**The Financial Rules of the 12th Winchester Scout Group**

These are the financial rules (the group financial policy), of 12th Winchester Scout Group and were adopted and approved by the group’s executive committee at its meeting held on 22 March 2016.

**1. Introduction**

1. The 12th Winchester Scout Group has a management committee (known as the Group Executive Committee) which is elected each year at the group’s annual general meeting;
2. The group executive committee is responsible for ensuring that the group is well managed and that all group income is managed properly and put to best use.
3. 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), HM Revenue & Customs and common law
* enable the trustees to be in proper financial control of the group
* enable the Group to meet any obligations and any specific requirements of funders

1. 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
* a petty cash book (if we make cash payments)
* details of all funds received
* invoices and other receipts for all payments

Where records are kept on computer, an ‘account book’ will be printed out in date order and kept in an appropriate file.

1. Our financial year ends on 31 December.
2. 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.
3. Before the start of the financial year, we will set a budget for the following year.
4. We will discuss a financial report at each executive committee meeting. 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**

1. We have a current account and camp account and use a savings account to maximise interest.
2. The principal bank account, used for most transactions, will be the current account. To withdraw money from the savings account, we shall first transfer it to the current account and withdraw it from there. The camp account is principally used by the leaders of summer camp to provide ready access to funds needed while attending the camp itself. Funds are deposited through the year and withdrawn during the camp itself.
3. Up to four members of the Group executive committee may be signatories to the accounts and will include one of the group scout leader and group chair.
4. The bank mandate (specifying who can sign cheques on the Group’s behalf) will always be approved and minuted by the trustees as will all changes to it.
5. Any withdrawals or transfers between accounts will be signed by two of the signatories, which will normally include the treasurer. Where the treasurer is not involved, they will be given full details of the payment.
6. The bank will provide regular statements and the treasurer will reconcile the statements against our account book.

**3. Income**

1. If we receive cash from the public, we will issue a receipt and keep a copy.
2. 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.
3. When the treasurer or another member collects cash from another group member, they will issue a receipt.
4. Receipts are to be issued from a numbered receipt book and the counterfoil must be completed with details of the date, amount, purpose of payment, and the name of the person making the payment, if relevant. Receipt books will be issued by the Treasurer and returned to the Treasurer when finished with as they form part of the Group’s accounting records.
5. Details of any cash received will also be entered in the relevant section or treasurer’s cashbook.
6. We will generally hold funds in bank accounts for security and traceability. Unless there are reasons to hold funds in cash we will minimise the amount of cash held, and shall bank cash received promptly.
7. Each section will be allocated funds on a termly basis. Each section’s termly allocation is calculated by a formula agreed by the Group Executive Committee (at the time of writing, £70 + £4 x number of children). The total will be recorded by the treasurer and the section receiving it. Transfers of sections funds may be made to the relevant leader’s personal bank account as this is traceable and secure. Each section will provide a termly statement of expenditure to the treasurer.
8. We will record details of cheques received in the account book and bank the cheques within two weeks.
9. The treasurer will keep files of paperwork relating to the cheques (e.g. grant award letters or copies of receipts issued by the group).
10. All fundraising and grant applications undertaken on behalf of the group will be done in the name of the group, 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.

**4. Expenditure: Buying goods and services**

1. Our Group executive committee will agree any proposed non-recurring expenditure (such as equipment) in advance. This will be either shown in our annual budget or discussed at a meeting during the year. Unexpected, urgent expenditure that arises must be discussed with the [GSL, Chair and Treasurer] before being incurred.
2. The authority levels for signing cheques and authorising payments from the Group’s accounts are:

|  |  |  |
| --- | --- | --- |
| **Amount** | **Signature Requirements** | **Supporting Documents** |
| Up to £200 | any two signatories | Invoice or expenses claim with receipts |
| Over £200 and up to £500 | any one signatory plus the GSL, chair or treasurer | Invoice or expenses claim with receipts |
| Over £500 | any two of GSL, chair  or treasurer | with the prior written approval of the group executive committee (this can be the minutes of the meeting) |

\* Note that these authority levels can be over-ridden by obtaining prior approval from any two of GSL, chair or treasurer

1. The latest approved budget provides the account signatories with authority to spend up to the budgeted expenditure and not beyond it.
2. Our treasurer will keep a file of all the paperwork and check firms’ invoices before making payments.
3. We will by preference make payments by online bank transfer (BACS) as this is timely and provides clear audit trails, noting that:
   * the account will be set up to require two authorisations for each payment (these being any of our authorised cheque signatories)
   * an appropriate description will be given for each transaction
   * receipts will be saved on a shared document store (e.g. Dropbox) and/or in paper form by the treasurer
4. Every payment out of the Group’s bank accounts will be evidenced by an original invoice (not a supplier's statement or final demand), or an expenses claims form with receipts.

The original invoice or claims form and receipts will be retained by the group treasurer and filed appropriately. The signatories should ensure that the paperwork is referenced with:

* + For cheques: number, Date drawn, amount, who signed the cheque
  + For online payments: Date drawn, amount, who authorised

The only exceptions to cheques not being supported by an original invoice would be for such items as advance booking fees or deposit for a venue etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.

1. Our treasurer will write details of all cheque payments in the account book.
2. We will not sign a cheque without paperwork to support the payment.
3. 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.
4. Two signatories are required on each cheque, one of which will normally be the treasurer.
5. Two signatories are required to set up a direct debit or standing order. One of these will normally be the treasurer.
6. We will keep records of direct debit and standing orders as for cheque or online payments.
7. We will, if asked, reimburse expenditure paid for personally by group members, providing:
   * + Fares are evidenced by tickets.
     + Other expenditure is evidenced by original receipts.
     + Car mileage is based on local authority scales.
8. No cheque signatory signs for the payment of expenses to themselves.
9. Cash point cards will not be used and if issued by the bank they will be immediately cut up and disposed of appropriately.

**6. Petty cash**

1. We will hold a petty cash float separate from incoming cash.
2. Each section will be allocated a sum (generally up to £200 at the start of a term) for payments on production of the appropriate invoice or expenses claims form and original receipts. This petty cash will be balanced each term as detailed in article 3e of this policy.
3. Petty cash payments will not be made before we have entered the full amount of incoming cash into the petty cash book.
4. We will record all payments in section accounts and keep documentation which will be presented to the treasurer at the end of each term, or at the next executive committee meeting.

**7 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.

**8 Reserves Policy**

Our Group, like most charities, hold some funds in reserve. Our level of reserves is set to ensure that there are 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 an amount of reserves of the lesser of 6 months running costs based on the last 2 years, or £7,500. This is held on deposit as detailed in article 2a of this policy. Should the level of reserves fall below the target level, the Group executive committee will make efforts to restore the level within a year.

**9 Investment Policy**

Currently the Group's income and expenditure is small and as a consequence does not have sufficient funds to invest in longer term investments such as stocks and shares. The Group has therefore adopted a low risk strategy to the investment of its funds. All funds are held in cash using only mainstream banks or building societies.

The Group executive regularly monitors the levels of bank balances and the interest rates received to ensure the Group obtains maximum value and income from its banking arrangements. Occasionally this may involve using an account that requires a period of notice before funds may be withdrawn, before doing so the Group executive committee considers the cash flow requirements.

1. **Terms of Reference for the Finance Sub-Committee**

The 12th Winchester “Green Jackets” Scout Group has a sub-committee of the Group Executive Committee that is charged with the task of creating and monitoring the Annual Group Budget, submitting it to the Group Executive Committee for approval and reporting back on the budget at each full meeting of the Group Executive Committee. It is expected that the sub-committee will meet between two and four weeks prior to each meeting of the Group Executive Committee.

The sub-committee is currently comprised of the Group Chair, Group Secretary, GSL and Group Treasurer and exists to provide support to the Group Treasurer making recommendations to the Group Executive Committee with regard to:

* Setting and reviewing subscription levels
* The Financial Rules under which the Group will operate
* Compliance with the Charity’s obligations to the Scout Association, the Charity Commission, HMRC and the Group Scout Council.
* Setting and monitoring the annual budget for the Group