

Financial Management Policy

Version 3.0, January 2019

Review Date: January 2020

Policy Owner: Group Executive Committee



1. Background

- 1.1 This policy is defined to ensure proper management of the Group's financial resources in line with the responsibilities of its trustees under The Scout Association's Policy, Organisation and Rules and charity legislation.
- 1.2 The Scout Group requires all its members, at all times, to act honestly and with integrity and to safeguard the resources for which they are responsible. Fraud is an ever-present threat to these resources and hence must be a concern of all members of the Group.

2. Definitions

- 2.1 "Benefit to the Group/Section" is deemed as furthering the aim, purpose and method of the Group.

3. Financial Year

- 3.1 The Group's financial year ends on 5th April.

4. Independent Examination

- 4.1 The Group's accounts must be examined by an independent examiner, scrutineer or registered auditor, as determined by the Group Scout Council at its Annual General Meeting.

5. Budgeting

- 5.1 The Group Executive Committee shall approve a set of budgets for each financial year.
- 5.2 The budget-holders shall be deemed as follows:
 - 5.2.1 For sectional budgets, the relevant Section Leader shall be the budget-holder.

- 5.2.2 For Group budgets, the Group Scout Leader shall be the budget holder. Except where the budget relates to governance or administrative activities, for which the Group Chair shall be the budget-holder.

6. Authorisation Limits

- 6.1** Budget-holders may authorise expenditure up to their budgetary limit for any expenditure within their budget's remit.
- 6.2** The following authorisation limits apply to any out-of-budget Group expenditure:
- The Group Scout Leader/Assistant Group Scout Leader may authorise spend of up to £80 of out-of-budget expenditure;
 - Any out-of-budget expenditure above £80 must be pre-authorised by the Group Executive Committee.

7. Reporting and Reimbursement

- 7.1** Any expenditure, where not invoiced (see "Invoices"), must be reported to the Group Treasurer at the earliest opportunity using the expenses function of the Group's accounting suite.
- 7.2** Expenditure will be reimbursed to the person reporting the expense, if and only if the Treasurer can confirm authorisation with the relevant person(s).
- 7.3** No expenses will be reimbursed if the expenditure was incurred more than three months prior to when the claim is being made.
- 7.4** Members of the Group are strongly encouraged to accept reimbursement of expenses. If they do not want to take expenses they can be reimbursed and then personally donate the value of the expenses back to the Group.

8. Record Keeping

- 8.1** The Group Treasurer shall ensure a record is kept of all the Group's expenditure and income (the Group's Accounts), along with the documentation associated with each.
- 8.2** The Group's financial records shall be stored in the Group's accounting suite, Xero.

- 8.3** The Group Treasurer shall provide an up-to-date version of the Group's accounts, upon request to the GSL, and one month before each AGM of the Group Scout Council.
- 8.4** The Group Treasurer shall provide a written report on the financial position of the Group at each Group Executive Committee meeting.

9. Income

- 9.1** All income (including from subscriptions, section activities and fundraising) must be handed to the Group Treasurer at the earliest opportunity (which must not be more than six weeks from receiving it) [if not paid directly into a Group account], along with a record of what the income relates to and from whom it came.
- 9.2** Should the income be raised through a Group Fundraising event, the proceeds should be independently counted by two of the Group's members (neither of whom should be the Treasurer).
- 9.3** All fundraising and grant applications undertaken on behalf of the Group must be done in the name of the Group and given prior approval by the Group Executive Committee. In time-limited circumstances, the Group Scout Leader and Group Chair may approve such activities with a report of the approval given to the Group Executive Committee at its next meeting.
- 9.4** Cash and cheques should be deposited to the Group's current account within two weeks and, in any case, not longer than two months of the Group Treasurer receiving them.

10. Invoices

- 10.1** Invoices should be addressed to "**51st Bath (Ascension Church) Scout Group**" at our headquarters address. They should be passed to the Group Treasurer for payment.
- 10.2** Payment of invoices will only be made by the Group when the Treasurer can confirm authorisation with the relevant person(s).

10.3 When purchasing an item that will be invoiced, pre-authorisation should be sought from the relevant person(s).

11. Holding of Cash/Card Balance

11.1 Section Leaders, under authorisation of the Group Scout Leader ,may hold cash (or a balance on a Group pre-paid card) for the purposes of purchasing items for the benefit of the Group.

11.2 This cash must have first been through the Group's accounts and thus must not be 'topped up' directly from income.

11.3 Spend of cash, or on a pre-paid card, is still subject to the reporting and authorisation policy items, as defined in this policy.

11.4 Cash/card balance held for an unspecified event must not exceed £150.

11.5 Leaders of Group Activities may, under authorisation of the GSL, hold cash to the value of expected required spend (as detailed in the activities budget) plus a contingency for Group Activities.

11.6 Any cash advance for a specific event must be cleared within three weeks of return or date of the event.

12. Banking Arrangements

12.1 The Group shall hold one current account.

12.2 The Group may hold one or more savings account(s), as deemed appropriate by the Group Executive Committee.

12.3 The current account will be the sole place for all the Group's banking transactions, including deposit and withdrawal, with the exception of transfer between Group bank accounts.

12.4 Signatories on the current account shall number at least three, and must include:

- The Group Scout Leader;
- The Group Chair;
- The Group Treasurer.

Any other signatories must be members of the Group Executive Committee.

12.5 Our accounting suite, Xero, will use an automatic read-only bank feed to reconcile transactions against the Group's accounts.

12.6 Any change to signatories, or other banking arrangement details, must be agreed by the Group Executive Committee.

13. Group Pre-Paid Cards

13.1 The Group makes use of pre-paid cards for its volunteers, in lieu of holding cash.

13.2 The Group will issue pre-paid cards only to the following roles, and only when authorised by the Group Chair and Group Treasurer:

- Group Scout Leader
- Group Chair
- Group Treasurer
- Assistant Group Scout Leader
- Section Leader
- Assistant Section Leader

13.3 Group cards will be topped-up only under the "Holding of Cash/Card Balance" section above.

13.4 All Group card transactions must be reconciled monthly.

13.5 Group cards must not be used by any person other than the named cardholder and cannot be transferred, even to someone else with the authority to spend.

13.6 Group cards' PINs must be kept secure and never shared with another person.

13.7 Group cards must not be used for:

- ATM withdrawals or cashback services
- Non-Group expenditure

13.8 Group cards must be returned to the Group Treasurer on termination of membership of the Group, when requested to do so by the Group Chair or Group Treasurer, or when you no longer become eligible to hold one.

14. Group Payments

14.1 All group payments must be signed/authorised by two signatories.

14.2 The value of the payment indicates who is authorised to authorise it. This is detailed in the table below.

Lower Limit	Upper Limit	Signatory Requirements
£0	£100	Any two signatories.
£100.01	£300	Any one signatory plus the GSL, Chair or Treasurer.
£300.01		Any two of GSL, Chair or Treasurer.

14.3 No person shall authorise a payment without first seeing supporting documentation of the expense.

14.4 No person shall authorise a payment without first inserting the name of the payee.

14.5 All cheque payment details shall be promptly sent to the Group Treasurer, which includes the Cheque Number, Date Cheque Drawn, Amount of Cheque, Payee and Signatories.

14.6 Cheques, whether unused or partly written, will be kept in a secure place.

15. Other Banking Facilities

15.1 Online banking may be used by the treasurer to monitor account activity.

15.2 Online banking must only be used for transactions if there is a facility for dual-authorisation.

15.3 All direct debits and standing orders must be set up by two signatories, one of whom must be the Group Treasurer.

15.4 No person shall be a signatory on a transfer, direct debit or standing order where the payee is themselves.

15.5 Debit cards are not to be used on any account belonging to the Group.

16. Reserves

16.1 Amount of Reserves

16.1.1 The Scout Group shall keep reserves in deposit equivalent to three to six months expenditure. This is circa £700 for three months expenditure.

16.1.2 Should reserves fall below the limit defined in 15.1.1, the Group Treasurer must make the Group Executive Committee aware within 10 calendar days.

16.2 Restoring Reserves

16.2.1 Should reserves fall below the stated amount, for whatever reason, the Group will make every effort to restore them within two financial years.