ASIAN
FOOTBALL
CONFEDERATION

FINANCIAL MANAGEMENT MANUAL – REGIONAL ASSOCIATIONS



FINANCIAL MANAGEMENT MANUAL – REGIONAL ASSOCIATIONS

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1. THE FINANCIAL MANAGEMENT MANUAL

1.1 Introduction

This Financial Management Manual (Manual) incorporates the recommended Financial Management Policies and Guidelines for a Regional Association (**RA**) of the Asian Football Confederation (**AFC**).

The Manual provides clear financial processes and procedures, which will support policies, for the Finance Department / Head of Finance / Financial Officer and by extension, the RA as a whole and its staff. The objective is to help staff manage resources effectively and report accurately to all its stakeholders. It outlines how to control assets, manage liabilities and funds, recognise income and expenses and ensure compliance with standards and regulations with adequate and appropriate processes, procedures and systems.

1.2 Purpose

The Manual is to ensure that the procedures of the RA have the following principles and objectives:

- Defined financial roles and responsibilities
- Ensure separation of duties and effective internal controls
- Promote good and integrated financial planning, budgeting and reporting
- Comply with AFC, FIFA, Statutory and Regulatory and legal Regulations
- Aim for value for money and best financial and operational practices
- Clearly defined delegations of authority where possible

The **RA** is required to comply with obligations, particularly in relation to the funding received under:

- AFC Enhance Programme
- FIFA Forward

1.3 Review and Approval

The Manual must be reviewed periodically. Updates need approval from the General Secretary (GS) and the Executive Committee (EXCO).

1.4 Scope and Application

Covers all financial management areas: budgeting, revenue and recording, expenses and purchasing, assets, liabilities, payroll, effective reporting, etc. It applies to all the RA's finance staff and by extension, all operational staff, who must follow the policies, processes and procedures.

1.5 Segregation of Duties

To reduce risks:

- No one person should control all parts of a financial transaction.
- Segregation of duties is a key element of Internal Control.
- Roles must be clearly separated and supervised.
- No one person must initiate, review and approve the same action.

1.6 Accounting Standards

The **RA** must comply with and follow International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), especially for income and expenditure recording, grants, sponsorships, and ticket sales and over all its assets and liabilities.

2. FINANCE DEPARTMENT & ACCOUNTING RECORDS

2.1 Department Structure

While a basic finance team includes:

- Head of Finance (HOF)
- Senior Accountant
- Budget Officer
- Accounts Assistants

It is likely that the **RA** will have only 1 officer, as Head of Finance (HOF) for the entire Finance Department, to oversee all aspects of financial management or at the most, with one assistant. Thus, the role becomes critical as all functions will be carried out by this 1 officer.

Some **RA**s will also contract out the preparation of Financial Statements (FSs). However, the **RA** and the HOF remain responsible fully.

2.2 Chart of Accounts (CoA)

The CoA lists all accounts used for reporting, grouped as:

- Accounts: Balance Sheet accounts: Assets, Liabilities and Reserves
- Income Statement accounts: Revenues and Expenses

Use 5-digit codes and cost centres for detailed tracking; to customise CoA as needed.

2.3 Protecting Accounting Data

Security Measures:

- Only authorised staff can access the Finance Department and the information therein.
- Blank checkbooks and petty cash must be securely stored.
- Passwords restrict access to accounting software and this must not be shared.
- Each staff member should only access what's needed for their role.
- Backup files (hard drives or cloud) must be regularly maintained and protected.
- Sensitive data like payroll must be stored securely.
- Where data is maintained on Cloud services or Third Parties, security and backup of data becomes more important.

2.4 Record Retention

Documents must be kept according to local laws:

- Some records (e.g. tax documents) are kept permanently or till they are fully cleared.
- Others (e.g. invoices, bank statements) for at least 7 years and only after regulatory clearance.
- Disposal must protect sensitive data (e.g. shredding).

2.5 Manual Records

- Sort and file documents by month and year.
- Keep originals and record transactions using dates and amounts.
- Maintain ledgers and produce correct financial statements (FSs).

2.6 System-Generated Records

- Must be searchable, accurate and secure.
- Must be consistent in saving and archiving.
- Ideally to keep a monthly printed copy and definitely annual copies.
- Follow same procedures as manual systems.

2.7 Document Management

- Finance must maintain and control access to original documents (paper or electronic).
- To outline expectations for storage of original and supporting documentation.
- Documents must be organised for easy retrieval.
- Electronic files must be scanned clearly, verified and stored securely.
- Controls must be in place to ensure records cannot be altered without detection.

3. BUDGETING

3.1 Overview and Purpose of Budgeting

Budgeting is a vital management process that helps the **RA** plan and control its finances. It translates goals and priorities into financial terms, ensuring efficient use of funds and enabling accountability. The budget:

- Guides programme planning and resource allocation.
- Enables performance tracking and financial decision-making through regular reporting.
- The input from each department is most important and critical.
- Ensures compliance with donor and stakeholder expectations.

Each department contributes to creating the **RA**'s consolidated annual budget. The budget cannot be done without the contribution of each functional department as this ensures that the respective department takes full responsibility and ownership of their respective department's operations and this is critical to the effective working of the budget for the **RA**.

3.2 Budget Components

The RA's budgeting process includes the following components

1. **Revenue Budget (Section 1)**

   Anticipated income sources, including:

   - Ticket sales for competitions and tournaments
   - Grants (e.g. AFC, FIFA, governments [if any])
   - Sponsorships
   - Donations
   - Merchandising and licensing including rights to broadcast matches

2. **Expenditure Budget (Section 2)**

   Projected operating costs, such as:

   - Salaries and staff benefits
   - Rent, Utilities, Telecommunication, IT Systems and office expenses
   - Travel and match-related expenses
   - Organisation of events and tournaments

3. Capital Budget (Section 3)

For fixed asset purchases, such as:

- IT equipment
- Office furniture
- Vehicles
- Building improvements

Each section must be divided into cost centres and line items, using the Chart of Accounts (CoA) structure.

3.3 Budget Preparation Process

Step 1: Planning Kick-Off

The Head of Finance (HOF) calls a meeting with all Heads of Departments to:

- Review current year performance
- Share the timeline and responsibilities
- Explain budget assumptions (e.g., expected income levels, inflation, cost constraints)
- This must be done at the beginning of September and completed by the end of September [or the 9th month] of the financial year

Step 2: Department Budget Submissions

Each department then prepares their budget using standard templates. Estimates must be:

- Justified with supporting documents (quotes, projections, etc.)
- Consistent with the **RA**'s strategic priorities
- Consistent with the **RA**'s plans for the coming year(s)
- This must be done by mid-October [or by the middle of the 10th month] of the financial year

Step 3: Consolidation and Review

The Finance Department compiles all department submissions into a draft budget, including:

- Overall revenue and expense summaries

- Capital expenditure forecasts
- Cash flow projections
- Explanatory notes on key items or assumptions

Step 4: Internal Review and Adjustments

- The HOF then reviews the consolidated draft and returns it to the respective departments for any adjustments required and for their final agreement
- The HOF concurrently updates the General Secretary (GS) of the status of the draft budget
- This must be done by the end of October [or by the end of the 10th month] of the financial year
- The various Heads of Departments (HOD) must make the amendments, if any are required, and return their updated department budget to the HOF within 1 week of receiving it

Step 5: Approval Process

- The HOF prepares the final consolidated budget within the 1st week of November [or by the 1st week of the 11th month] of the financial year
- The final budget is reviewed by the GS at the same time
- The approved version is then submitted to the Executive Committee (EXCO) for their formal endorsement
- Once approved, budget allocations are communicated to all departments
- This process must be completed before the end of November [or by the end of the 11th month] of the financial year
- For this to happen, the EXCO is updated beforehand, of the date of the Meeting to approve the Final Budget

3.4 Budget Monitoring and Control

- Budget monitoring is crucial to ensure financial, operational and capital plans are carried out.
- The **RA** must use the budget to enforce accountability on the use of funds.
- Variances must be highlighted and explained by the respective departments.
- This ensures that the RA keeps to approved spending limits and identifies variances early.

Key Responsibilities:

- **Finance Department:** Prepares monthly budget vs. actual reports.
- **Department Heads:** Monitor their own budgets and explain all significant variances.

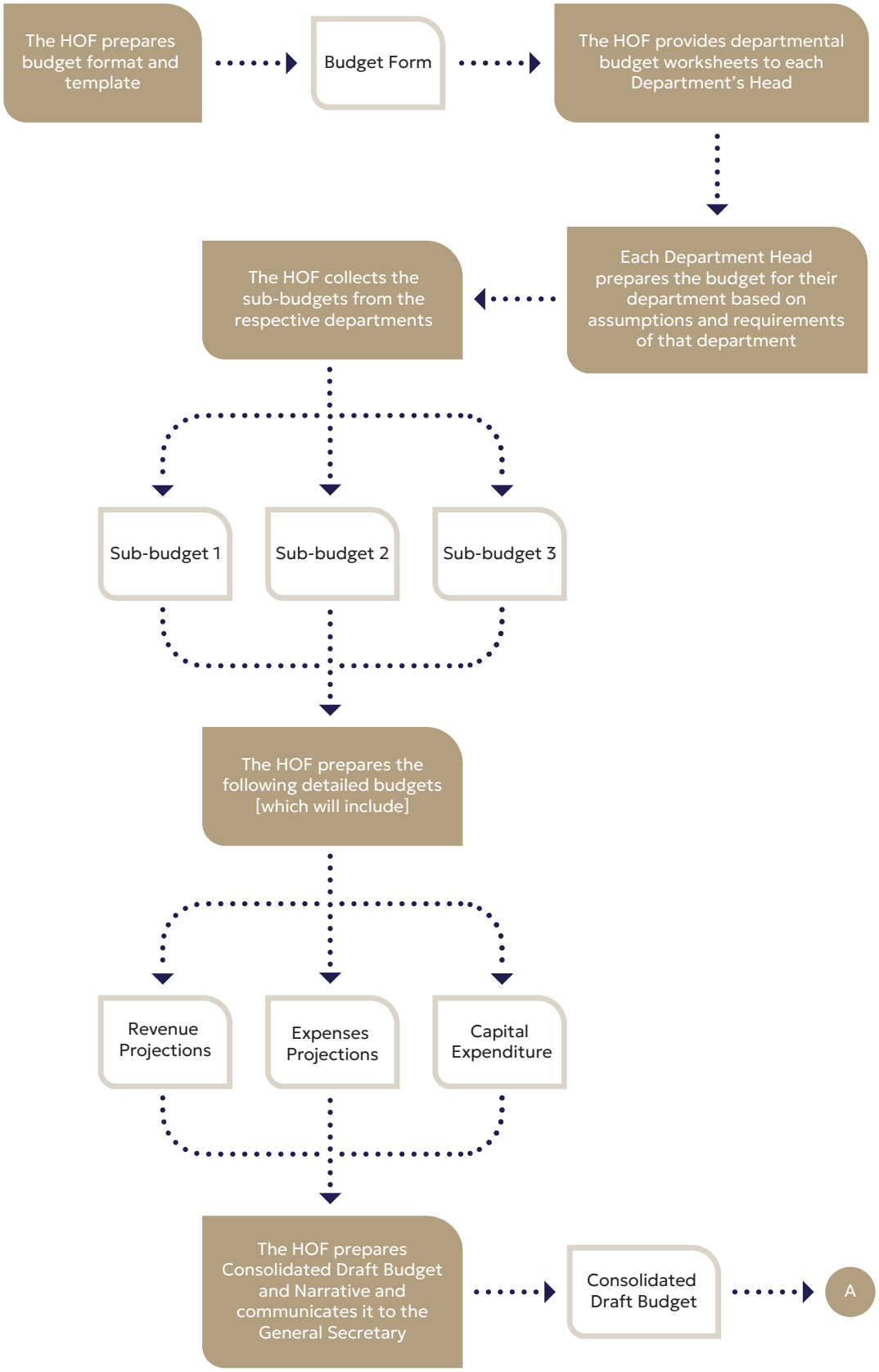
Monthly Monitoring Reports (due within 15 days after month-end):

- Revenue earned vs. budgeted
- This reporting is to be done monthly, quarterly and yearly and where required, also periodically, including for events and tournaments
- Operating expenses vs. budget by each department
- Capital spending vs. budget
- Any differences (variances), with explanations and corrective actions to be taken

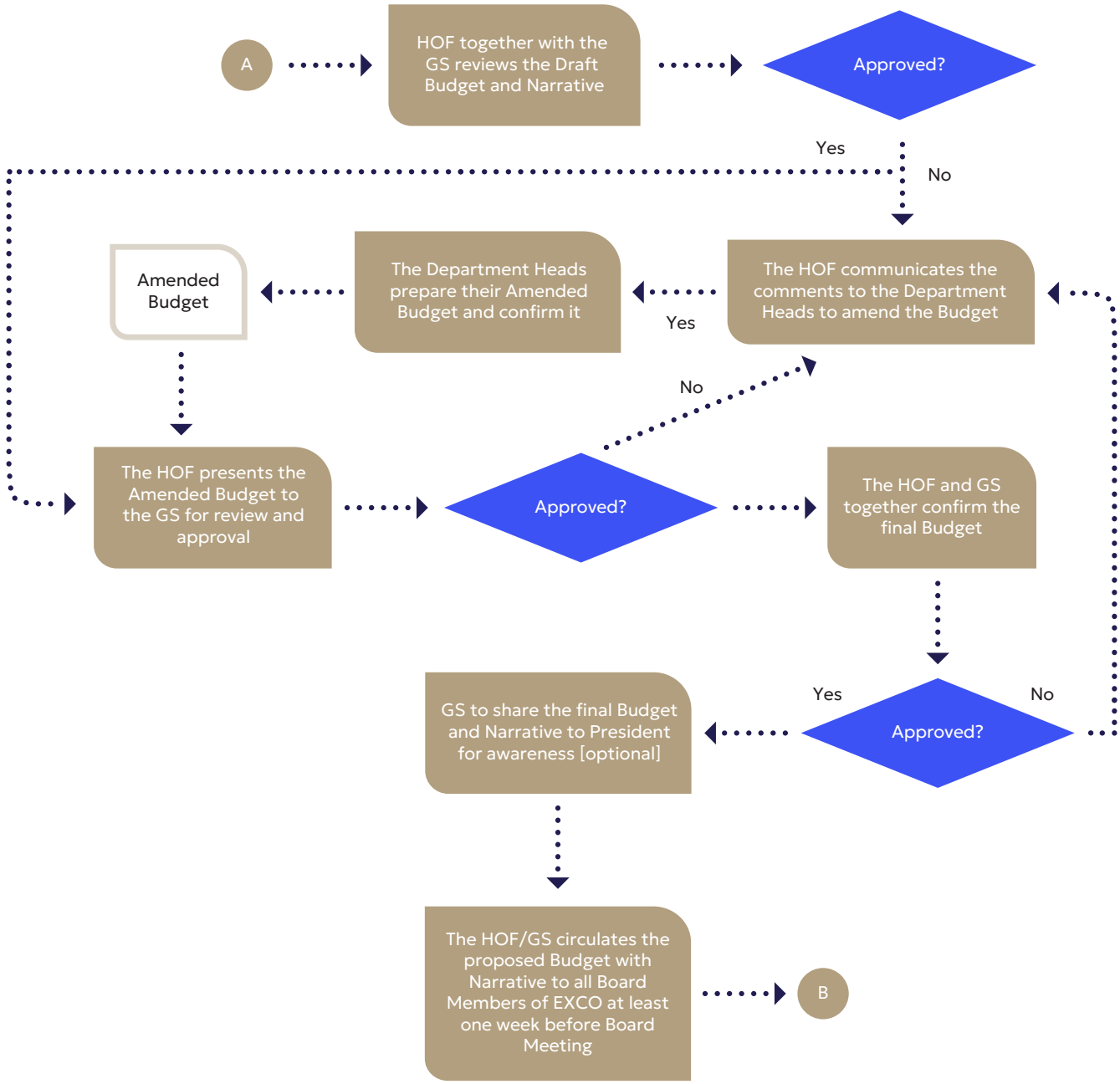
Suggested Actions for Variances:

- Hold monthly or quarterly budget meetings
- Investigate significant over/underspending with explanations
- Adjust spending or reallocate funds if needed

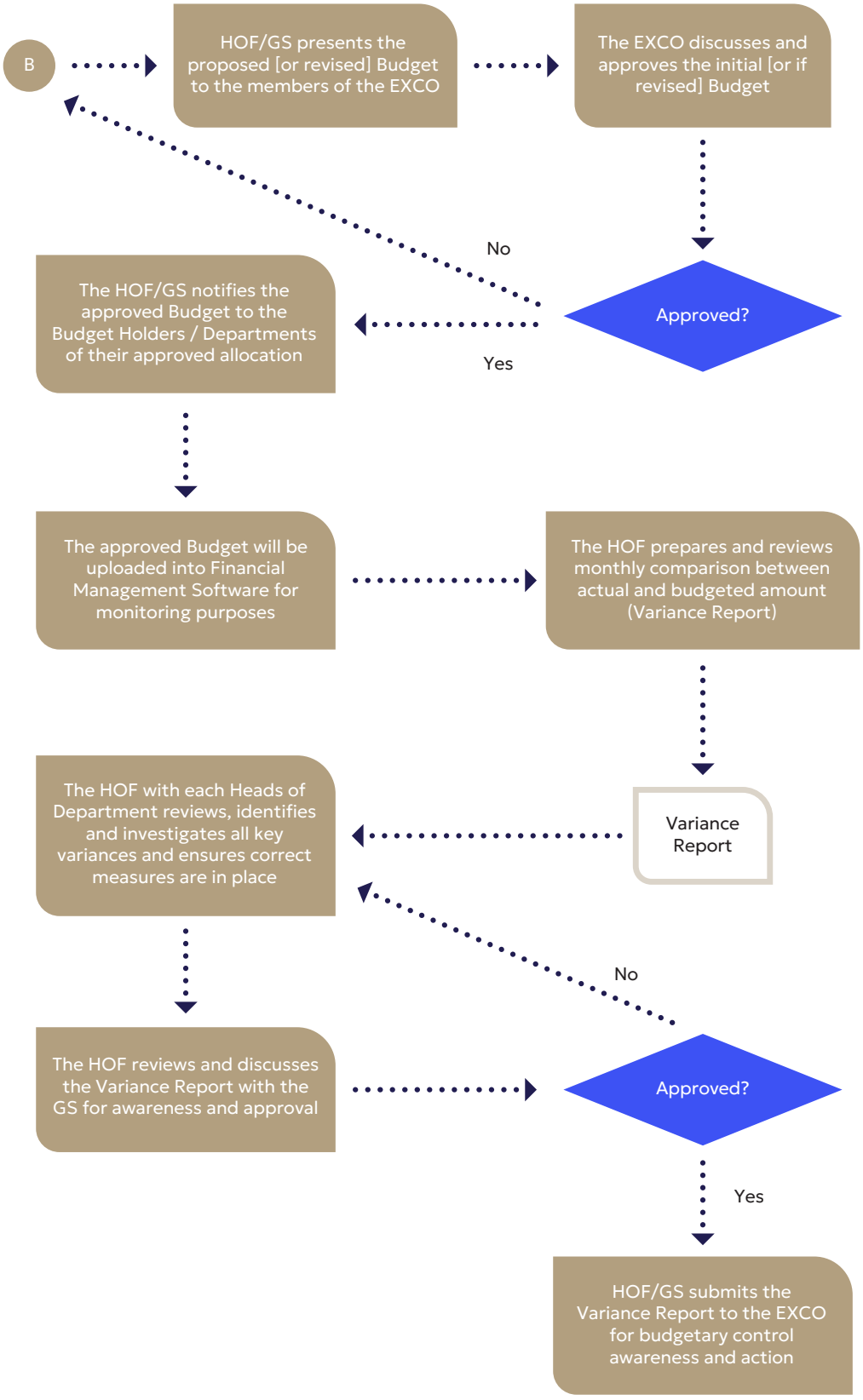
BUDGET PROCESS FLOWCHART [Part 1 of 3]



BUDGET PROCESS FLOWCHART [Part 2 of 3]



BUDGET PROCESS FLOWCHART [Part 3 of 3]



3.5 Budget Control and Expenditure Approval

- Each department must operate within its approved budget.
- All spending must be authorised using a Purchase Order (PO) approved by the Heads of Departments (HOD).
- HOF/Finance staff control entry of expenses into the accounting system to prevent unauthorised overspending.

Overspending is not allowed unless formally approved. If a department needs more funds:

- A variance request must be submitted to the HOF.
- HOF then brings it to attention of the GS.
- No spending beyond the budget will be permitted unless approved.

3.6 Budget Revisions and Reasons

3.6.1 Revisions may be necessary due to

- Major changes in planned activities.
- New funding or loss of funding against planned and what was anticipated.
- Emergencies or critical unbudgeted needs.

3.6.2 Revision Process

1. Each HOD submits a justification for the change
2. HOF reviews and amends the budget accordingly
3. Revised Budget is submitted by HOF and GS to EXCO for approval

3.6.3 Required Inclusions in Revised Budget

- Explanation for each amendment
- Funding source for new expenses
- Impact on overall financial position

3.6.4 Approval Authority for New (Unbudgeted) Expenditure [as an example]:

These are the suggested limits:

Amount	Approval Required
Up to $5,000	Head of Finance (HOF)
$5,001 – $25,000	HOF + General Secretary (GS)
Over $25,000	Executive Committee (EXCO)

3.7 Summary of Responsibilities

Role	Responsibilities
HOF	Leads the process, ensures compliance, prepares consolidated budget
Department Heads	Submit department budgets and control spending and explain variances
Finance Department	Monitors actual vs. budget and reports monthly or for projects
EXCO	Approves final and revised budgets

While the **RA** does or may not have multiple staff in the organisation, it is important to ensure that responsibility is shared and not just based on one individual.

4. REVENUE RECOGNITION

4.1 Purpose

Revenue recognition is the process of recording income in the Financial Statements (FSs) when it is earned and recognised — not just when cash is received. This ensures transparency, proper reporting, completeness and compliance with IAS 18 and IFRS 15.

4.2 General Revenue Recognition Policy

Revenue must only be recognised when:

- Economic benefit will flow to the benefit of the **RA**
- The amount can be measured accurately and reliably

All revenue must be:

- Properly documented and authorised when funds are received from all parties
- Recorded in the accounting system on the accrual basis (earned income, not just received)
- Complies with contract terms, invoices raised and applicable Regulations

If the **RA** receives income in advance (e.g. for future events or services), it must be recorded as Deferred Revenue and only recognised when earned.

4.3 Revenue Sources

A. Core Revenue

- Membership fees from Member Associations, if any
- Affiliation and registration fees particularly for competitions organised
- Grants from AFC, FIFA, national authorities, etc.
- Grant revenue must be recognised in accordance with the respective Regulation in force

B. Commercial Revenue

- Sponsorships
- Match day income for competitions organised (ticket sales)
- Media and broadcasting rights

- Marketing, merchandising and licensing
- Fines, levies, and rental of facilities

C. Other Revenue

- Donations (cash or in-kind)
- Interest income
- Miscellaneous income

Each source of revenue should be categorised, checked against bank deposits and banking slips and coded in the accounting system for accurate reporting and analysis.

4.4 Revenue Measurement and Timing

4.4.1 Measurement

Revenue is measured at the correct and fair value of what the RA expects to receive.

4.4.2 Recognition

Revenue should be recognised:

- When earned, even if not yet received
- Proportionally, if it relates to multiple events or services (e.g. tournament tickets)
- Deferred when received in advance and to be earned over a period of time

4.5 Gate Receipts and Season Tickets

4.5.1 **Gate Receipts** [where applicable]

- Income from match tickets is recognised on the match date
- For international matches, revenue is shared with visiting teams per agreements
- The RA only recognises its share of income and not all funds received
- However, note that all funds thus received must be recorded and accounted for

4.5.2 **Tournament Tickets and Sponsorship** [where applicable]

- Revenue must be spread across the duration of the tournament
- Recognised after each match is played
- Unused amounts are shown as Deferred Revenue

4.6 Revenue Reversals

Revenue must be reversed if:

- Grant or sponsorship terms are not met or fulfilled
- The provider requests return of funds and is according to the specific agreement
- Penalties may be applied for non-compliance (e.g. deductions in future payments)

However, if the grantor only deducts from future disbursements (not requesting repayment), no reversal is required.

4.7 Internal Controls for Revenue

To ensure proper recognition and reporting, the Finance Department must:

- Validate and file all contracts and agreements
- Ensure revenue is recorded in and for the correct period
- Maintain, record and match the supporting documents (e.g. invoices, grant letters, etc.)
- Regularly reconcile accrued vs. received income

4.8 Summary of Responsibilities

Role	Responsibilities
HOF	Approves revenue recognition, reviews agreements, ensures Compliance
Senior Accountant	Records revenue, monitors deferred income, ensures proper timing
Finance Staff	File documentation, enter revenue in accounting system, assist in Reconciliations
General Secretary/EXCO	Approves donations, major sponsorships, and revenue policies

It is noted that it is likely the HOF, Senior Accountant and Finance Staff are likely performed by one person. Accordingly, the responsibility then becomes more intense.

5. SPONSORSHIP REVENUE

Sponsorship involves income received in exchange for marketing or publicity services provided to the sponsor. The RA must comply with IFRS 15 for contracts with customers. Sponsorships provide a key source of income for the RA. They involve partnerships with companies or organisations that provide funds, services, or goods in return for publicity or commercial benefits.

5.1 Recognition Steps (5-Step Model):

1. Identify the contract - Must be signed, specific and enforceable
2. Identify performance obligations - What does the **RA** commit to deliver? (e.g., logo placements, media mentions)
3. Determine the transaction price - Total amount the sponsor will pay under the contract/ agreement
4. Allocate the price to obligations - If multiple deliverables exist, assign value to each (e.g., branding vs. events)
5. Recognise revenue when obligations are fulfilled - Revenue is earned and recognised once each commitment is delivered

For multi-year sponsorships, revenue must be split by year and carried as Deferred Income until earned.

5.2 Sponsorship Types

- **Cash Sponsorship:** Direct financial contributions
- **In-kind Sponsorship:** Goods or services (e.g. kits, media coverage, equipment)
- **Exclusive Sponsorships:** One sponsor per category — allowed only if it offers significant value

5.3 The RA must not accept sponsorships that:

- Involve illegal or unethical activities
- Prevents the **RA** from working with other sponsors without strong justification

5.4 Sponsor Payments

- Payments should follow agreed milestones and deliverables
- Finance must issue invoices or requests as scheduled
- All received funds must be recorded properly and supported with documentation

5.5 Key Elements of Sponsorship Agreements

All agreements must be in writing and signed. At a minimum, each contract must include:

- Duration and start/end dates
- Sponsorship amount and payment terms
- Specific sponsor benefits (e.g. logo placement, event access)
- Any exclusivity arrangements
- Termination clauses and penalties
- Conditions for renewal, cancellation, or changes

All contracts must be reviewed or drafted by the **RA**'s appointed legal team to confirm the obligations and responsibilities arising from the sponsorship.

5.6 Obligations from the Sponsorship

The **RA** will have obligations to the sponsor in accordance with the Agreement.

- The **RA** will be required to assist the sponsor in promoting events, products and services
- There will be a requirement to do so at identified events, tournaments, etc.
- The **RA** will be expected to provide reports as specified and these have to be done well

6. DONATIONS

Donations are a voluntary contribution or a gift to the **RA**. These can be both in cash or in kind such as goods. While it is voluntary and generally there are no commercial obligations and no expectations of material return, the **RA** will need to be responsible and accountable and use these as directed.

6.1 Policy

- Must align with the **RA**'s mission and be approved by the General Secretary (GS) or Executive Committee (EXCO)
- Only to be accepted from reputable sources
- The **RA** must reject donations that may harm its image or violate its values and rights
- Only to be recognised at fair values especially if non-cash

6.2 Types of Donations

Type	Description
Unrestricted	No specific use — can be applied to any of the RA's activities
Restricted	Must be used only for the specific purpose defined by the donor
Endowment	Large donations set aside for long-term use or investment
In-Kind	Donation of goods or services instead of money

6.3 Sources of Donations

- Companies - Corporate Social Responsibility (CSR), sponsorship-style support, etc.
- Individuals - fans, supporters, philanthropists, etc.
- Foundations & NGOs - community projects, football and sports themed events, etc.
- Matching Gifts - provider matches individual staff donations
- Challenge Grants - paid after meeting certain goals

6.4 Recognition

Cash donations	Recognised when received
In-kind donations	Recognised at fair market value
Multi-year project donations	Income carried as Deferred Revenue until used

All donations must be properly recorded and supported with documentation.

6.5 Key Donation Principles

- Must support the **RA**'s mission and activities
- Must comply with all legal and regulatory frameworks
- Must maintain donor confidentiality, where requested
- Must use funds exactly as agreed with the donor
- Must report accurately on the use of donated funds

6.6 Recording and Recognition of Donations

Donation Type	How It's Recorded
Cash	Recorded as income when received (unless restricted)
Restricted Cash	Held separately and used only for specified purpose
In-Kind	Record at fair market value (what it would cost to buy the item/ service)

All donations must be supported by:

- Donation agreements or letters
- Bank or payment receipts (for cash)
- Valuation notes (for in-kind donations)

6.7 Reporting to Donors

Where required or agreed:

- Provide updates on how funds are used
- Include spending summaries and progress on intended projects
- Notify donors of any changes in plans that affect the use of donation

6.8 Financial Statements (FSs) Disclosures

The **RA**'s annual FSs and the related respective Reports and Accounts must clearly disclose:

- Total donations received
- How donations were used
- Any restrictions attached to donations
- Surpluses in restricted funds carried to the next year
- Non-cash donations and how they were valued

Donation reporting improves transparency and is important as it encourages new and supports future donor confidence.

6.9 Obligations and Compliance

The **RA** must:

- Meet all agreed conditions tied to donations
- Monitor project spending funded by donations
- Prepare reports for EXCO and donors
- Maintain proper records for audits and donor review
  If any donation includes performance obligations (e.g., naming rights, regular reports, etc.), these must be:

  i. Written in a formal agreement

  ii. Monitored and fulfilled as agreed

7. OTHER SOURCES OF REVENUE

7.1 Purpose

In addition to grants, sponsorships, and donations, the **RA** can generate income from various other sources. This section outlines how to manage, record and report these sources properly. All other revenue must:

- Be recorded accurately
- Be supported by documentation
- Follow proper contracts and internal control procedures
- Be disclosed in reports and financial statements prepared

7.2 Types of Other Revenue

A. Fundraising Projects

Special events or campaigns to raise funds for specific needs, such as:

- Stadium upgrades or field improvements
- Website development
- Office and equipment purchases
- Youth development programmes
- Hosting championships, tournaments or special events

B. Sale of Media Rights

Revenue earned from broadcasting rights for the **RA**'s events and matches. Includes:

- Television and streaming rights
- Online broadcasting
- Content licensing

C. Branding and Licensing (Royalties)

Revenue from third parties using the **RA**'s brand/logo under license. This includes:

- Apparel and merchandise sales
- Product endorsements
- Licensing agreements

7.3 Fundraising Projects

7.3.1 Sources

Funds can come from:

- Companies
- Banks or insurers
- Government, government agencies or ministries
- Individuals and local communities
- Online crowdfunding or events

7.3.2 Approval and Agreements

- All fundraising activities must be approved by the Executive Committee (EXCO).
- Each funding relationship must be formalised in a written agreement, stating:
  - Use of funds
  - Reporting obligations
  - Any branding or recognition involved

7.3.3 Accounting and Reporting

- A separate fund or cost centre must be created for each project
- Revenue received for specific activities must be set aside in designated accounts
- Expenses must be tracked and reported solely against funds raised
- Surplus funds must be used for future projects, unless donor stipulates otherwise
- Periodic audits may be conducted to increase accountability

7.3.4 Corporate Recognition

If donors receive public recognition (e.g. logo display, mentions), this must be:

- Proportional to the donation
- Agreed in advance
- Stated in the fundraising agreement

7.4 Sale of Media Rights

7.4.1 Importance

Media rights are a key source of long-term revenue for the **RA**. This help fund operations and development programmes, particularly at grassroots levels.

7.4.2 Revenue Inclusions

- Live TV broadcasting rights
- Online streaming
- Radio coverage
- Highlight packages

7.4.3 Contracts

All media rights sales must:

- Be documented in a formal contract
- Define the number and type of events covered
- Include all agreed advertising placements, obligations, and timelines

7.4.5 Obligations

The **RA** must deliver:

- Access to matches
- Exclusive content or priority coverage, if agreed
- Sponsor or broadcaster logo placements (if required)

Revenue is recognised when the service is provided (e.g., after the match is broadcast), and not when cash is received.

7.5 Royalties from Branding / Licensing

7.5.1 Definition

A royalty is a fee paid to the **RA** by a third party (licensee) for the right to use its brand, logo, or intellectual property.

7.5.2 Policy

The **RA** will:

- Protect its brand and Intellectual Property (IP) through legal agreements
- Only license branding under formal contracts
- Receive royalty payments based on usage

7.5.3 Royalty Agreement Requirements

Each Agreement must define:

- Rights granted – what, where, for how long, etc.
- Payment method:
  - Percentage of gross or net sales
  - Fixed fees
  - Minimum guaranteed royalties
- Territory – countries, regions or districts covered
- Exclusivity [if applicable]
- Quality control - to protect the **RA**'s reputation
- Termination conditions

8. GRANTS

8.1 Purpose

Grants are a major funding source for the **RA** and are typically provided by:

- Football governing bodies – AFC, FIFA
- Government agencies or ministries
- Other Football Associations, Sports Associations or donors

Grants are usually designated for specific programmes or purposes, and the **RA** is obligated to use them according to the grantor's terms and conditions. This sections sets out how the **RA** applies for, manages, tracks, and reports on grants.

8.2 Types of Grants

The **RA**s currently, receive regular funding from 2 main sources:

A. **AFC** – AFC Enhance Programme

- This is provided over a 4-year cycle of USD 2mio in total; i.e. USD 500,000 annually
- This is to be utilised for activities or projects approved under:
  - Backroom
  - Equaliser
  - Penalty
  - Corner
- Specific details of the process of application, basis of disbursement, conditions to fulfil, guidelines on unclaimed funds and unutilised balances, requirement for Central Audit, etc. can be found in the AFC Enhance Programme Regulations (AFC EPR)
- Particularly, take note of these key clauses:
  - Clause 9.1.2
  - Clause 10.2
  - Clause 13
  - Clause 14
  - Clause 17

- Clause 18
- The Appendix to the AFC EPR for details on Programmes and Documents, Checklists and Forms to be completed

B. **FIFA** – FIFA Forward 3.0

- This is provided over a 4-year cycle of USD5mio in total; i.e. USD1.25mio annually
- This is to be utilised specifically to organise regional competitions for:
  - Women
  - Boys
  - Girls
- Specific details of the process of application, basis of disbursement, conditions to fulfil, etc. can be found in the FIFA Forward Regulations (FIFA FR)

C. **Government/Ministry Grants**

These are generally quite rare and when provided, is usually for specific support for:

- Community development programmes
- Youth and women's football

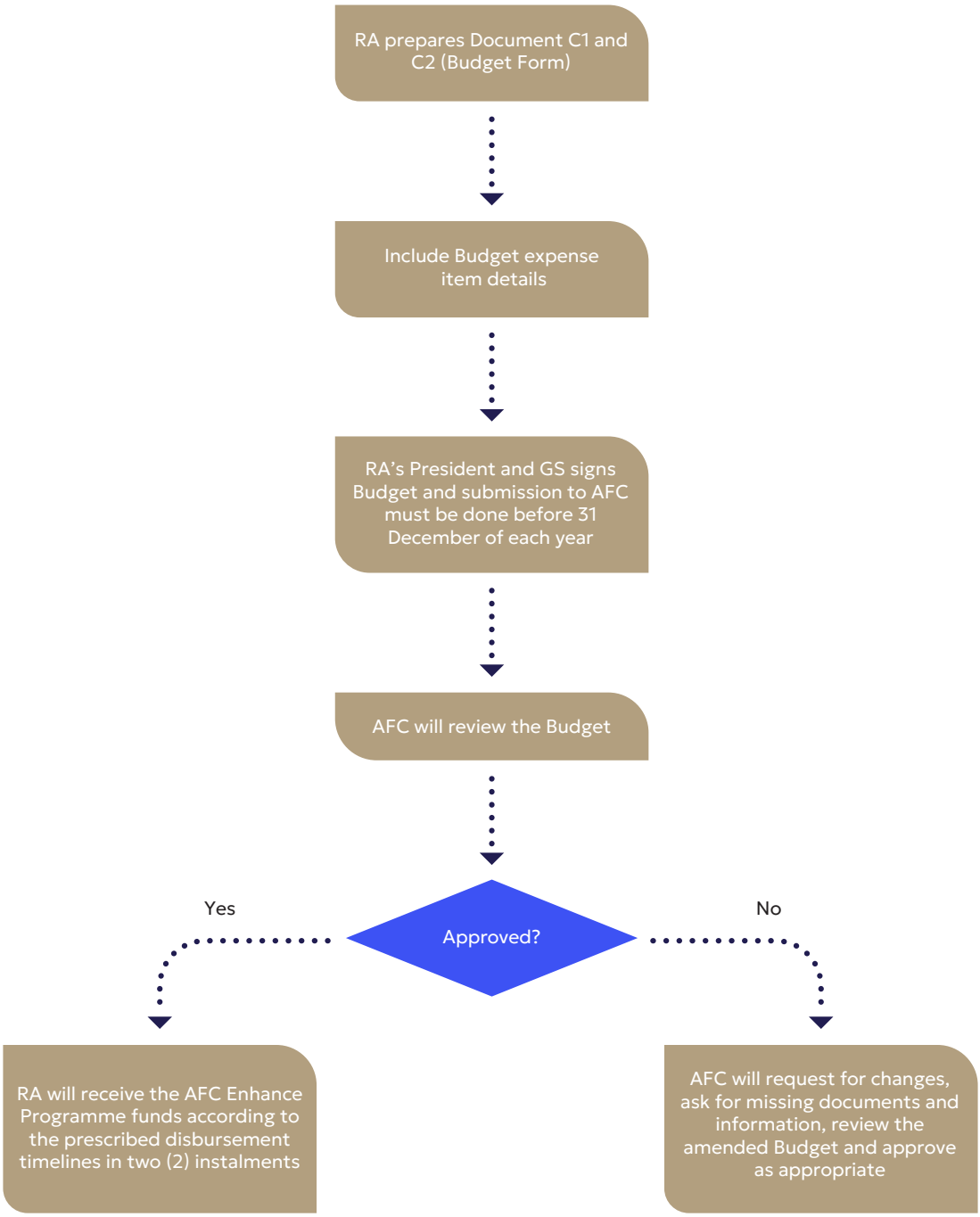
8.3 Grant Application Process

These are specifically provided for in the AFC EPR and the FIFA FR but the general steps are as follows:

Steps:

- HOF prepares a grant proposal and detailed budget
- This will be based on the inputs received from the respective departments and to agree with the annual budget process as provided in detail in Section **3. BUDGETING**
- General Secretary (GS) reviews the budget to ensure it aligns with programme rules
- GS signs and submits to Grantor
- Grantor reviews and approves (may request revisions)
- Upon approval, grant is disbursed to a dedicated bank account

AFC GRANT APPLICATION PROCESS FLOWCHART



8.4 Disbursement and Use of Grant Funds

Policy

- Grants must be received and spent only through dedicated bank accounts
- Mixing funds with the **RA**'s general account is strictly wrong and not allowed
- The **RA** may not transfer funds from grant accounts unless explicitly permitted
- All funds must be spent only on eligible and approved activities as defined by the Grantor

8.5 Grant Monitoring, Compliance and Accounting

8.5.1 General Rules

- Grants are recognised as income when related costs are incurred and in accordance to the respective Regulation
- Finance must monitor all grant related expenditure correctly
- If funds are received before costs are incurred, they are recorded as Deferred Income
- Each grant must be recorded and tracked separately in the accounting system
- These must be supported with documentation for verification and for the Central Audit

8.5.2 Statements of Account

For each grant, the **RA** must prepare:

- A detailed income and expenditure statement
- Provide supporting documents (invoices, receipts, approvals)
- Summary of balances and remaining funds

8.5.3 Required Reports and Disclosures

The **RA** must prepare and disclose in its financial statements:

- These must be Annual Audited Financial Statements
- The grant accounting policy to be disclosed
- Nature and amount of grants recognised
- Any unfulfilled conditions or liabilities

9. RECEIPTS

9.1 Purpose

This section provides guidance on how to manage and account for receipts and why this is specifically important and necessary. This relates to all funds received by the **RA**, whether in cash, check or bank transfer.

Proper management of receipts is required because it ensures:

- Accountability
- Accurate and correct recording
- Strong internal controls
- Safeguarding assets and managing liabilities
- Prevention of fraud or misappropriation

9.2 Receipt Types

The **RA** may receive funds from:

- Sponsorship payments
- Donations and grants
- Ticket sales and gate collections from hosting tournaments
- Sale of merchandise or services
- Refunds and reimbursements
- Interest and investment income

9.3 Receipt Handling Procedure

This is critical to ensuring the purpose of proper management of receipts is achieved. An important consideration is that funds received must never be used to settle expenses directly before it is recorded as received, into the system.

Step 1: Issuance of Official Receipt

- All funds received must be acknowledged with a pre-numbered official receipt (manual or system-generated) [note: receipt numbers must never be determined by hand]

- Receipts must state:
  - Issued in triplicate – original to payer; 2nd to finance for posting; 3rd in receipt book
  - Date
  - Amount received
  - Payer name
  - Purpose or description
  - Mode of payment – whether cash, checks, bank transfers
  - Signature of receiving staff

Receipts must be issued immediately upon receiving the funds. Additionally, periodic checks must be made against banking slips for completeness.

Step 2: Recording

- All receipts are recorded in a Cash Receipts Journal or into the accounting system
- Entries include:
  - Receipt number
  - Account code (e.g., revenue, deferred income)
  - Cost centre
  - Description and amount
  - Payment method

Step 3: Deposit of Funds

- Cash and checks must be deposited into the bank no later than the next working day
- Bank-in slips or confirmation receipts must be attached to the original receipt and filed
- These slips must be reconciled to the actual receipt before they are filed

No received funds should be kept in drawers, personal safes, or used for expenses directly ("off-book").

9.4 Receipt Numbering and Control

- All receipt books or system numbers must be pre-approved and logged
- Used receipt books must be stored securely
- Unused receipt books must be tracked and issued only with authorisation

Any cancellation or correction must be clearly marked and kept for audit. Never destroy or discard used receipts.

9.5 Handling of Specific Receipts

A. Grant and Sponsorship Receipts

- Must be deposited into designated accounts
- Tracked using the relevant project or grant code
- Recorded as:
  - Deferred income, if funds are for future use
  - Revenue, if matched with completed obligations

B. Cash Donations

- Immediately issue a receipt and recorded
- High-value cash donations must be flagged to the Head of Finance (HOF) and/or the General Secretary (GS) for review and secure the funds received [note: there is a need to understand and accept if large amounts of physical cash is to be received instead of bank transfers]

C. Gate Receipts (Ticket Sales) (where applicable)

- Must follow procedures in Section 4:
  - Daily collection report
  - Reconciliation with ticket stubs
  - Bank-in report and deposit proof
- Must be reconciled and reviewed by a supervisor

In all aspects of receipt of funds, no one single staff member should handle the full cycle of receiving, recording, and depositing funds. This is most critical. If it cannot be avoided, a senior person must review and reconcile the receipts.

9.7 Electronic Receipts

Where the **RA** receives payment through bank transfer, mobile payment, or online platforms:

- Download and file proof of transaction
- Generate and send official receipt electronically
- Record receipt details in the accounting system as per the usual practice

Always reconcile the bank statement with receipt records on a weekly basis or at a minimum, at month-end. This to identify and address discrepancies immediately.

9.8 Petty Receipts / Refunds

If the **RA** receives small refunds (e.g. overpayments, returned allowances):

- Issue an official receipt
- Record using the appropriate account code
- Do not offset refunds against other transactions

9.9 Filing and Retention

- All receipt copies, bank-in slips, and related documents must be filed by month and year and matched to the Cash Book.
- Electronic records should be stored securely with restricted access.
- Retention period is a minimum 7 years and not before any tax obligations remain outstanding.

10. PROCUREMENT

The **RA** is required to have in place the process and practice of ethical, responsible, accountable, acceptable, appropriate and reasonable procedures related to purchasing, agreements and contracts and all forms of commitments made.

The procurement process in place needs to be well thought out and correctly implemented and maintained as this will enable the **RA** to safeguard its assets and resources and ensure that purchases made are necessary, appropriate and fairly priced.

10.1 Purpose

Procurement is the process of acquiring goods and services. This section ensures that all procurement is:

- Transparent and fair
- Necessary and appropriate
- Based on value-for-money principles
- Compliant with donor and internal financial controls
- In accordance with the established budget
- Properly authorised and documented
- Compliant with laws and regulations

10.2 Procurement Principles

- **Transparency** Open procedures and clear documentation
- **Competition** Use competitive bids where applicable
- **Accountability** Clearly defined roles and responsibilities
- **Efficiency** Timely procurement to meet programme needs
- **Integrity** Avoid conflicts of interest or fraud

10.3 Procurement Roles

Role	Responsibilities
Head of Department (HOD)	Identifies need and prepares purchase request
HOF	Confirms availability of funds and coding
Procurement Officer (if available)	Manages sourcing and bid process
EXCO or GS	Approves large/high-risk purchases

While the **RA** does and may not have multiple staff in the organisation, it is critical that different departments and individuals to be involved in the process.

10.4 Procurement Process

Step 1: Purchase Request

- Request raised by relevant department
- An appropriate Purchase Requisition (PR) Form must be in place and must be used
- Must include item description, quantity, cost estimate, timing and justification
- Finance confirms that it is within and in accordance with the budget
- Finance confirms availability of resources and assigns a code

Step 2: Sourcing Suppliers

These are the suggested limits:

- **Low-value purchases (<$1,000)** One quote may be acceptable
- **Medium-value ($1,000–$10,000)** Minimum of 3 quotes required
- **High-value (>$10,000)** Formal tender or competitive bidding

The **RA** must review this process regularly where the same supplier is used. There is a need to regularly compare against other vendors or suppliers.

Ideally, there should also be in place, a Vendor/Supplier onboarding process. Essentially to determine dependability, length of time it has been in business, industry reputation and similar supplier functions.

Step 3: Evaluation and Selection

- Use evaluation criteria (e.g. cost, quality, delivery time)
- Prepare evaluation report

- Select the supplier that offers the best value

Step 4: Purchase Order (PO)

- The PO is verified against the PR documentation for verification
- A signed PO is issued to the selected supplier
- PO must include:
  - Description of goods/services
  - Price, terms, and delivery date
  - Reference to funding source
- PO must be authorised as per approval limits

10.5 Supplier Contracting

For large purchases or ongoing services:

- A formal contract is required
- Must be reviewed and signed by authorised personnel
- Includes penalties for late delivery or non-performance

10.6 Goods Receipt and Verification

Upon delivery:

- Inspect and confirm goods match the PO
- Check for damages and packaging in good condition before acceptance
- Prepare a Goods Received Note (GRN) or service confirmation
- The Delivery Notes (DN) are to be given to Finance to match against the invoice once received
- Finance will process the invoice for payment against these records
- In case of discrepancies, resolve with supplier before proceeding to payment

10.7 Procurement Documentation

All procurement files must include:

- Purchase Request Form

- Approved Purchase Order Form
- Quotations or tender documents
- Evaluation report
- Supplier invoice
- Goods Received Note (GRN) or Service Confirmation
- Payment Voucher

Files should be stored securely and accessible for audit.

10.8 Conflict of Interest in Procurement

Staff must:

- Disclose any personal connection to suppliers
- Not influence selection if a conflict exists
- Follow the **RA**'s Conflict of Interest Policy

Failure to disclose conflicts may result in disciplinary action.

10.9 Emergency Procurement

In urgent cases (e.g. match preparation, repairs), normal procedures may be bypassed only with written approval from:

- HOF and General Secretary (GS)
- Procurement memo must be written post-procurement to justify urgency

10.10 Summary of Responsibilities

Role	Responsibilities
Requesting Department	Raise request, justify need
Finance / HOF	Check PR, funds, budget and assign codes
Procurement/Support Staff	Seek quotes, evaluate, prepare PO
HOF/GS/EXCO	Approve purchases and contracts based on limit
Audit/Internal Controls	Periodically review procurement records

11. PAYMENTS

Payment liabilities need to be paid based on credit terms made available and within supplier requirements and within prescribed laws and regulations. Thus, it is important to have well established policies and procedures for payments. This will also enable the RA to manage their resources and cash flow.

In principle, it is the Head of Finance (HOF) / Finance Department's responsibility for controlling payments and ensuring that only legitimate payments are made and correctly recorded.

11.1 Purpose

This is to ensure all payments are made:

- Only for authorised expenses
- Proper authority for payments is documented
- It is in line with approved budgets
- Has appropriate documentation and approvals

11.2 Payment Types

- Operational expenses such as rent, utilities, etc.
- Salaries and wages
- Vendor payments
- Grants and allowances
- Tournament expenses where applicable
- Travel advances and reimbursements

11.3 Payment Process

Step 1: Payment Request

- Submitted with supporting documents:
  - Invoice
  - Purchase Order, Purchase Requisition and supporting documents
  - Goods Received Note
  - Budget code and request form

Step 2: Review

- Finance verifies:
  - In accordance with budget
  - Cash availability
  - Proper documentation
  - Complete accuracy of amounts
  - Where there is re-imbursement, the person cannot reimburse self-expenses

Step 3: Approval

- Authorised signatories approve based on these suggested limits:

Amount	Approver
Up to $5,000	HOF
$5,001–$25,000	HOF + GS
Over $25,000	EXCO

Step 4: Payment

- Paid via:
  - Bank transfer (preferred)
  - Check (if required)
  - Petty cash (small, urgent needs and never for large amounts)
- Official Payment Voucher prepared for every transaction
- Where e-payments are being made, there has to be strict password and token controls with two-factor authentication
- Passwords are strictly not to be shared

11.4 Controls

- Never make any payment without full and complete approval
- No cash payments over $500 [suggestion]

- There has to be segregation: meaning that the preparer and the approver and the check signer / bank approving authority must always be different person

- All payments recorded and filed immediately

In all payments being made, confidentiality of information is critical. This is particularly where the information is sensitive, especially all bank information and all these information must be strictly protected.

Sensitive data is not to be requested or provided via email or mobile messaging. The RA's management has the ultimate responsibility for the proper storage, use and protection of sensitive information.

In the event this is compromised, or sensitive data is lost, the RA's management must immediately inform the General Secretary (GS) and the Executive Committee (EXCO), where it is of a serious breach.

12. EXPENSE CONTROL INCLUDING SUPPORTING DOCUMENTATION

All expenses must be related to the operational functions of the **RA** and in accordance with the Budget. These are to be submitted, approved and reimbursed in compliance with the prescribed Policies and Procedures in place.

12.1 Petty Cash Claims

- Claims must be submitted only using the approved Petty Cash Claim Forms
- It must always be supported by original receipts and invoices; not photocopies at all
- A credit card slip alone cannot be accepted
- Claimant must endorse the acceptance of the settlement

12.2 Entertainment Expenses

- Reimbursement of expenses only where it is for the direct benefit of the **RA**
- Should be limited to meals and beverages
- If it includes any gifts, it must be approved by the Executive Committee (EXCO)
- All staff and management cannot approve their own claims

12.3 Transport

This strictly must be in accordance with policy and authorised in advance. Generally, transport from home to office and office to home should not be allowed except for special circumstances outside normal working hours and the commute is away from the office.

12.4 Cash Advance

- Should be limited to only “approved overseas travel” on behalf of the **RA**
- The General Secretary (GS) / EXCO will have discretion to authorise
- Upon return a full reconciliation must be made
- Where the allowance was not fully utilised, the balance is returned to the Finance Department immediately
- Where allowance was inadequate, any reimbursement must be reviewed

12.5 Gifts and Tributes

The **RA**'s staff at times are offered gifts and tributes and similarly, may be required to give them.

- All gifts received must be declared and the immediate Head decides on whether it can be retained
- Any expenditure must be endorsed by the GS / EXCO and only where it is for the benefit of the **RA**
- In no instance whatsoever is cash to be received, accepted or given

12.6 Air Travel

This is important and the **RA** must have an appropriate policy in place. Any payments must strictly be in accordance with the Budget.

12.7 Credit Card

- Ideally, the **RA** should not apply for and use Corporate Credit Cards
- Any credit card use and subsequent reimbursement must be in accordance with policy and Budget

This is a very difficult area for the **RA** to manage. Thus, some discretion is required but the overriding principle is that payments made must always be for the benefit of the **RA** and must be transparent and accountable.

13. PAYROLL

The financial and personal records of all staff, employees and members of the Executive Committee (EXCO) (even though they do not receive salaries) are to be kept confidential. This is to ensure accurate and timely salary payments and compliance with tax and labour laws and to also to ensure confidentiality of the respective personal and all other related data.

- All payroll processing must be done monthly
- Salaries and disbursements must be approved by heads and ultimately, the General Secretary (GS)
- All salaries must be in accordance with the staff's employment letter
- All salaries must be made by bank transfers; none are to be by cash
- The Head of Finance (HOF) prepares the Payroll and it must be approved by the GS
- All taxes and deductions must be in accordance with rules and regulations in the country
- Any salary advance must be in accordance with Policy

While the **RA** is likely staffed with minimal numbers, this area is important as it involves personal information and is private and confidential and has to comply with local laws and regulations.

14. REPORTING ON FINANCIAL STATEMENTS AND OTHER STATUTORY REQUIREMENTS

The **RA** must have policies for reporting its Financial Statements (FSs) to ensure accuracy, reliability and conformity with Generally Accepted Accounting Principles (GAAP) and to local Accounting Reporting requirements. These Policies and Guidelines relate to:

- Internal reporting
- External reporting
- Monthly and periodic including for events and tournaments
- Annually and to be externally Audited as required and by Central Audit

These are prepared using the **RA**'s Accounting System and Records, even if the **RA** appoints external parties to prepare them.

14.1 Accounting Policies

- The Head of Finance (HOF) of the Finance Department is responsible for the overall accuracy and integrity of financial data used to compile **RA**'s FSs.
- Principal characteristics of the FSs:
    - Objective, based on actual, verifiable transactions and reported unbiased
    - Provide relevant information responsive to the **RA**'s Management's needs
    - Allow comparative analyses between accounting periods, reporting events consistently
    - Changes require explanation, effect changes, justification and approval
    - Pertain to specifically defined **RA**'s activities, with money as the common denominator
    - Reporting currency is the **RA**'s local or operating currency
    - Material amount or transaction with a significant impact must be reported correctly

14.2 True and Fair View

- Annual, Monthly, Quarterly and other periodic FSs of the **RA** shall give a true and fair view of the **RA**'s affairs.
- The HOF is responsible for ensuring that the FSs are prepared this way.

- Any material non-compliance and its effect shall be disclosed in FSs as Notes and reported to the Executive Committee (EXCO) following the General Secretary's (GS) awareness and approval.

14.3 Financial Statements

- The HOF is responsible for preparing all various FSs.
- These must be reviewed by the GS and the EXCO and approved at each respective level.

14.4 A complete set of Financial Statements includes:

- Statement of Financial Position (Balance Sheet)
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Statement of Changes in Net Assets
- Cash Flow or Funds Flow Statement
- Notes to The Accounts (summary of significant accounting policies and explanatory notes)

14.5 Statement of Management Responsibility for Financial Statements

States that it is management's responsibility for the preparation and presentation, signed by two members (usually, the GS and President), following EXCO approval, forming an integral part of the FSs. These are required for Annual and/or Statutory Financial Statements.

14.6 Monthly Management Accounts

Shall include Statement of Financial Position, Income and Expenditure Statement, and comparison of budget to actual amounts (as separate statement or budget column).

14.7 Financial Statements Preparation

- The Finance Department/HOF is responsible for timely preparation, review, and submission of all required Financial Reports.
- All Reports are subject to HOF/GS review for completeness and accuracy.
- HOF shall adopt an effective Financial Reporting framework, including:
    - Transparency: Users should clearly understand the **RA**'s underlying performance
    - Comprehensive: Capture all transactions with financial consequences
    - Consistent: Financial reporting is comparable across time periods

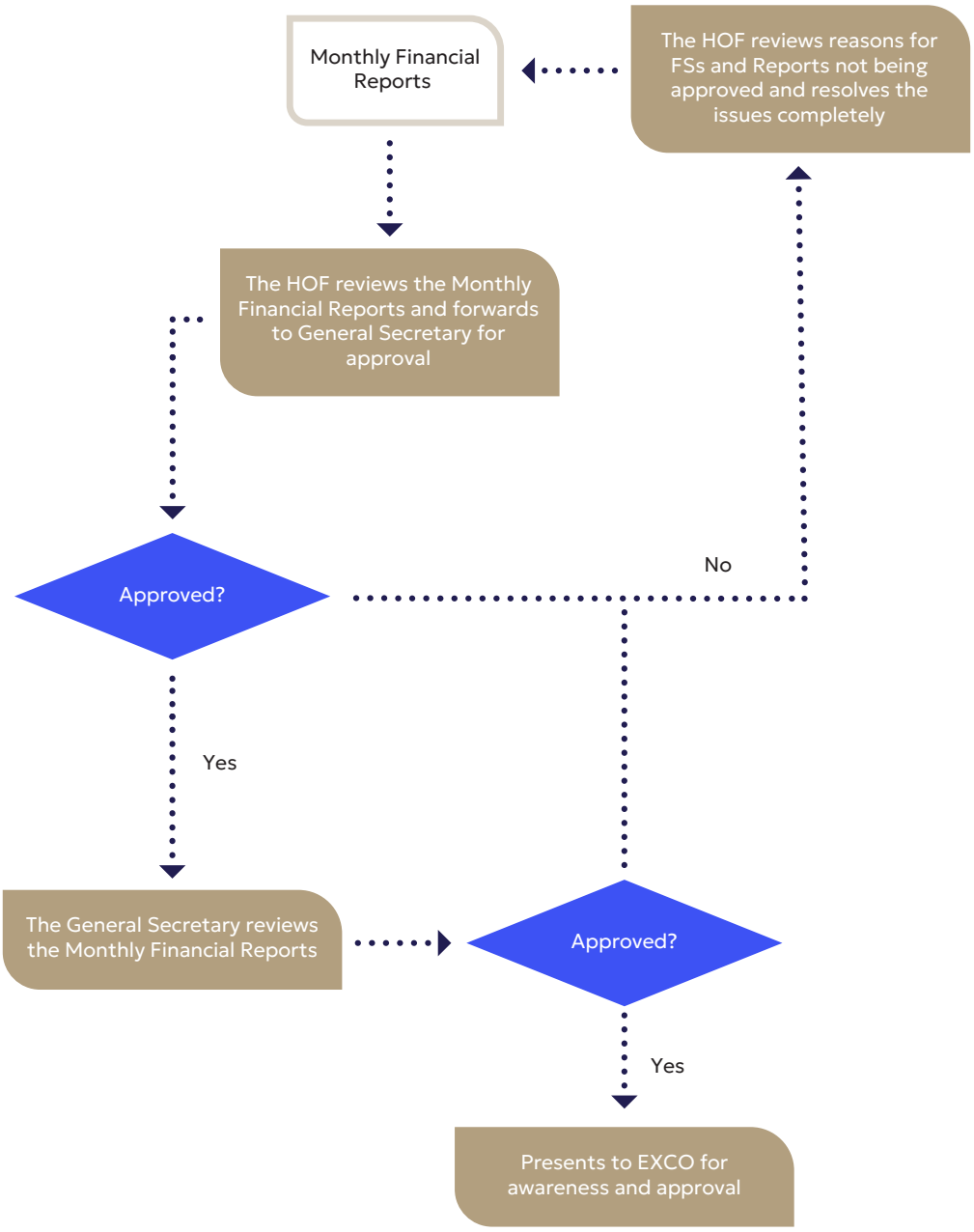
14.8 Monthly Reporting Flowchart (Summary of steps)

- HOF/Senior Accountant prepares and reviews Monthly Financial Reports.
- HOF reviews Monthly Financial Reports and forwards to GS for approval.
- GS and HOF review together the Monthly Financial Reports for agreement.
- If agreed, present to EXCO for awareness and approval.

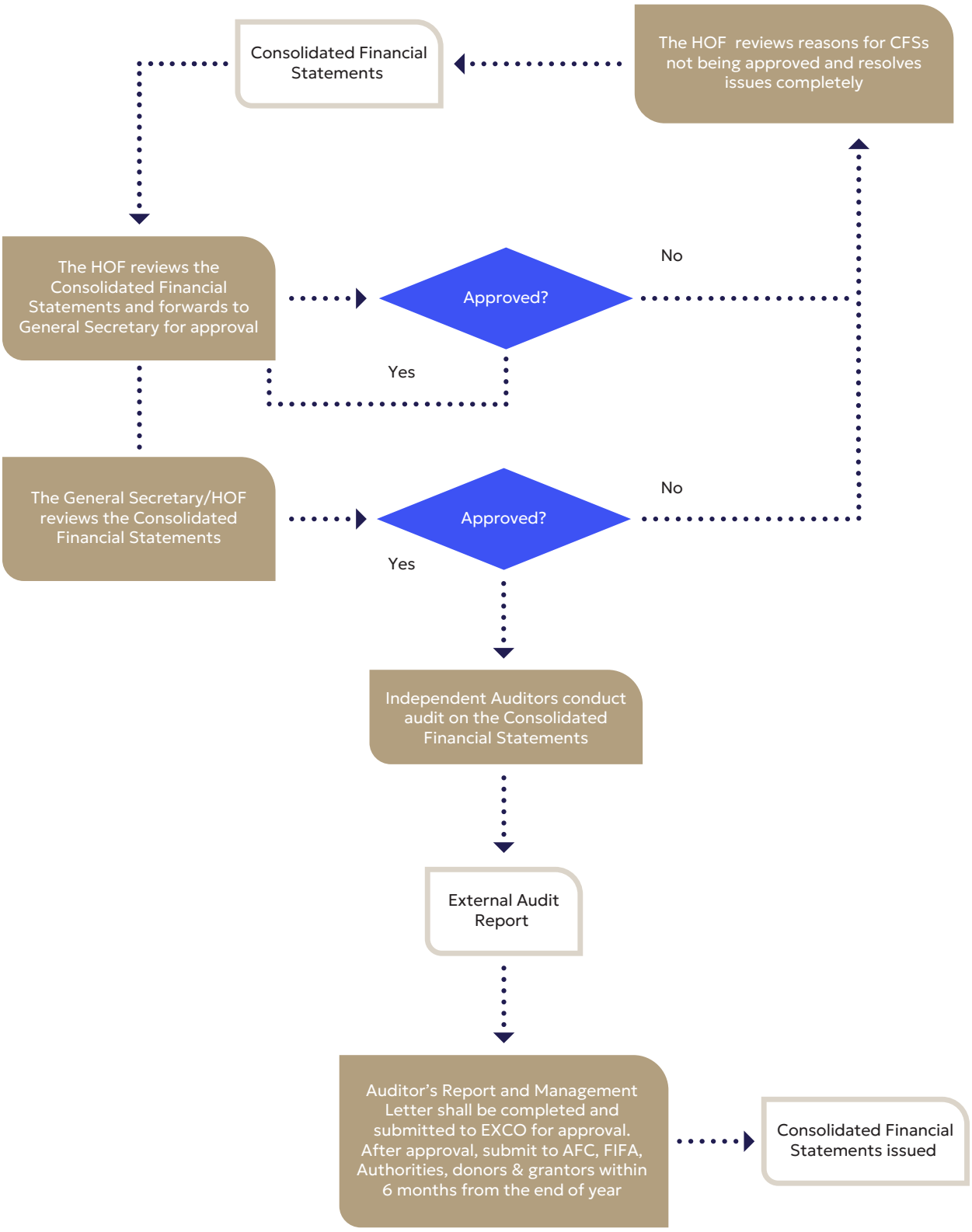
14.9 Annual Consolidated Reporting Flowchart (Summary of steps)

- HOF/Senior Accountant prepares Consolidated Financial Statements at year-end.
- HOF reviews Consolidated Financial Statements and forwards to GS for approval.
- GS and HOF review together the Consolidated Financial Statements for agreement.
- If agreed, it is presented to EXCO for awareness and approval.

MONTHLY REPORTING FLOWCHART



ANNUAL CONSOLIDATED REPORTING FLOWCHART



14.10 Audit

14.10.1 External/Statutory Auditor

The Audit Committee manages the auditor appointment process.

Appointment Process

- Obtain proposals from at least three audit firms
- Assess proposals and shortlist suitable firms
- Meet and/or interview shortlisted firms
- Recommend appropriate audit firm to EXCO for appointment
- Endorse recommendation at Annual General Meeting for appointment

Tenure

- Generally appointed for a maximum of three to five years
- EXCO assesses performance before recommending retention

Terms of Reference (TOR)

Key aspects to consider:

- Audit conducted as per International Auditing Standards and local requirements, including necessary tests and verification procedures
- Verify all funds used as per established policies and only for intended purposes
- Goods, works, and services procured as per the **RA**'s established policies

The External Auditor prepares a TOR stating scope, responsibilities and the **RA**'s responsibilities.

Auditors form an opinion which prefaces the FSs in the **RA**'s Annual Report.

A Management Letter highlights audit issues. If any points are raised, it must be addressed and implemented.

14.10.2 Central Audit (Grant-specific)

- AFC and FIFA require annual grant-specific Audit Reports.
- Separate reports must be done for each Grantor, accounting for income and allowpenses under respective Regulations.

14.10.3 Individual Reports must

- Clearly distinguish grant income, expenditure, and balances by grant
- Auditor expresses an opinion on grant income and expenditure, by grant separately
- Auditor comments separately on other aspects of grants, including other requirements

14.11 Auditing Standards

Audit of Grant Programme Financial Statements should follow International Standards on Auditing or Agreed Upon Procedures for Reviews not amounting to an audit.

14.12 The RA's Obligations to ensure

- All books, records, accounting entries, and adjustments are available to appointed Independent Auditors to enable their work.
- It shall maintain proper accounting books, records, documents, and evidence showing balances, costs, and revenues for the Grant Agreement programme.

14.13 Corporate Taxation

The **RA**'s Corporate Taxation status depends on local jurisdictional regulations (e.g., charity status may lead to exemption).

15. CASH, BANK AND CHECKS

This section considers Policies and procedures for the safe handling, recording and accounting of the **RA**'s cash and check receipts and payment and the related consequent bank transactions.

Cash does not just refer to physical notes but all funds' resources. For the **RA**, this is the most significant resource it receives and thus, correct procedures must be in place to safeguard them.

15.1Cash Management Policy:

- Cash receipts must be complete, promptly collected and deposited intact in the bank the next working day
- Cash receipt vouchers must be pre-numbered
- The Head of Finance (HOF) prepares cash count and agrees to cash book totals, investigating all differences
- Access to cash records is closely monitored and access codes kept secure
- Independent checks of pre-numbered receipts reconciled to cash collections regularly
- Approval required for all cash refunds
- Cash receipts deposited intact; no petty cash payment from cash receipts
- Areas with physical cash handling must be securely safeguarded
- Proper safeguard measures restrict access to Accounting Systems. This is crucial
- Transaction information (amount, date, account coding, descriptions) must be verified
- Cash must be safeguarded while in the RA's physical possession
- The HOF oversees cash control processes and reconciles pre-numbered receipts to cash collections regularly
- Finance Officer/HOF prepares bank deposits and access cash receipt books/registers
- Authenticated deposit slips retained and reconciled to cash receipt voucher records
- Ideally, all bank deposits should not be made by HOF, if possible
- HOF compares cash receipts journal entries with authenticated bank deposit slips and bank statements
- Segregation of duties for key personnel (Cash Receipts, Bank Reconciliation, Cash Disbursements, Bank Deposits, posting deposits), where possible

- Ideally, Finance Officer/HOF posting to general ledger must not be involved in cash receipts and accounts receivable functions
- HOF periodically checks adherence to these procedures

15.2 Bank Account Management:

- All bank accounts must be in the **RA**'s name
- All monies received must be banked and all payments must be made from these accounts
- Only authorised signatories that are Executive Committee (EXCO) approved can operate **RA**'s bank accounts
- New bank accounts require EXCO approval
- Minimum balance to be retained in the operating bank accounts
- Individual transaction limits for signing checks and approving online transactions

15.3 Opening and Closing of Fixed Deposits:

- The HOF is authorised to place Fixed Deposits with authorised banking institutions
- The HOF approves placement or withdrawal of funds per Deposit and Investment guidelines agreed by EXCO
- All Fixed Deposit withdrawals must be authorised by the General Secretary (GS) and EXCO; and positions updated in Monthly Financial Statements presented to EXCO
- Early withdrawal for operating cash flow is at HOF's discretion and must be approved by GS

15.4 Bank Reconciliation Policy

- Bank Reconciliation Statements (BRS) shall be prepared monthly by the Finance Manager/HOF
- Completed BRS and voided check documentation to be reviewed and approved

15.5 Guidelines for Preparing Bank Reconciliation Statements:

- BRS prepared within 3 working days after month-end
- The **RA** must implement online banking for viewing accounts and downloading transactions
- Ending date of bank ledger and bank statement must be the same
- Bank name, account number and currency clearly indicated
- Ideally, prepared by staff not authorising payments

- HOF reviews and approves reconciliations
- BRS calculates bank balance using general ledger, uncredited deposits and uncleared checks, reconciling to bank statement balance
- Unreconciled items investigated and corrected immediately or before next BRS cycle
- BRS includes copy of ledger balance, bank statement, complete list of outstanding checks (with dates), uncredited deposits and summary of deposits/transfers when presented to HOF / GS
- Checks issued not cashed after 3 months (90 days) investigated, cancelled and adjusting entries effected
- Unexplained differences investigated promptly by HOF
- If reconciling item requires adjustment, reference noted on BRS

16. INVENTORY MANAGEMENT

While the **RA** is unlikely to have a significant value and quantity of inventory, however, during events and tournaments it will have access to them and thus, managing them periodically becomes critical.

16.1 Policy

- Accurate, up-to-date and complete records of all inventory items must be maintained
- Physical inventory counts must be conducted before and after each event and reconciled with accounting records

16.2 Procedures

- All relevant information included for proper management and control (order number/ date, item description, quantity/value of stock on hand/received/issued, staff name/ department taking stock, date of issue, re-order level, optimum inventory level, obsolete stock, opening/closing balance)
- Inventory register/database printed monthly and hard copy filed chronologically for audit trail
- Identification data entered on Inventory Sheets as listed in inventory records to reduce manual effort and speed counting
- Inventory Sheets sorted by location classification
- After counting/verification, Inventory Sheets returned to office for comparison with items

16.3 Inventory Count & Reconciliation Flowchart (Summary of steps):

- Inventory issued using requisition Forms approved by Head of Department (HOD)
- HOD records requisition on the system (allocation or sale)
- Following each event, HOD performs stock take and reports results
- HOD prepares count report and sends to Finance Officer / HOF
- If differences are due to theft/pilferage, HOD takes appropriate action and reports to General Secretary (GS)/Head of Finance (HOF)
- Finance Officer/HOF obtains report and adjusts Ledger if needed
- Finance Officer/HOF resolves differences with HOD and initiates appropriate entries
- HOF reviews and approves Ledger update
- HOF sends report to GS

17. FIXED ASSETS

In the **RA**, fixed assets are likely limited to office equipment, furniture and fittings, computers and telecommunication and related systems. In some instances, they could also own the property where they operate from.

While the value may not be significant, the custody, use and recording of them is fundamental to good management of resources.

17.1 Capitalisation Definition and Thresholds

A "Capital Asset" is a unit of property with a useful life exceeding one year and a per unit acquisition cost exceeding $xxx [to be defined in the Policy].

17.2 Fixed Assets Register

- Finance Department maintains a Fixed Assets Register for all assets owned by the **RA**
- This Register includes: asset description, serial number, location, acquisition date, cost, depreciation method, useful life, accumulated depreciation, net book value and disposal information
- Ideally the item should be tagged and this is reflected in the Register
- The basis of acquiring fixed assets should follow the above section **10. PROCUREMENT**
- The Register must be updated for new acquisitions, disposals and write-offs
- Finance Department performs annual physical verification of assets and reconciles with the Fixed Assets Register

17.3 Depreciation:

- The asset value is depreciated over its useful life according to the depreciation method
- The basis of depreciation needs to be determined for each category of assets; other than any physical property and vehicles, it is usually between 3 to 5 years
- Depreciation is calculated and apportioned monthly to Monthly Management Accounts
- Depreciation commences when the asset is used for its intended purpose
- Depreciation stops when an asset is sold, fully depreciated, scrapped, written off, or disposed off

17.4 Write-Offs and Disposals

17.4.1 Write-Offs

- A fully depreciated Fixed Asset is written off only on the recommendation of the Head of Department controlling the asset and with the Executive Committee (EXCO) approval
- Reasons for write-off must be clearly stated

17.4.2 Disposal

- Movable assets disposed at market-related value, must be at EXCO's sole discretion based on what is most advantageous for the **RA**
- Approval from General Secretary (GS) and EXCO is always required for asset/ property disposal
- All disposals must be at market value and follow established sale procedures (tender, advertisement, other approved methods)
- The Fixed Asset Register must be reviewed and updated immediately to reflect changes from the disposal list
- Any proceeds from asset sales credited only to the **RA**
- If an asset was purchased with capital grants, funding agreement procedures are to be followed

17.5 Fixed Assets Disposal Process:

- Relevant Department identifies assets for disposal
- Related Department fills Disposal Forms and Reports regarding assets and reasons for disposal

18. RESERVE POLICY

A Reserve arises from the accumulation of resources, over the years, without restrictions. This generally results from operating surpluses or amounts set aside for specific purposes. It can also arise from funds set aside for a specific purpose that was not carried out resulting in unutilised funds.

A Reserve can be in cash/funds or in the form of investments.

As these funds have no specific utilisation, the Executive Committee (EXCO) needs to have a Policy in place to prevent unauthorised use of the **RA**'s resources.

18.1 Key matters in Policy

- Purpose of creation and maintaining Reserves
- Basis of intended use of Reserves
- Authority and approval for the use of Reserves
- Basis of monitoring and reporting of Reserves

18.2 Purpose

- Is to build and maintain an adequate level of net assets to support the RA's daily operations and also, contingencies for use in unforeseen situations and shortfalls
- Can be used in a one-time situation or on a recurrent basis
- Can be allocated for investments or in authorised infrastructure or systems development
- It should not be allocated to on-going shortfalls in yearly operations; this should be managed in the annual budget and reporting

18.3 Authority

- The Policy will have guidelines on the authority; it is usually only the EXCO
- The General Secretary (GS) and Head of Finance (HOF) or Head of Department (HOD) will submit a request to the EXCO
- It must include reasons why it is required, analysis and use of the funds and whether there are plans to replenish the Reserves

It is important that the EXCO reviews the Policy every year because of the changes in circumstances internally and externally.

19. INVESTMENTS AND FIXED DEPOSITS

The **RA** is generally unlikely to have adequate surplus funds for investments and for placing on fixed deposits. However, this possibility could arise through a special one-off grant or donation.

The **RA** must adopt prudent approach in managing these funds. The objective is to achieve:

- Maximising the resources of the **RA.**
- Excess funds should be place in fixed deposits, even over a short period, to generate interest instead of idle funds in the bank.
- If any investments are to be made, it should also be for short term and totally risk-free to ensure that there is no loss in value.
- Investments and fixed deposits should only be made with licensed financial institutions.
- If these are to be made in a country outside where the **RA** is, the basis and reasons must be documented and approved by the Executive Committee (EXCO).

20. CONFLICT OF INTEREST POLICY

A conflict of interest could arise where an official of the **RA**, whether staff or an Executive Committee (EXCO) member, who is in a position of trust and authority, influences a decision for the **RA** where there is actual or potential personal benefit or gain to that individual at the expense of the RA.

To manage this, the **RA** must:

- Have a clearly defined Policy in place.
- The policy has also a clearly defined Form for completion by all staff and members of the EXCO.
- This Form is to be completed and submitted annually.
- This Form requires the individual to acknowledge the understanding of Conflict of Interest Policy and the need to disclose all situations where a personal engagement is involved.
- There is also a need for vendors, contractors and consultants to also disclose conflicts before the supply or engagement, even though this is difficult to enforce.

While this relates to personal disclosure and depends on the integrity and accountability of the individual, it is still important for the individual to be responsible and acknowledge and state all relationships where there is a conflict of interest.

21. RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management is a discipline or process to deal with the possibility of a future event that is to the disadvantage of the **RA**. The key is to identify what are the possible risks that the **RA** could face and the steps it can take to address and minimise these potential risks.

21.1 Purpose and Objectives

- To enable the **RA** to continue to meet and fulfil its role currently and for the foreseeable future.
- The nature and environment that the **RA** operates, where it is reliant on operating funding provided by external parties, minimises the scope of potential risks.
- It will be related specifically to:
    - Programmes, projects and activities it carries out and needs to fulfil
    - Continued receipt of funding for these programmes, projects and activities
- The **RA** thus needs to consider risks involved mainly in being able to continue to provide football administration and the environment of managing and engaging with Member Associations and supporting their activities.
- The Executive Committee (EXCO) must recognise the need to establish a sound system of risk oversight and management and internal control over its processes.
- Internal control becomes significant as the **RA** is limited in staff and the same staff will carry out various activities in that department without supervision or checks as it is all done by the same person. This is one of the biggest risks that the RA has.
- The framework will identify the specific risks faced and how the RA will respond to that situation with specific steps.
- Essentially, risks need to be:
    - Identified
    - Assessed
    - Recorded
    - Appropriate action(s) identified and documented
    - Monitored and regularly reviewed and continue to re-assess the situation

21.2 Types of Risks

- Governance - staffing and responsibility

- Operational - fraud or misappropriation and donor non-compliance
- Financial - mismanagement and inaccurate use
- External - data loss and cyberattacks
- Compliance with Laws and Regulations

21.3 Internal Control

- Identify and manage financial risks that may affect the **RA.**
- **Definition:** Internal control is a process of ensuring that the **RA**'s objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.
- **Reasons for Internal Controls:**
    - **Ensure reliability and integrity of financial information:** Provide accurate, timely, and complete information (including financial statements) for planning, monitoring, and reporting the **RA**'s operations
    - **Ensure compliance:** Help the **RA** comply with laws and Regulations in its jurisdiction
    - **Promote efficient and effective operations:** Provide an environment for EXCO, Senior Management, Managers, and Staff to maximise operational efficiency and effectiveness
    - **Accomplishment of goals and objectives:** Provide a mechanism for Management to monitor achievement of operational goals and objectives
- **Policy:** A sound and effective internal control system promotes and ensures integrity and propriety in the **RA**'s business and operational conduct.
- All levels of the **RA**'s Management are responsible.

21.4 Process

- Ensure the risk management and internal control system covers all grant and donation compliance.
- Ensure this system of internal control is reviewed regularly and updated. EXCO is to be kept informed.
- Ensure codes of conduct are adopted and compliance monitored.
- Ensure steps are in place to detect fraud and corruption.
- Internal control information must be communicated for the whole system to be effective.

22. ALLOCATION OF OVERHEADS TO DEPARTMENT AND FUNDS

The rationale and purpose behind this is for indirect expenses to be allocated to departments, projects, programmes and funds over and above direct and identifiable costs that are incurred respectively. This will then reflect the true cost of that particular activity. The **RA** will incur costs generally over administration and operations and thus, some form of identification is required and following this, attributable allocation of these expenses needs to be made so that departments, projects, programmes and funds also share and reflect these general expenses incurred by the **RA**.

However, this must be thought out carefully and approved by the Executive Committee (EXCO).

22.1 Policy

A Policy must be established to document the approved procedures for allocating administrative and other overhead costs in a fair and consistent manner.

22.2 Purpose

This is to ensure that departments, projects, programmes and funds are allocated not just their directs costs incurred but also a portion of the allocated costs to reflect the true costs of running the departments, projects and programmes.

22.3 Key Points to Consider

- Grantor Funds are very specific in allowable expense categories and thus, generalised overhead allocation is not allowed, except for some administrative salaries and costs. This must be discussed and agreed.
- Costs incurred for non-football related activities (including other sports) must be clear and exclusive, ideally directly assigned through account codes. The amount must be easily and readily measurable.
- If shared costs are incurred jointly with football activities, appropriate cost allocation is required. Costs may be allocated based on comparative budgeted revenues for different income streams to set an annual overheads allocation formula for monthly Management Accounts.
- All non-football related activities must be segregated in terms of revenue and costs from football activities and the basis of cost allocation shown in internal Management Reports and submissions to Regulators and Grantors.
- The basis used should not be complicated and take much time to do so, but it must be explained and understood by all.
- Thus, there is a need to identify between direct costs and indirect costs and which indirect costs should be shared and the basis of doing so.



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