

# CSSC Finance Papers – No 1

## CSSC Subsidy Policy relating to alcohol and gambling expenditure, charitable donations and the handling of cash by Affiliate Bodies

### 1. Purpose of this paper

- 1.1. This Policy is the first of a series of finance policy papers and guidance and will be addressing the following issues:-
  - 1.1.1. The manner in which alcohol may be provided or be part of a members' offer;
  - 1.1.2. The manner in which any form of gambling may be involved in a members' activity;
  - 1.1.3. In what circumstances an AA may contribute funds to a charity;
  - 1.1.4. The manner in which members' funds should be handled.

### 2. Background

- 2.1. CSSC exists to promote fulfilling lifestyles by providing sport and leisure opportunities. CSSC currently has approximately 80 Area Associations (AA), each managed by a group of volunteers which contribute a significant number of these opportunities for CSSC members. In order to do this, each AA receives a grant every year, subject to receipt of audited accounts, to spend for the benefit of the members in their area.
- 2.2. Each AA has developed its own arrangements for the management and spend of its grant, including:- the setting up of its own individual bank account; receipt and provision of funds; and the offers it makes. There is a considerable range in the members' offering provided by the AAs – some offer solely leisure benefits, some focus solely on sport and some offer a bit of both. And this is also the case in terms of funding: there is a wide range of the types of subsidy, availability of subsidy and the amounts offered.
- 2.3. The range of differing practices by the AAs in terms of the use of the grant across the organisation has evolved over recent decades and is predominantly because of the lack of guidance from the centre, the inconsistent and variable quality of volunteers, availability of local offers, the different preferences of, and the free time available from, our volunteers. The lack of a consolidated or consistent approach to the overall issue of management of the grant by AAs, has also contributed to this disparity of practices.
- 2.4. CSSC recognises this lack of consistency and fairness and has recently introduced a framework of guidance to gradually move CSSC's Affiliate bodies and volunteers away from individual practices to a more cohesive and consistent CSSC approach. This will lead to a better service and range of local offers to members. CSSC intends to continue to apply this strategy and will be addressing different aspects of financial management by the issue of several policies and guidance papers. Some examples of the overall issues these policies and papers will be looking to address are included in Appendix 1.

## 3. Policy Statements

### Alcohol

- 3.1.1. CSSC and many of the AAs offer leisure activities that may include an element of alcohol, e.g. wine tasting, cocktail lessons or a glass of wine at a dinner. CSSC wishes to ensure that member funds are spent on leisure or activity opportunities and that this always remains the primary intent for any event, particularly where alcohol is involved or available. CSSC wishes to ensure that only very limited members' funds are spent on alcohol.
- 3.1.2. Examples of acceptable events** involving an aspect of alcohol provision - wine/gin tasting events or beer festivals, meals with an offer of a drink as part of the meal, cocktail making class, event days involving an offer of limited alcohol as part of the event day/day out. Payment of a subsidy in these situations can only be provided where the subsidy is only a small proportion of the overall cost of the event. The subsidy is provided to facilitate attendance at a social and/or cultural event.
- 3.1.3. There is a fundamental difference between giving someone a) vouchers to go to "a cultural event" e.g. a wine tasting, gin tasting/experience, beer festival, organised tour of a brewery, vineyard or distillery, all of which would be acceptable events; and b) vouchers to go to the local pub on a Friday night or for a pub tour, neither of which would be an acceptable event under this policy.
- 3.1.4. Members should only be given vouchers or money to fund alcohol where it is an integral part of the event they are attending and there is a clearly identifiable social and/or cultural purpose to the event.

### Betting

- 3.2.1. CSSC and some of the AAs offer leisure opportunities which involve races of one kind or another and the opportunity to gamble/place bets, e.g. horse racing or greyhound events etc. Once again, CSSC wishes to ensure that member funds are spent on leisure or activity opportunities and that this always remains the primary intent for any event. CSSC wishes in particular that members' funds are not used directly for gambling.
- 3.2.2. Examples of acceptable events** which may involve an element of betting include – race nights, days out e.g. to Ascot, or other horse/popular races provided the subsidy element involved was only a small element of the cost and was seen as an incentive to get people social and active.  
**Payment of a subsidy in these situations should only be towards the cost of the event and not towards any gambling/betting.**
- 3.2.3. Members should never be given monies to directly bet/gamble.**

### Charitable donations

- 3.3.1. There have been instances where some AAs have been asked to directly contribute to individual charitable causes. CSSC is of the view that this is not an appropriate use of members' funds. It is not something that could be easily and fairly managed by an AA and does not fall within the AAs purpose of providing sport and leisure opportunities to its members.
- 3.3.2. An AA may organise an event for members which is being held to raise monies for a charity but in no circumstances directly contribute any of its grant to a given charity.**

### Cash handling

- 3.4.1. When looking at cash handling and cheque transactions, the policy statement below must be read in conjunction with the Affiliate Bodies Financial Policy Document. For ease of reference, the relevant extract from this document can be found at Appendix 2.
- 3.4.2. The advent of online banking means more than 50% of AAs have now set up and use online bank accounts and benefit from the relative ease of making and receiving payments electronically. This has removed the necessity for AAs to process cash payments in all but exceptional circumstances. CSSC needs to ensure that members funds are protected and

managed safely and that volunteers are also protected from any possible allegations of mismanagement or wrongdoing.

- 3.4.3. Other like-minded organisations have stringent cash handling policies' and CSSC needs to adopt a similar position.
- 3.4.4. Where there is a real need to handle cash AAs need to adhere to the Affiliate Bodies Financial Policy Document and in addition:-
  - 3.4.4.1. There needs to be a record of the date any cash sums are given to the AA and amount of the sums involved;
  - 3.4.4.2. Receipts should be given in all circumstances for cash payments;
  - 3.4.4.3. There needs to be stringent procedures in place to record where the money is held prior to banking and the AA's practical arrangements for banking of such monies; and
  - 3.4.4.4. There needs to be stringent security arrangements in place for the holding of any cash.
- 3.4.5. The use of cash is neither a safe nor acceptable practice and should only be the case in exceptional circumstances.

Please refer any queries as to cash handing of members' money to the Finance Team and also for advice for setting up an online bank account.

## 4. Summary

- 4.4. CSSC funds can be used to provide sporting and leisure opportunities where:-
  - 4.4.1. Alcohol** - the provision of a subsidy on alcohol is moderate and only applied as a small part of the offer and there is an identifiable cultural or social event;
  - 4.4.2. Betting** - There is no money being given directly to the members to place bets. However, it is acceptable for an event package to provide the opportunity to do so.
  - 4.4.3. Charitable donations** - An event is arranged for members with a stated charitable cause.
- 4.5. Cash handling** - only in exceptional circumstances should an AA ever hold cash sums.
- 4.6. A subsidy for events such as those described above as acceptable events, should be moderate and in proportion so the focus is on the enjoyment of a clearly identifiable social and/or cultural event.
  - 4.6.1. This policy is written on the basis that there is trust in the relationship between Head Office and its Affiliates and it will be for the Affiliates to prescribe what they consider to be a moderate and reasonable subsidy/offer in each case where this policy applies. The intention of this policy is to provide a framework for our affiliates to then agree themselves as to what may be sensible, pragmatic and in line with our values in the circumstances.**

## 5. Information

Information, support and advice is available from the [Volunteer Support Team](#) and [the Finance Team](#) at CSSC.

If anyone is in any doubt as to the application of any aspect of this policy, please contact the [Volunteer Support Team](#) and [the Finance Team](#) at CSSC

### Appendix 1

#### **Examples of the issues to be addressed by a range of financial policies:-**

1. No consistency or fairness for members
2. No guidance provided by CSSC up to now
3. Different people involved with different priorities/agenda
4. Possible legal/tax implications arising from some of the types of subsidies
5. Some subsidies are more than annual fee
6. Inappropriate spend of grant in some cases –e.g. prizes over £100 to a single member, free bar at an

event

7. Vouchers sold on at a discount
8. No one size fits all
9. GDPR implications on free prize draws
10. Resentment builds between members and different AAs
11. Some Regions/AAs are more organised than others
12. Disparity of "policies/schemes" across the organisation
13. Lack of spread of offers/subsidies within each AA

## **Appendix 2**

### **Extract from Affiliate Bodies Financial Policy Document**

#### **"Cash Handling**

CSSC Head Office recommends that the handling of cash is avoided wherever possible. It is recognised however that in some situations this is unavoidable. Where cash is handled the following advice is given:

- A receipt, produced in duplicate, should be issued for all cash received. One copy should be issued to the payee and the other kept for the treasurers records.
- Cash should be banked regularly to avoid large sums of cash being held.
- Where individuals handle cash on behalf of a committee they should be given the appropriate bank details so that they can make prompt payment into the appropriate bank account.
- Avoid banking alone. You should only make the journey to the bank when other people will be around.
- Where cash is carried to the bank it is recommended that the following is used as a guide:
  - Cash value up to £6,000 is carried by at least two appropriate people.
  - Cash Value between £6,001 and £10,000 is carried by at least three appropriate people. "

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