1. **Introduction**
   This document sets out the financial governance framework and processes for The British Biathlon Union (BBU).

2. **Context**
   The UK Sport Code for Sports Governance (the "Code") sets out the levels of transparency, accountability and integrity that are required from those organisations who seek – and are in receipt of – UK Government and National Lottery funding from UK Sport and/or Sport England.

   There are three Tiers (1, 2 and 3) to enable proportionate implementation of the Code. Tiers are determined by size and the nature of the investment, with a different level of mandatory governance requirements for each.

   Tier 1 represents the minimum level of mandatory governance requirements in the Code. The requirements in this Tier seek to ensure the protection of public funding through good governance processes while not creating a disproportionate administrative burden.

   Tier 3 represents the top level of mandatory governance requirements in the Code. The requirements in this Tier seek to ensure high governance standards because of the significant public investment being made. Sport England and UK Sport will look for a formal commitment from organisations to meet requirements within set timescales.

3. **Aims**
   The aims of this Finance Directive are for the BBU to be fully compliant with the Code's Tier 1 requirements. Whilst the BBU has established a commitment to work towards achieving the Tier 3 requirements commensurate with its 'Target 2030' strategic objectives, this is not covered by the current version of this document.

4. **Core Financial Objectives (Tier 1 requirements)**

   a. **Requirement 5** of the Code requires that, *"The organisation shares information on its […] financial position to enable stakeholders to have a good understanding of [them]."*

This requirement will be satisfied by:

i. The publishing of statutory accounts of the BBU on an annual basis, in-line with the requirements of the Companies Act 2006, which shall also be published on the BBU's website for ease of reference for all relevant stakeholders.

ii. In a commitment to increased transparency, for the year, the statutory accounts will also include a Chairman's Report statement to provide further contextual information regarding the financial position of the BBU and its future strategy.

b. Requirement 7 of the Code requires that, *"The organisation ensures appropriate financial procedures and practices are in place and as a minimum can evidence:*

a) appropriate oversight of financial planning;

This requirement will be satisfied by:

i. The formation of a Finance Committee that will lead the financial planning, management and reporting activities of the BBU, and report into the Board. The Finance Committee will have the terms of reference set out at Annex A and will record minutes of any meetings and/or decisions made.
ii. Discussion of the BBU's finances at each BBU Board meeting, with meeting minutes recorded to demonstrate the Board's oversight of the Finance Committee.
iii. A delegated authority statement (see Annex B)
iv. A reserves policy (see Annex C)
v. The creation of a new debtors policy

b) financial decision-making and processing is not managed by one person alone;

This requirement will be satisfied by:

i. The formation of a Finance Committee, as noted above, so that significant financial decisions are taken by more than one person.
ii. Two-person authorisation for all payments in excess of £10,000, and full board approval required for all payments in excess of £20,000, as per the delegated authority statement.
iii. Two-person authorisation for all payroll transactions.

c) accounts which are independently scrutinised."

This requirement will be satisfied by:

i. Statutory accounts are prepared by a recognised firm of Chartered Accountants approved at each AGM.
ii. In the absence of an external audit, a member of the board who is most appropriately qualified and/or experienced in financial accounting, and who is not responsible for processing financial transactions or preparing the accounts, shall perform a review of the accounts before they are signed and filed.

Annex A – Finance Committee Terms of Reference

1. Purpose and Scope

1.1 The Finance Committee's principal purposes are to provide oversight and recommendations on financial and budgetary matters for the Board, to ensure that the Board is informed in advance of the financial consequences of future plans, to monitor financial performance, to monitor compliance with sponsorship arrangements with third parties and to oversee an appropriate investment of the BBU's reserves.

1.2 To deal with other matters referred to it by the Board of the BBU

1.3 For the Finance Committee to fulfil its role successfully, the BBU will, wherever possible and relevant, work to the best practise of reviewing financial information at the Finance Committee before presentation to the Board. This enables the Finance Committee to meet their delegated authority for the Board and efficient and effective working practises.

1.5 The terms of reference of the Finance Committee will be reviewed every 2 years and recommended changes submitted to the Board for approval.

2. Reporting & Procedures

2.1 The Finance Committee shall report to the Board.

2.2 The Finance Committee shall meet as often as may be appropriate but, in any case, not less than four times per year. Meetings may be held in person, by telephone or other online media. A quorum shall be 3 members entitled to vote at the meeting.

3. Membership – voting

3.1 The Finance Committee is a committee of the Board. Its members shall usually be not less than three people, which shall include:

i. At least one Independent Director, one of whom shall chair the Committee;
ii. The Chief Executive Officer (CEO);
iii. At least one other Director;

3.2 In the absence of the Chair of the Committee, the Chair will appoint a deputy in advance from the other members of the Finance Committee who are also on the Board of the BBU. In the event the Chair is unable to do this ahead of time on the day the voting members present will appoint one of their number to chair the meeting.

3.3 All members of the Committee should have the relevant skills and experience.

4. Functions

The Functions of the Finance Committee shall be:

4.1 To propose an annual budget to the Board for approval.

4.2 To review and, if appropriate, provide input on all major grant applications to major stakeholders (e.g., UK Sport, Sport England) and to monitor financial performance and conditionality adherence at least bi-annually.

4.3 To review and, if appropriate, provide input on the recommended level of membership fees for the forthcoming year in conjunction with the budget and recommend to the Board for approval.

4.4 To monitor financial performance throughout the year against budgets and, where appropriate, provide updates to the Board explaining any variances or unusual items.

4.5 To ensure that value for money is achieved in commercial contracts and trading activities entered into by the BBU through a rolling schedule of periodic review with all material contracts reviewed at least annually.

4.6 To review budgeted capital expenditure and major project spend, as part of the review of the annual budgets and recommend to the Board for approval.

4.7 To oversee an appropriate handling of the BBU's liquidity, foreign currency holdings and financial investments including cash flow management requirements.

4.8 To appoint The BBU's bankers and approve the designation of the bank account.

4.9 To make recommendations to the Board and to advise them generally on financial matters.

4.10 To consider and recommend to the Board plans for major new activities that do not fall within the scope of the approved financial plan, and to monitor the performance of such activities.

5. Risk, Governance and Compliance

The Finance Committee in all their operations will have oversight and accountability to ensure compliance with all internal and external rules, policies and regulations that are applicable and ensure the effectiveness of the financial control environment of BBU. This will include oversight and accountability for (but not limited to) the following areas: -

5.1 Any policies relevant to Finance and as agreed through the policy management process of BBU to be the responsibility of the Finance Committee – for example, the Reserves Policy.

5.2 Oversight for the financial control environment and its performance including all relevant financial controls such as aged debtors, aged creditors, write offs etc.

5.3 In support of the interim and year end annual accounts process ensuring the final management accounts are complete, up to date and compliant with all accounting policies.

5.4 Complying with the BBU's Financial Delegated Authority Statement and all delegated authority to the Finance Committee from the Board as delegated from time to time.

6. Committee Effectiveness

Ensuring a regular review, at least annually of the effectiveness of the Committee including skillset, performance, areas for improvement and agreed actions to take forward to drive continuous performance.

Annex B – Financial Delegated Authority Statement

Purpose

This Financial Delegated Authority Statement sets out the decision-making powers within the British Biathlon Union (BBU). It outlines which officers and bodies are empowered to act on behalf of the Company, in line with its articles and strategic objectives.

1. Governance Context

The BBU is governed by a Board of Directors, which is responsible for strategic oversight, legal compliance, and financial accountability. The Board delegates certain operational and administrative powers to officers and designated committees to ensure the effective running of the Union.

2. Financial Delegations

- The CEO may authorise operational expenses up to £10,000 per transaction within the approved annual budget.
- Expenditure between £10,001 and [£20,000] requires sign-off by both the CEO and another Director.
- Expenditure over £20,000 requires full Board approval.
- All funding agreements with UK Sport or external sponsors must be approved by the Board.

3. Review and Amendment

This statement shall be reviewed annually by the Board of the BBU and may be amended by a majority Board resolution.

Annex C – Reserves Policy

1. Purpose

The purpose of this Reserves Policy is to ensure the British Biathlon Union (BBU) maintains a responsible and sustainable approach to financial management. This policy sets out the principles for holding and using reserves to protect the organisation against unexpected financial risks, support continuity of athlete programmes, and enable strategic development of biathlon in the UK.

2. Definition

Reserves are unrestricted funds that are not committed or designated for specific projects. They provide a financial safety net, allowing the BBU to meet its obligations and continue operations in the face of unexpected events such as loss of funding, significant drops in income, or extraordinary expenditure.

3. Target Level of Reserves

The BBU aims to maintain free reserves equivalent to three to six months of core operating expenditure. Based on current forecasts, this equates to a minimum reserve of £75000-£15000. This level is considered sufficient to:

- Cover essential administrative functions
- Maintain athlete support and training continuity for at least one trimester
- Provide time to seek alternative funding if a key income stream ceases

4. Use of Reserves

Reserves may be used with Board approval to:

- Offset short-term cash flow shortages or unforeseen loss of income (e.g. from reduced grant funding or reduced IBU event starts)
- Fund urgent repairs or replacements of equipment necessary for athlete development or performance
- Support the strategic growth of the sport, such as one-off investments in new development initiatives, where other funding is not available

All use of reserves must be proposed by the Finance Committee and approved by a majority of the BBU Board.

5. Replenishment of Reserves

If reserves fall below the target threshold, the Board will agree a plan to replenish the reserve level over a period of up to 12 months, through appropriate measures such as cost reduction, income diversification, or fundraising.

6. Monitoring and Reporting

The Finance Committee will monitor the reserve balance and report to the Board on a quarterly basis. The status of reserves will also be included in the BBU's annual accounts and financial statements.

7. Policy Review

This policy will be reviewed annually by the Board, alongside the budget and financial strategy, to ensure it remains appropriate for the size, scope, and activities of the BBU.

8. Responsibilities

- Finance Committee: Responsible for monitoring reserves and reporting to the Board.
- BBU Board: Responsible for policy oversight, approval of reserve use, and ensuring long-term financial sustainability.