



## Procedures for Capital Purchases, Project Expenses & Significant Items of Expenditure

(As adopted by the Committee on 17 September 2022)

### Definitions

#### Capital Purchase

A “Capital purchase” shall be defined as expenditure on a single item / group of identical items that would meet the definition of a Fixed Asset under FRS102 and which cost more than £100 including VAT. e.g. A strimmer costing £120 is a capital item, a replacement set of hoops for £80 are not.

#### Officers

The executive members of the Club’s governing committee: i.e. Chairman, Secretary and Treasurer.

#### Project

A “project” shall be any suggested matter of maintenance / actual improvement at the Club which is budgeted as such and (generally) expected to cost more than £500 in all – e.g. Redecoration, New fencing, re-fettling of lawns etc. etc.

The splitting of a project into a series of closely connected elements individually costing <£500 each ( e.g. Electrician’s work £400, Replastering £250 and repainting £250 ) shall not make a project’s elements regular expenditure.

#### “Project expenses”

“Project expenses” are defined as expenses arising directly from a project.

#### Significant Items of Expenditure

“Significant Items of Expenditure” are defined as any individual expense of £500 or more, which does **not**:

- meet the definition above for capital purchases
- meet the definition above for project expenses
- arise recurrently – either on an annual basis or more frequently than annually ( e.g. Rent, Electricity, CA members’ levy etc. etc. )

## Requirements

- 1 All projects shall be budgeted for in advance. A budget must be approved in principle by the Committee in advance of any work starting. This approval must be documented and the Committee quorate.
- 2 Whilst projects are likely to arise from the needs of the Club as raised and discussed by its committee members, any suggestions for projects/improvements can be raised directly with committee members. The Committee has absolute authority to reject such proposals, though they are subject to over-ride through procedures enforced under clauses 10(j) and 11 of the Club's constitution.
- 3 Budgeting for projects will normally be included in the annual budget prepared and approved in advance for the financial year in which the project is expected to be executed. If this is not possible then the project must receive specific project budgetary approval from the Committee before any work can start and before any contracts are awarded.
- 4 Where individual contractors' costs are significant to a project then three tenders/quotations must be sought. The Committee is not obliged to accept the cheapest quotation. It shall approve the one it deems to offer the best value to the Club.
- 5 All projects shall be monitored by a designated Committee member, who shall have primary responsibility for:
  - monitoring progress;
  - updating the Officers and the Committee of that progress;
  - the contractors' health and safety;
  - the security of the property whilst contractors are on the premises.
- 6 The Officers shall supervise such designated members and retain authority in their respective spheres. [i.e. The designated member cannot vary the budget and the pre-agreed requirements of the project without prior approval from the Officers. All invoices must pass through the Treasurer for review and payment in the normal way.]
- 7 The Officers must be briefed regularly regarding progress with the project.
- 8 Variation of the budget can be made by the Committee, but not after the event. The Officers can therefore override the actions of the designated Committee member if they consider it appropriate to do so. Any final decision in such cases would be subject to ratification by the Committee as a body.
- 9 Capital purchases cannot be made without prior approval from two Officers. The Treasurer must be one of the two. In the Treasurer's absence / refusal, only the full Committee will have the authority to approve such a proposed purchase in advance ( via a minuted documented decision at a quorate Committee meeting ).
- 10 Where capital purchases are more than £500, the full Committee (rather than just two Officers) is required to validate capital purchases in advance.

- 11 Significant purchases cannot be made without prior approval from the Committee. Only the full Committee can validate such a proposed purchase in advance ( via a minuted documented decision at a quorate Committee meeting ).

These procedures shall remain subordinate to the Constitution and By-laws of the Club.

By Order of the Committee.

**Janet Kendal**

Chairman

17/09/2022

**Grenville Perry**

Secretary

17/09/2022