the Board shall, in its annual report to Council, report on how any sponsorship monies were spent save where prohibited by the sponsor.

10. Directors seeking to organise, or support, a third party sponsored event must, before any contract is signed:

~~1.(a)~~ Obtain written confirmation from the sponsor of the terms of the sponsorship, the sum to be made available, and the timing and conditions of the payments;

~~2.(b)~~ Provide contractual and other relevant details to the Director of Finance for permanent retention until after the sponsored event in question has ended and all financial matters to do with the event have been finalised;

~~3.(c)~~ Obtain approval to proceed from the Chief Executive and the Finance Director.

Unbudgeted ~~Expenditure~~ Surpluses/Deficits

11. Unbudgeted ~~expenditure~~ surpluses or deficits on individual directorates may ~~exceptionally~~ occur in respect of higher than expected receipts, additional activities agreed by the Board, or an increase in outlay on planned activities.
12. A Director must report any ~~anticipated over~~ adverse income or expenditure or loss ~~variance~~ of income up to £1,000 to the Finance Director as soon as he/she is aware of the circumstance, together with an explanation for the variance and ~~any~~ proposed remedial ~~action~~ actions. See clause 13 below for adverse variances of more than £1,000.
13. The Board advised by the Finance Director will decide ~~the solution~~ how to ~~ensuring~~ ensure that the overall ~~Board expenditure and income budgets are met. The Board may re-allocate budgets between Directorates and/or decide to seek authorisation for unbudgeted expenditure, budget as approved by Council is met. Directors may, with the agreement of the Chief Executive and the Finance Director, reallocate budgeted income and/or expenditure (including capital expenditure, over and above that agreed by Council, as follows:) between directorates. If unbudgeted deficits are anticipated, the following approval thresholds shall apply (the relevant approval to be obtained before the unbudgeted deficit is incurred):~~
- ~~1. Not Exceeding £1,000 but not~~ exceeding ~~£310,000~~ requires the approval of the Chief Executive and the Director of Finance (or ~~a nominated~~ the Non-Executive ~~Director Chair of the Board~~ in the absence of either of the first two Officers: ~~(Nomination to be agreed at the first Board meeting):~~).

~~3. Exceeding £310,000 but not exceeding £525,000 requires either a resolution of the Board or the approval of the Chief Executive, the Director of Finance or a nominated, the Chair of the Finance Committee and the Non-Executive Director in the absence of either of the first two Officers (Nomination to be agreed at the first Board meeting) and the Board Chair of the Board.~~

~~5. Exceeding £5,000 but not exceeding £1525,000 or 2050% of the reserves, whichever is the lesser (excluding the Permanent Invested Fund, The Chess Trust or any other separated fund or trust), as stated in the last adopted accounted most recent financial accounts, submitted to Council requires the approval of the Chief Executive, the Director of Finance and the nominated Non-Executive Director (Nomination to be agreed at the first Board meeting) and the Board Council in general meeting.~~

~~Exceeding £15,000 or 20% of the reserves, whichever is the lesser, as stated in the last adopted accounts requires the approval of Council in General meeting.~~

Planned Reallocation of Budgets

~~1. Normally, actual income and expenditure will relate to the items specifically identified in the budget. If an amount is to be reallocated, the Director concerned should notify the Director of Finance in advance of any proposed reallocation between account codes where the items exceed £2,000 or 20% of the Director's budget, whichever is the lesser.~~

ECF Chess Events

~~1. The Director under whose budget an event falls shall be responsible for maintaining adequate accounts in respect of the event and reporting the financial results to the Finance Director within 2 months of the end of the event. The analysis provided must be in at least as much detail as the budget and variances of expenditure exceeding 10% must be explained.~~

Finance Committee

14. The Finance Committee is elected by Council to maintain an overview of the Board's management of the Federation's finances. ~~The Committee should concentrate its~~

resources on including, without limitation:

~~the following in order to provide Council with an independent view of:~~

- ~~2. The soundness of the Board's overall long term financial plans;~~
- ~~3. The appropriateness of the Board's proposed budget to support the ECF's strategy agreed by Council;~~
- ~~4. The appropriateness of the resources, systems and processes used to manage the ECF's finances;~~
- ~~5. The annual audited accounts and reports of the ECF.~~

Expenses

15. All expenses are to be reimbursed to Chairman of Council, Directors, ~~and~~ Officers, members of Standing Committees, individual members' representatives and others as agreed by the Board. Claims are to be made within two months of the date on which the expense was incurred.
16. The Board will authorise the ~~schedule of expenses and rates in the Financial Regulations that which~~ may be claimed ~~for the following types of expenses: by any officer of the ECF.~~
 - ~~• Travel (standard class and car mileage)~~
 - ~~• Telecommunications/telephone~~
 - ~~• Stationery, postage, office expenses~~
 - ~~• Accommodation (where agreed in advance with the Finance Director)~~
 - ~~• Other (specifically agreed in advance by the Finance Director)~~
- ~~5. The schedule of expenses and rates will be maintained at the Office.~~

Financial Transactions

17. All financial transactions must be dealt with through an approved ECF bank account and must be effected on a gross (not net) basis with no netting of linked, but discrete transactions ~~before passing to the Finance Team.~~

Bid Regulations

18. All work put out to tender must, where applicable, be transacted in accordance with the Bids Regulations made by the Board.