

Treasurer's Report

At each committee meeting it is normal for the Treasurer to prepare a brief report updating the group on current income and expenditure. This gives an opportunity to be fully informed about the financial health of the group.

Petty Cash

It is sometimes a good idea to keep a small amount of money aside to pay some out of pocket expenses e.g. teas, coffees.

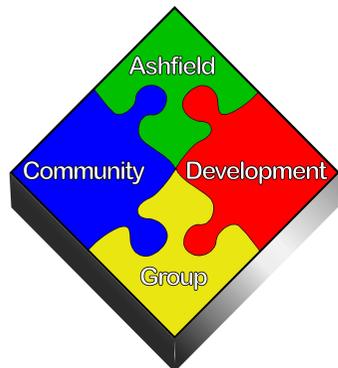
Community Accounting Plus

This organisation can help you with your accounts and give you training to support you. Contact them on 0115 947 0839. Website:

www.caplus.org.uk

This leaflet can also be downloaded from:

<http://www.ashfield.gov.uk/media/1537/3-finance- rev-june-2015 .pdf>



This advice leaflet has been compiled by Ashfield Community Development Group (ACDG).

For details of ACDG members offering support, please refer to leaflet "i".

Revised June 2015: Please Check For Updates

Finance and looking after your funding



Opening a bank account

When you open a bank account you first need to check with the bank if they have club/society accounts which means you will not be charged bank fees. On opening your account you will need to provide evidence proving who you are.

Bank account

It is good practice to have at least 3 different people from your group as signatories on your bank account. These people should not be related, closely connected or have a relationship which would cause a conflict of interest within the group's governance. So, if you are writing a cheque any 2 of the authorised people need to sign it.

Income and Expenditure

You will need to keep ongoing records of the group's income (money received) and expenditure (money paid out). This can be done in a number of ways, but the simplest and easiest is a cash book which has two columns.

INCOME			EXPENDITURE		
7/1/08	GRANT FROM XYZ TRUST	150.00	21/1/08	REFRESHMENTS FOR MEETING	3.78
21/1/08	RAFFLE	24.50	21/1/08	ROOM HIRE FOR MEETING	12.00
27/1/08	DONATION	10.00			

Remember to keep receipts for all items or services that are purchased by the group. It is also a good idea to write the cheque number in the description column if you are paying by cheque. You need to pay into the bank all cash received. If you need to keep a small amount of petty cash, this needs withdrawing from the bank and a spreadsheet kept to keep record.

Financial Year

Your group must decide on a year end date so that yearly (annual) accounts can be prepared (see below). Groups often choose 31st March as the last day of their financial year but other dates in the year might be more appropriate.

Annual Accounts

At your Annual General Meeting you need to present accounts for the previous financial year. The amount of detail you need to provide depends on the size of your group but as a minimum you need to provide a list showing income and expenditure and a balance for the year. Many funders ask for the latest annual accounts to be sent with each grant application.

Any charitable organisation with income over £5,000 per annum is obliged to register with the Charity Commission. All charities are obliged to prepare annual accounts. If your income is over £25,000 these need to be independently examined or, if over £500,000 audited (we strongly recommend you seek advice if unsure).

Restricted funds

Sometimes you will receive a grant that will pay for specific things or activities within your group. This money cannot be used to pay general running costs. This money is called restricted funding and your accounting system must be able to keep track of each restricted fund. For example you could set up an additional spreadsheet or table for each fund. Example:

XYZ TRUST FOR ROOM HIRE AND REFRESHMENTS 1/1/08 TO 31/12/08 TOTAL £150			FARFIELD COMMUNITY FOUNDATION FOR NEWSLETTER AND PUBLICITY COSTS 1/4/08 TO 31/3/09 TOTAL £250		
7/1/08	GRANT RECEIVED	150.00	6/4/08	GRANT RECEIVED (1 st PAYMENT)	125.00
21/1/08	REFRESHMENTS FOR MEETING	-12.00	25/4/08	POSTAGE STAMPS	-23.00
21/1/08	ROOM HIRE FOR MEETING	-3.78			

Reserves

Reserves consist of surplus money in your account after you prepare your yearly accounts. Remember restricted funds are not reserves as this money has already been set aside to fund specific things. It is best practice for your group to develop a reserves policy.

Responsibility

Remember that in your group you are all responsible for making sure that payments are made and money is used in the correct way.

