

WOODCRAFT FOLK GROUP AND DISTRICT TREASURER'S HANDBOOK

Introduction

This handbook is designed to help you keep track of the finances of your Group or District and make sure you fulfil the financial responsibilities that come with being part of the Woodcraft Folk.

The handbook should be read and understood by the treasurer (or equivalent responsible person) of any Woodcraft Folk Group/District. It may also be of interest to Group leaders and other volunteers.

About the Handbook

The Handbook is divided into sections covering financial issues that you might expect to encounter in your District/Group.

For the rest of the handbook, when the word District is used, it should be read to mean Group too, unless otherwise specified.

The handbook includes a number of obligations. You can identify an obligation by the use of the words 'must' or 'must not' in the point. Recommendations of good practice can be identified by the use of 'should' or 'should not'.

All advice and guidelines in this document are in line with the Woodcraft Folk's Financial Principles and Policies document, available on request from Folk House.

Keeping records

Income and expenditure sheet

Your income and expenditure sheet is where you record income and expenditure through the bank and in cash. Go to <https://woodcraft.org.uk/local-treasurers> for more information.

You don't have to use an income and expenditure sheet in the same format as suggested on our website but you may find it useful to do so. You should feel free to use and adapt our model to fit your circumstances. It is recommended that you use an electronic spreadsheet for your income and expenditure.

Comparing your bank balance with your income and expenditure sheet ("bank reconciliation")

You must regularly compare your bank balance with your income and expenditure sheet to check for differences (this is called a "bank reconciliation"). There is guidance on this process on our website. For more information and to download a bank reconciliation sheet go to <https://woodcraft.org.uk/local-treasurers>.

Gross/net figures

Wherever possible the gross figures of income and expenditure should be recorded rather than only a net figure.

More info. feedback and questions

We hope that you find the advice and guidelines useful.

For more info. go to <https://woodcraft.org.uk/local-treasurers>.

Please pass any comments, questions or feedback to Richard Burgess-Gamble, Head of Resources (richard.burgess-gamble@woodcraft.org.uk).

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Document version control

1. Day-to-day procedures

Income

All monies received must be banked as soon as possible and no less than monthly. If this is done by someone other than the treasurer, that person must as soon as possible give the treasurer a copy of the paying-in slip and information/documentation regarding the banking. The paying in slip and supporting document needs to be kept by the treasurer with the other financial records.

Cheque and cash deposits

- Monies received must be recorded individually on your income and expenditure sheet showing the date, the name of the person from whom the monies were received and the reason for the deposit. This is not necessary for weekly subs, which can simply be recorded as 'subs' with a total figure, unless you are claiming Gift Aid on the subs.
- All deposits should be made using a slip from a paying-in book relating to that bank account.
- A note should be made on the income and expenditure sheet of which paying-in slip was used for which amount of money to enable all transactions to be traced.
- A clear note of what monies relate to must be made on the stub of the paying in slip for ease of reference.

Electronic deposits: money received by bank transfer will normally have the senders name applied to it by the bank, but not the purpose. Anyone sending money in this way should be told to add the purpose to the transfer information, or inform the Treasurer that the transfer has been made as soon as possible, outlining the purpose for it.

Handling cash

- Monies must be kept securely in a locked box or safe until they are banked.
- A designated person should maintain a summary record of the total monies in the secure box/safe.
- It is good practice to sort cash to be banked by denomination. Bank bags should be used for coins.

Expenditure

A receipt or invoice must be obtained for all expenditure and must be retained for six years from the end of the year to which it relates.

Recording expenditure

- Each item of expenditure should be allocated a unique reference number to enable traceability.
- Each item of expenditure must be recorded individually on the income and expenditure sheet, showing:
 - the reason for the expenditure;
 - when it was made;
 - by whom; and
 - the unique reference number.
- Extra points to note when recording payments by cheque
 - The cheque number, the date on which the cheque was raised and the payee name must be recorded on the income and expenditure sheet.
 - The unique reference number must be recorded on the cheque stub.

- The cheque number must be recorded on the invoice/receipt/other record.
- Full details of the cheque must be recorded on the cheque stub.

Making payments by cheque and bank transfer

- All cheques must be signed by two people in line with the bank mandate (bank mandates must require that payments be authorised by two signatories and there must be three or more signatories for each account – see further part 4 below).
- All payments by bank transfer must be authorised by two people (in line with the bank mandate).
- The two signatories to a payment by cheque or bank transfer must not be members of the same immediate family (eg. parents, children, spouse or partner, siblings, grandchildren, grandparents; or any sibling, spouse or child of any of those people). It is permissible, however, to have members of the same immediate family as signatories for a bank account.
- No cheque should be signed or bank transfer authorised without the signatory having seen evidence of the expenditure (e.g. receipt/invoice). This can be a scanned copy of a document.

Point to note: the bank provides an online banking system that provides for one signatory to log in to set up a payment and a second signatory to log in to confirm the payment. You must use this system or an equivalent system at another bank.

Things to remember when using cheques

- Cheques must not be signed by either signatory until the payee name and amount have been completed.
Never sign a blank cheque!
- Cheques must not be post-dated once signed.
- Both signatories must check that all the details shown on the cheque have been completed correctly.
- Cheques must be used in sequence
- Chequebooks must be kept in a secure location when not being use.

Payment by cash

- Floats and/or petty cash used to make cash payments should be reconciled with receipts/invoices at least weekly and replenished as necessary.
- Cash payments should be avoided wherever possible, but where this is not practical, appropriate receipts/invoices must be retained for records.
- Large cash payments should be avoided and must not be made for amounts above £100.

Reimbursement of expenses

- Receipts must be provided for all expenses incurred.
- No reimbursement of expenses can be made without an appropriate receipt (except for mileage claims).
- A photocopy or scan of a train/other travel ticket will be acceptable in place of a receipt.

Point to note: You must not use a debit card, even if this has been issued to your Group/District by your bank. This is because a payment by debit card does not require the authorisation of the minimum of two signatories, in line with the bank mandate. If your Bank has issued your Group/District a debit card, it must not be used and should be returned to the bank with instructions not to issue any further such cards.

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Backups: if you keep your accounts electronically, please ensure that you keep a backup ideally monthly. Paper records should also be duplicated.

2. Camps/Residentials/Other activities outside the usual group night

Income

Monies received for events/camps/activities etc. should be recorded on your income and expenditure sheet separately from other events and from day-to-day income eg. subs.

Expenditure

All expenditure relating to events/camps/activities etc. should be recorded separately from other events and day-to-day expenditure eg. resources for group nights (see example accounts book).

All the general requirements relating to expenditure still apply (eg. the need for a receipt).

At the event/camp/activity etc.

If cash is to be held at the event, a designated person must have responsibility for it and it must be kept securely at all times with appropriate security measures in place to reduce the risk of fraud, theft or loss.

All cash must be returned to the designated person at the end of the day, clearly labelled and counted.

It may not be possible to bank monies as often as desirable at events or camps, but appropriate alternative arrangements must be made to ensure monies are held securely and, within limits, in line with insurance requirements on both counts.

3. Grants and restricted funds

Woodcraft's grants policy

All grants, however small, which are obtained from a source other than the Woodcraft Folk must be notified to Folk Office within three months of receipt.

Please see the Woodcraft Folk Funding Bids Policy for more advice and guidance on grants (especially large grants).

Restricted and unrestricted funding

Money given for a particular purpose must only be used for that purpose. For example, if you get an Awards for All grant for training, you must only spend it on that restricted purpose. Similarly, if you receive a Co-op Community Fund grant to hold an event, that money is restricted to use on that event.

Not all grants are restricted as to their use – eg. the annual grants which some groups and districts get from the Co-op or local authorities.

Income

If you receive restricted funds (eg. an Awards for all grant), the funds must be recorded on your income and expenditure sheet as restricted and the source, amount and date the funds were received must be clearly indicated.

Expenditure

All expenditure of restricted funds must be clearly identified as such on your income and expenditure sheet.

If some restricted funds are not fully spent by the end of the year the unspent part must be carried forward into the next year. The unspent restricted funds will usually then be spent during the following year, on expenses related to the restricted purpose, and this expenditure must be shown on your income and expenditure sheet for the following year.

Year-end Financial Return (see further under point 8 below)

The Year-end Financial Return has an area where you must set out, for each restricted grant:

- the amount received (and/or carried forward from the previous year);
- the amount spent; and
- the amount of any unspent balance for each grant at year-end.

This means that details of restricted-use grant funding must be recorded twice on the Year-end Financial Return:

- first it must be recorded as restricted income and expenditure in the income and expenditure section; and
- secondly it must be recorded in the specific 'restricted grants' section.

The Year-end Financial Return also records certain details about all grants received (restricted and unrestricted).

Records

Full information on the application, terms of the award/donation and purpose of the grant/donation must be retained for at least 6 years, especially with regards to any terms restricting what the money can be used for. This is partly because the grant giving body may need to know about previous applications if you go to them for another grant.

Reporting to the grant funder

You must comply with the reporting requirements set by anyone who gives you a grant.

4. Approval for employing staff or entering a lease

Groups and Districts must obtain approval from General Council before seeking to employ staff (this includes paying someone to do work such as administration or running a project).

Groups and Districts must obtain approval from General Council before seeking to purchase land or buildings or to enter into a long-term lease (more than six months).

5. Bank Accounts

Each District should have a bank account wherever practical.

Funds must not at any time be placed into a personal bank account.

Who to bank with

Woodcraft Folk is transferring from Co-op Bank to Unity Trust Bank.

Districts with a Co-op Bank account should think about moving to Unity Trust and move if possible. Guidance to help with the process is available on the website.

Ultimately, all bank accounts will have to be with Unity Trust Bank.

Signatories

All accounts must require the authorisation of two signatories for payments.

All accounts must have a pool of at least three signatories.

All signatories must be members of the Woodcraft Folk.

Signatories must be updated every time someone changes role, leaves a District, or a new person is appointed.

Comparing your bank balance with your income and expenditure sheet ("bank reconciliation")

You must regularly compare your bank balance with your income and expenditure sheet to check for differences (this is called a "bank reconciliation"). There is guidance on this process in the Annex and you can download a bank reconciliation sheet on the website.

Bank reconciliations are important for identifying issues and errors.

Bank reconciliations must be done quarterly and should ideally be done monthly.

The more regularly you do bank reconciliations the fewer the number of transactions you need to check..

Closing bank accounts

When a bank account is no longer needed, it must be closed as soon as is practical and preferably within three months.

If an account is closed, any outstanding funds must be transferred into an account (eg. another account of the District) agreed and minuted at an appropriate meeting.

If a District closes, its bank account should be closed and any outstanding monies in the bank account must be sent to Folk Office. Arrangements to transfer the monies should be made with staff at Folk Office.

6. International

If you need to receive a transfer of money internationally, you will need the IBAN (International Bank Account Number) for your bank account. Your bank will be able to supply this. For outward transfers the IBAN for the receiving bank will be needed. You must record the transfer on your income and expenditure sheet, with a note of the amount in original currency, if the transfer is incoming.

7. Budgeting

Clear budgets must be set and monitored for every significant project, event or other situation in which income and expenditure are expected to be incurred. Significant may be over £1000

You should monitor your budget regularly to decide whether it is still appropriate and to review it after the activity to learn any lessons for the future

Bank balances should be checked regularly to ensure cash flow is in line with expectations.

8. Monitoring, Checking and Reporting

On-going

Your income and expenditure sheet must be regularly compared with your bank balance (ie. a "bank reconciliation" - see further under point 5 above).

You may find it helpful to have someone else look over your income and expenditure sheet and/or your bank reconciliation so that they can offer advice and assistance. If you do take this course, they should create a record to show what they've done.

All financial records must be retained for 6 years from the end of the year to which they relate. Documentation/information should only be kept for longer if there are specific guidelines relating to that particular documentation/information that suggest it should be kept longer. You can find more information about data protection here – <https://woodcraft.org.uk/resources/data-protection-hub>.

Mid-year

Mid-year Financial Return

- Midway through each year Districts should submit a report to Folk Office on their finances over the previous six months (the "Mid-year Financial Return"). This is so that Woodcraft Folk's trustees (General Council) have good oversight of Woodcraft Folk's finances.
- Each District will receive a specific/customised Mid-year Financial Return form from Folk Office.
- Information about the Mid-year Financial Return is provided on our website.

Annually

Year-end Financial Return

- At the end of each year Districts must submit a report to Folk Office on their finances over the previous year (the "Year-end Financial Return"). This is so that Woodcraft Folk can comply with its legal obligations.
- Each District will receive a specific/customised Year-end Financial Return form from Folk Office.
- Districts must send Folk Office their completed Year-end Financial Return between 31st December and the deadline specified.
- Information about the Year-end Financial Return is provided on our website.

A summary of the income, expenditure and end of year cash and bank balances must be prepared and presented to the District. (There's no deadline for this but it must be done annually.)

Examination by independent person

- An independent person must carry out an examination of the financial records and summary statements for each bank account each year. (There's no deadline for this but it must be done annually.)
- The examining person does not need to be a qualified accountant but should be someone with experience of keeping and reporting on finances (eg. a treasurer from a neighbouring District).
- The examining person must: not be a signatory for the account; not have been involved in keeping the financial record for the account; and must not be a member of the immediate family of those people.
- The examining person must check the records to enable them to state: "I have examined the books and records of X Woodcraft Folk Group/District and this summary is in accordance therewith" sign, date and print their name and address.

If a District closes

If a District closes, a final report on the financial position (in a similar form to the Year-end Financial Return) must be sent to Folk House.

The District's bank account must be closed and any outstanding monies in the account must be transferred to Folk Office, as referred to in part 5 above.

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