

Explorer Scout Finance



Item Code FS452013 December 2010 Edition no 4

0845 300 1818

Finance is always a major issue for any Section and the same is true for Explorer Scouts.

Listed below are some frequently asked questions and the corresponding answers.

- **Q1 Explorer Scout Units are part of a District section, and not part of a Scout Group. Who is responsible for their finances?**

A First of all, the District Executive Committee acts as the Group Executive Committee would in the Group, for all Explorer Scout Units within the District. This means, in effect, that the District Executive has overall responsibility for the finance of the Explorer Scout Units, wherever they are in the District. Clearly the Executive does not want to become involved in the day to day running of the Section and it is therefore the responsibility of the District Explorer Scout Commissioner (DESC) to ensure that all the Units within the District operate in a prudent manner.

If there is a single District Unit, the financial situation is easier to control, but in reality there will usually be more than one Explorer Scout Unit in the District. Each Unit may have its own separate bank account, but a copy of the bank statement must be sent to the District Treasurer at least every three months, and the District Treasurer should be a signatory to the account.

The District Treasurer should also arrange to scrutinise the accounts at least once a quarter in the same manner that a Group Treasurer reviews sectional accounts within the Group.

- **Q2 Are Explorer Scout Units registered as separate charities?**

A No. They come under the management of the District and the charity number for the District should be quoted when necessary.

- **Q3 Which is better, central funding by the District or devolved funding by the individual Units?**

A Neither. In most cases it will be a mix of the two. Explorer Scout Units may wish to do some of their own funding for specific projects or for the general running of the Unit. If the Unit has a Partnership Agreement with a Group then they may wish to assist the Group in its fundraising activities and likewise the Group may wish to assist the Unit with a specific project. Our watchword must be 'flexibility'.

- **Q4 So how much control does a Group have over the Explorer Scout Unit finances?**

A A Group in partnership with an Explorer Scout Unit has no responsibility for financing the Unit. However, it may give financial support. This is down to local arrangements between the Group, District and Unit – which should be set out in a clear agreement.

- **Q5 Won't the fact that the District Executive has financial responsibility for the Section cause problems and more work for the District Treasurer?**

A Possibly, but this is an important responsibility and imaginative solutions must be sought. Some

Districts have decided that, in order not to overload the District Executive with Explorer Scout matters, they will set up a sub-committee to oversee the Explorer Scout Section on their behalf with regards to finance and other matters discharged by the District Executive. This sub-committee can then scrutinise the accounts for the Executive and report directly to the District Executive on a regular basis. The exact remit of the District Executive sub-committee will need to be set locally depending on circumstances. It would make sense to have parents of Explorer Scouts on this committee in the same way that parents assist on Group Executive committees.

- **Q6 If an Explorer Scout Unit is partnered with a Group, can the Group collect subs on behalf of the district?**

A Here we must be clear about whether we mean the annual HQ membership fee, or the subscription paid by an Explorer Scout to pay for his or her activities with the Explorer Scout Unit.

There are two important points to remember here:

- 1 All Explorer Scout Units, even those partnered with a Group, are managed by the DESC, and all Explorer Scouts are members of the *District*. There is no provision on the annual census return to record Explorer Scouts as members of the Group. The annual HQ membership fee for all Explorer Scouts, therefore, is paid by the District Executive Committee. With the agreement of the DESC, a Group may collect this money from Explorers in a partnered Unit, as long as the HQ membership fee is passed on to the District Treasurer for payment to headquarters. *See later for guidance on Gift Aid claims.*
- 2 All Explorer Scouts can be members of any or all Explorer Units in a District. If their subscription is collected by the partnered Group, this must not mean that they can only attend activities provided by this Explorer Scout Unit.

The DESC must make sure that these points are considered whenever a Group takes on the responsibility of collecting subscriptions from Explorer Scouts. Ultimately, management of the

Explorer Scout Unit lies with the DESC, who must make decisions in the best interest of all the Explorer Scouts in the District. Exactly what model is adopted is for local arrangement. There should be a partnership agreement between the Group, Unit and District, and the arrangement clarified in the agreement.

- **Q7 I understand that to make a National Lottery application you need to be a 'group' and that individual Explorer Scout Units are unable to apply for grants. Is this correct?**

A Yes. As lottery applications must be made by a single 'group', Explorer Scout Units cannot apply on their own.

The District as a whole is still eligible to apply. Advice can be sought from the Fundraising Office at Gilwell Park.

- **Q8 My Group's equipment is insured in such a way that only members of the Group may use it. Does this mean that Explorers are unable to use the equipment?**

A This is a specialist area and the best people to speak to are Scout Insurance Services at Lancing. However, check whether it is only the Group that can use the equipment or whether it is all Scouts – if it is all Scouts then there isn't a problem. If the policy mentions the Group, check on the definition of the Group – will a Partnership Agreement that confirms that the Unit has the same name as the Group be sufficient to allow the Unit members to use the equipment? Would it make more sense to change the policy so that the maximum number of people possible can use the equipment? The Explorer Scout Unit may need to pay part of the premium cost. If in doubt, refer to Scout Insurance Services at Lancing.

- **Q9 As a Group we collect subscriptions through Gift Aid and benefit from the rebate of tax. Who benefits from Gift Aid from Explorer Scout subscriptions?**

A Collection of the Annual Membership Fee and local subscription can be undertaken by the District or Unit, or, if there is a Partnership Agreement, by the Group acting on behalf of the Unit. One reason why a Group may wish to collect subs on behalf of a partnered Unit is to claim Gift Aid, which may provide valuable income for the supporting Group. This is acceptable, so long as the guidance outlined in Q6 is followed. Gift Aid can be claimed on any Membership Fees or other donations etc., so long as the Gift Aid guidelines are followed (it can, of course, be claimed only once for any single payment). Details of Gift Aid are available from the Information Centre in the form of a fact sheet (*FS190006*). The Partnership Agreement should be clear who benefits from the funds raised.

- **Q10 What happens when a Scout becomes an Explorer Scout part way through the Scouting year, having already paid a full year's subscription to his or her former Group?**

A Again, this is a matter for local arrangement. It depends to some extent on any difference between what the Group asks members to pay, and what the District asks Explorers to pay. Also, the time of year when the transition takes place may have a bearing. For example, the Group Treasurer may agree to pay a proportion of the subscription collected to the District when the young person moves out of the Group. Whatever arrangements are made must be clear and fair to all parties – especially the young person.