



The Financial Rules of the 5th Dorking (URC) Scout Group



Adopted by the Group Executive Committee on: 9th July 2015

To be reviewed annually. Review to be noted in GEC Minutes

These are the financial rules (known as the Group financial policy), of the 5th Dorking (URC) Scout Group and were adopted and approved by the Group's Executive committee at its regular meeting stated above

1. Introduction

- i. The 5th Dorking (URC) Scout Group has a management committee (known as the Group Executive Committee) which is elected each year at the Group Scout Council annual general meeting;
- ii. The Group Executive committee is responsible for ensuring that the Group is well managed and that all Group income is managed properly and the propriety with which it is spent.
- iii. Our financial records are kept so that the Group can:
 - meet its legal and other obligations, regarding the Policy, Organisation & Rules (POR) of the Scout Association, the Charities Act (1992), HMRC and common law.
 - enable the trustees to be in proper financial control of the Group.
 - enable the Group to meet any obligations and requirements of any funders should there be any.
- iv. The Group Executive committee will ensure that appropriate financial records are kept, including:
 - an account book or computer spreadsheet recording all the transactions in the Group's bank account(s)
 - bank statements or building society passbook
 - details of all funds received
 - invoices and other receipts for all payments
- v. If we keep our records on computer, then an 'account book' will be printed out in date order and kept in a ring binder or other file.
- vi. Our financial year ends on 31st March.
- vii. We will draw up accounts at the end of the financial year and have them examined by a suitable person who is independent of the Group. Our annual end of year accounts will be presented to the Group's annual general meeting for approval.
- viii. A draft annual budget will be set at the March Group Executive meeting before the start of the financial year. The budget shall be voted into effect at the meeting immediately following the AGM in May and shall remain as a guide for the Executive Committee to authorize expenditures. This draft budget can be tabled at the Annual General meeting for information.
- ix. We will discuss a financial report at each Executive committee meeting showing cash received, payments, and remaining funds. This can be a verbal or written report and will provide the committee members with enough information to make good decisions. When possible It will also show expected/forecast future receipts and payments.

2. Bank accounts

- i. We have a current cheque account and a savings/deposit account with:
Lloyds Bank, 120-124 High St, Dorking, Surrey RH4 1BB
- ii. All bank transactions will go through our current account.

- iii. A minimum of three members of the Group Executive committee may be signatories to the accounts and this must include the Group Scout Leader and Group Chairman.
- iv. The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the trustees as will all the changes to it.
- v. Any withdrawals from Group accounts will be authorised by two of the signatories. We expect that one of these will be the treasurer. If not, we will give the treasurer full details of the payment. Transfers between Group accounts are not withdrawals for these purposes.
- vi. We will ask the bank to provide statements every month and will reconcile the statements against our account book.

3. Income

- i. We encourage payments made to the group to be in the form of bank transfer or cheques. We discourage payments by cash, but recognize that in some cases is pragmatic and necessary for small quantities
- ii. Where we receive cash from the public at fundraising events two members of the Group will count up the cash, make a note of the total and sign for it.
- iii. When the treasurer collects cash from a Group member, the treasurer will issue a receipt.
- iv. Details of cash received will be entered appropriately on a spreadsheet, printed and then filed.
- v. We shall bank all cash received – we will not use it for cash payments. We expect that cash over £100 will be banked within a week.
- vi. We will record details of cheques received on a spreadsheet and bank the cheques within two weeks.
- vii. The group pay all bills cashless (ie via cheque or bank transfer) – and has a policy of not holding petty cash.
- viii. The treasurer will keep files of paperwork relating to the cheques (e.g. grant award letters or copies of receipts issued by the Group).
- ix. All fundraising and grant applications undertaken on behalf of the Group will be done in the name of the Group (as detailed at the top of this document), with the prior approval of the Group Executive committee or in urgent situations the approval of the Group scout leader and Group chair who will provide full details to the next meeting of the Group Executive committee.
- x. Gift Aid - Where possible and appropriate we encourage parents to agree to Gift Aid as this enables the Group to obtain additional funds without there being an increased cost to the individuals.
- xi. The costs for camps and other day trips are normally charged by attendance, and are budgeted on the basis of 'cover costs'. For all UK camps and events the costs of the appropriate number of adults attending is normally factored into the cost for each young person, although on occasion this may come from Section or Group funds. Where a Young Leader is attending solely in their leadership role the same applies.

4. Expenditure: Buying goods and services

- i. Our Group Executive committee will agree any orders in advance. This will be either shown in our annual budget or discussed at a meeting during the year.
- ii. The delegated authority levels for cheque signing from the Group's current account:

Amount	Signature Requirements	Supporting Documents
Up to £100	any two signatories	Invoice or expenses claim with receipts
Over £100 and up to £200	any one signatory plus the Group Scout Leader, Group Chair or Group Treasurer	Invoice or expenses claim with receipts
Over £200	any two of Group Scout Leader, Group Chair or Group Treasurer	The prior written approval of the Group Executive Committee. <i>(this can be the minutes of the meeting or agreed by email)</i>

- iii. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure and not beyond it.
- iv. Our treasurer will keep a file of all the paperwork and check firms' invoices before making payments.
- v. Every payment out of the Groups bank accounts will be evidenced by an original invoice (never against a supplier's statement or final demand), or an expenses claims form with receipts).
- vi. The original invoice or claims form and receipts will be retained by the Group treasurer and filed appropriately. The cheque signatories should ensure that the paperwork is referenced with:
 - Cheque number
 - Date cheque drawn
 - Amount of cheque
 - Who signed the cheque
- vii. The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees or deposit for a venue etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.
- viii. Our treasurer will place details of all cheque payments into the accounts spreadsheet.
- ix. Our cheque book(s) (unused and partly used) will be kept under lock and key.
- x. We will not sign a cheque without paperwork to support the payment.
- xi. We will never sign a blank cheque. The relevant payee's name will always be inserted on the cheque before signature and the cheque stubs will be properly completed at the time of payment.
- xii. Two signatories are required on each cheque. We expect that one of these will normally be the treasurer. There are four approved signatories on the account.
- xiii. Two signatories are required to set up a direct debit or standing orders. We expect that one of these will normally be the treasurer.
- xiv. We will keep records of direct debit and standing orders as for cheque payments.
- xv. No cheque signatory signs for the payment of expenses to themselves.
- xvi. Cash point cards will not be used and if issued by the bank they will be immediately cut up and disposed of appropriately.

5. Fixed Assets

The Group will adhere to good practice in relation to its finances at all times, e.g. when relevant we will set up and maintain a fixed asset register stating the date of purchase, cost, serial numbers and normal location.

6. Reserves Policy

Our Group, like most charities, holds some funds in reserve. Our level of reserves is set to ensure that there is sufficient resources to continue the core charitable activities of the Group should income and fundraising activities fall short. The Group Executive committee considers that the Group should hold a sum equivalent to twelve months running costs, circa £5,000 (five thousand pounds) in reserve. Should the level of reserves falls below the target level, the Group Executive committee will make efforts to restore the level within the next financial year.

7. Expenses Policy

It is the policy of the 5th Dorking (URC) Scout Group to reimburse volunteers for allowable expenses incurred whilst on Scout Group business, providing those expenses are incurred in line with this expenses policy.

Expenses incurred by any member of the Group who holds a position or appointment or where carrying out activities on behalf of the Group will be reimbursed by the Group once:

- Expenditure is agreed by budget holder in advance;
- Expenditure is claimed within the financial year that the expense has been incurred;
- Expenditure is within an approved budget and the budget is not overspent;
- The group has the money to pay the expense;
- Expense claim is approved correctly.

The general principle is that no person will obtain a benefit from expenses payments. Expense payments will be a reimbursement of actual costs, which are reasonable and are incurred wholly, exclusively and necessarily for the carrying out of the member role in relation to the task agreed with the Group. All expense claims must be submitted on the Group Expenses Form, including all details of the expenditure incurred, the date, nature and amount of expenditure and receipts.

Approval:

All expense claim forms must be signed by the claimant, the Group Treasurer and authorised by either the Group Scout Leader or Group Chairman.

Where a claimant is a signatory then two other signatories must sign the cheque.

Before any large expense is incurred our Group Executive Committee members must give consideration to the most cost effective method of incurring that expense. They should also consider whether the expenditure represents '**value for money**' for the Scout Group.

8. Section Finances

The Group Executive Committee will set an annual budget for each section to cover the purchases necessary for the weekly activities of the section.

- i. Each section shall submit a budget for the coming financial year by the March Executive Committee meeting of the current Scouting year immediately before the AGM.
- ii. Each section shall present written or verbal financial statements at each Executive Committee meeting.
- iii. Receipts for expenditures to the account of the Executive Committee shall be presented to the Treasurer for reimbursement. A Cheque Requisition Form, which details the amount and budget allocation charged, shall accompany the receipts.
- iv. Each section is responsible for ensuring expenditures are within the limits of the respective budget allocations. If budgets are inappropriate, the Executive Committee may be asked to consider amending section budget allocations as required.

Every group member is responsible for dealing with the group's money in a clear and organised way: always check with the treasurer before spending any money.