

Resources for small groups

Organising your finances

Getting started

Some of the things you need to think about are:

- *Keeping financial records* - At the very least, a cash book and a petty cash book are needed to keep track of day to day income and expenditure. Get a receipt for everything, number each one and file them in number order—this will save time and money later on when your accounts are examined or audited.
- *Opening a bank account* - Most banks operate special accounts for clubs and societies. The group will need to decide who can authorise payments and sign cheques. It is good practice to have two people to sign every cheque but more than two allowed to do so. If you are a registered charity, it should say so on your cheques and any invoices you send out.
- *Accounting rules for registered charity*- If your group is a registered charity you must comply with these accounting rules. All registered charities can get a free copy of the Statement of Recommended Practice for charities (or Charities SORP) from the Charity Commissioners (www.charity-commission.gov.uk)
- *Employing staff* - If you have paid staff you will need to keep PAYE records. You can get a starter pack from HMRC. (www.hmrc.gov.uk)
- Make sure you keep all you accounting records in a safe place; legally, you must keep them for six years.

Where you can get help

AccountAbility is Merton's Community Accountancy Service. They provide a high quality, accessible and confidential service on all financial matters as they relate to the voluntary sector. They can help you with:

- setting up financial systems;
- one-to-one support for finance staff and treasurers;
- in-house training;
- telephone support;
- factsheets.
- undertaking an independent examination of your finances for submission to regulatory bodies

Who is responsible for what?

You will probably want to elect a treasurer to take on the job of overseeing your organisation's finances. However, it's important to understand that all members of your management committee share responsibility for ensuring that your organisation's finances are properly managed.

The management committee as a whole needs to agree budgets and monitor income and expenditure. The treasurer has an important role to play in making sure that this information is provided to other committee

members clearly, and supporting others to understand the organisation's financial position so that appropriate decisions can be taken.

The committee should get financial reports at least every three months. They should include:

- a comparison of budgeted income and expenditure and what the actual income and expenditure has been;
- details of money owed or owing;
- copies of bank reconciliations and bank statements; and
- a forecast of future income and expenditure.

It can be a big responsibility being the treasurer, and you might want to think about having a finance committee made up of three or four people.

It is a good idea to have written financial procedures to help everybody understand how your organisation manages its money.

At the very least, as a small community group you should make sure that:

- if registered as a charity you have got a copy of the Charities SORP;
- your management committee understands its financial responsibilities;
- your management committee gets regular reports on your organisation's financial position and understands them; and
- you keep proper accounting records.

