

## 2.9 Scout Fellowship finances



### Being accountable

Every Scout Fellowship has a legal responsibility to properly account for its funds. There is also a moral obligation to fulfil this duty since we are often accounting for money raised from or donated by the public.

*POR* is very rigorous in detailing the financial responsibilities of the Scout Group, District and Area/County and these must also be applied within the Scout Fellowship. Sensible rules should be followed when determining the necessary level of accounting responsibility to be undertaken.

It is usually the day-to-day responsibility of the Treasurer to ensure that Scout Fellowship finances are maintained in good order, although the Chairman has direct responsibility to the GSL or appropriate Commissioner for ensuring that the requirements of The Scout Association and the Charities Commission are complied with.

### Bank accounts

Any Scout Fellowship may hold its own bank account. All accounts should be held in the name of the Scout Fellowship and should require at least two signatories to make a withdrawal, one of whom may be the Group or District Treasurer.

Many banks provide special 'charity accounts' which do not make any charges. Any reserve funds should ideally be held in a separate account so as to gain the maximum interest. This means that a Scout Fellowship will often operate a current account for day-to-day finances and a deposit account for reserve funds. However, it is not the responsibility of the Scout Fellowship to accumulate or hold large sums of money, especially when this money could be used for the wider benefit of Scouting.

It is not acceptable for private bank accounts to be used to hold funds for the Scout Fellowship, and private accounts should not be used to transfer funds. However, a member of the Fellowship may make payment on behalf of the Fellowship by private cheque or credit card and be reimbursed later.

### Petty cash

It is likely that some petty cash will need to be kept on hand to pay for items such as room hire, stationery, postage, etc. All petty cash should be accounted for and receipts obtained for all goods and services, wherever possible.

The amount of any petty cash should be kept to a sensible minimum and any large sums (such as money received for a camp) should be deposited into a bank account as soon as possible.

### General accounting principles

Those Scout Fellowships who need to produce their own audited accounts (see below) will need to ensure that proper records are kept. This means that detail of all income and expenditure needs to be recorded. Receipts and/or invoices should be obtained wherever possible and kept for future reference. Where it

has not been possible to obtain a receipt or invoice full details should be recorded, including the item, date and the supplier.

A set of annual accounts need to be produced each year and these must be reviewed by an independent auditor. These accounts should be laid out using standard accounting practices, and it is recommended that Scout Fellowships use the pro-forma documents and formats produced by The Scout Association for use by Scout Groups. This will ensure that the accounts produced are in line with the requirements of the Charity Commission.

### **Finances in the Group based Scout Fellowship**

A Group based Scout Fellowship should follow the same rules as any other Section within the Group. This means that any funds held by the Fellowship are actually the Group's funds and will return to the Group should the Fellowship close.

The Group based Fellowship would certainly hold a cash float and should provide the Group Treasurer with a regular balance sheet every three months or so. The Group Fellowship would not normally hold its own bank accounts, unless agreed by the GSL. and the Group Treasurer.

If a bank account is held, two signatories are always required and one of these should always be the Group Treasurer.

Although the Group based Fellowship may take responsibility for its own accounts, it is not mandatory to produce audited accounts. It is still the responsibility of the Group Treasurer to ensure that the accounts of the Group based Fellowship are consolidated into the full audited accounts of the Scout Group, and the Group accounts must comply with minimum requirements laid down in the Charities Act.

### **Finances in District based Scout Fellowships**

It is also a requirement that a District Scout Fellowship should account for their funds and produce an audited set of annual accounts. There are several ways in which this can be achieved.

Where there is a single District based Fellowship one set of accounts can easily be produced. These need to be given to the District Treasurer, and should be properly audited. They should also follow the requirements laid down for the accounting of Scout Groups.

Where there are multiple sections of the Scout Fellowship within the same District, each may hold their own bank account. These separate accounts may be consolidated by the District Scout Fellowship Executive into a single set of audited accounts for submission to the District Treasurer. This can be quite difficult to co-ordinate however.

The most likely and practical situation where multiple District based Fellowships exist (excluding Group based Fellowships) is that each branch of the Scout Fellowship will produce its own set of audited accounts every year and submit these to the District Treasurer.

It is possible that a District Scout Fellowship Executive co-ordinates the work of the Scout Fellowship in the District and needs its own funds for administration.

If this is the case, it can either charge a levy on each of the branches of the Fellowship or it can be funded as any other section (Beaver Scouts, Explorer Scouts etc.) by the District. If funding comes from the District, regular balance sheets should be submitted to the District Treasurer and the funds accounted for in the District's own audited accounts.

Where District based Fellowships are producing their own accounts these should be to the same standard as Group accounts and as required under the Charity Act.

Details of these requirements and pro-forma accounts are included as an Appendix to the *Policy, Organisation and Rules* of The Scout Association.

### **Finance in Area/County based Scout Fellowships**

Area/County based Fellowships usually manage their own funds and therefore need to submit their own audited annual accounts to the County/Area Treasurer. The AAC/ACC (Scout Fellowship) will account for any administrative funds (for Area/County wide co-ordination and communication) as per the standard Area/County procedures for any other section.

### **Finance in Regional or National based Scout Fellowships.**

Many regional or national Scout Fellowships are 'sponsored' by an individual Scout Area/County. Where this is the case, accounting should be via the sponsoring Areas/County standard accounting system as described above for Area/County based Scout Fellowships.

In the case of regional or national Scout Fellowships which report through the National Commissioner for Scout Fellowship, special arrangements for accounting will be made with Headquarters. The principles described above however, still apply regarding bank accounts and properly audited annual accounts.

If there are any doubts at all about accounting for funds and the submission of audited annual accounts these should always be discussed with the appropriate Group, District or County Treasurer.