



# Unit Accounts

# Introduction

- The Guide Association is incorporated by Royal Charter and is a registered Charity. This means that all levels (County /Division / District / Unit) also have full charitable status and are subject to the same Charity rules
- Maintaining proper accounting records is a legal obligation for all those who handle charity money.
- Using Girlguiding accounts pack is recommended. It is downloadable from website each year.
- Unit funds are entrusted for safekeeping to the Unit Leader, who is responsible for seeing that a proper account of these funds is kept.
- The Unit Leader does not have to keep the accounts themselves; the accounts can be prepared by another member of the Unit Team, a parent or other person who has the right experience and knowledge to do it on behalf of the Leader.
- If some-one other than a member of the Unit Team prepares the accounts, then that person will need to be DBS checked, and will be added to the Unit team as 'Unit Treasurer'.
- Your accounts can be requested by the Charity Commission at any time. Keep them up to date.
- Best Practice: bank all cash held before year end.

# Managing Unit Funds

## Budgets

A budget is a forecast of the amount of money required to run the Unit. It will normally be based on the previous year's experience, whilst considering the next year's plans. Drawing up a yearly budget enables units to plan effectively and ensure all the activities planned can be carried out. Listed below are some areas for consideration when preparing the budget.

### *Unit running costs*

- materials for activities

- books

- badges

- Leader's training fees

- Annual subscription - could be included in the budget or parents could pay separately

- New resources

### *Meeting Expenses*

- Rent for premises

- Lighting, heating etc

- Additional equipment insurance where necessary

### *General Expenses*

- Postage

- Telephone, including mobile telephone

- Stationery

- Transport costs - mileage, public transport etc

It is then necessary to decide how much of the income needed to cover the expenditure is to be met by members regular subscriptions and how much from other sources, such as fund raising or Gift aid. Special projects, such as a camp or holiday, should be budgeted separately.

## Handling the Unit's money

### Always:

- Bank any money received (including cash) as soon as possible.
- Keep the Unit funds completely separate from your own money
- Keep cash in a safe place, preferably under lock and key. Unit funds will probably not be covered by your household insurance policy
- Keep your accounts records up to date
- Keep records secure, remembering to password protect them if you store financial records on a computer.

### Never:

- Borrow or lend money from Unit funds.
- Keep more cash in hand than you are likely to need for immediate payments.
- Spend more money than you have.

## Keeping Records

*Receipts (Income received)* - all bank transactions should be supported by records and bank or building society statements.

*Payments* - these must be supported by invoices / receipts or signed petty cash slips and clearly numbered. This reference must be recorded against the transaction in the records. The cheque number of the cheque written or the word 'cash', if payment made by cash, should be written on the invoice / receipt.

## **Maintaining your Unit accounts**

The Unit Leader is responsible for managing the Unit's funds. It should be noted that all paperwork connected with managing the Unit's fund should be kept for seven years following the financial year end.

## **Unit Bank Accounts**

Apart from a small amount of cash required for day-to-day purposes, Unit funds must be kept in a bank or building society account. All accounts must be in the name of the Unit. Most banks now have 'Treasurer's' or similar accounts for charities, on which no charges are levied.

Cheques and withdrawals must have two signatories from people who are not related. It is usually more convenient to have three authorised signatories, any two of whom may sign cheques or withdrawal forms. The signatories could include the Unit Leader, a member of the Leadership team, District Commissioner, Treasurer or Parent. The Royal Bank of Scotland and NatWest offer favourable terms to Girlguiding groups. See <http://www.girlguiding.org.uk/> > *Members' area* > *Running your Unit* > *Finance and Insurance* for more details

## **Equipment and other assets**

A record of all valuable equipment, such as tents and other assets, should be kept, with details of where the equipment is stored. This is the asset register. Valuable equipment should be insured and a record kept of the name and address of the insurance company, the policy number and the renewal date.

# Taxation and Gift Aid

## *Taxation*

Each individual unit or area of Girlguiding UK is a separate and independent charitable body. As such, it may reclaim tax on Gift Aid or tax deducted from Investment income.

## *VAT*

Charitable status does not mean that there is any exemption from paying VAT. Units cannot reclaim VAT on any purchased or expenses; only VAT registered organisations can do this.

## *Gift Aid*

Gift Aid is a government scheme to encourage donation to charities such as Girlguiding UK. It means that the Association subscriptions are eligible for tax relief and this could increase your Unit funds.

Setting up the scheme does involve some work, but much of this is a one-off exercise. To make the process as easy as possible, Girlguiding UK have put together an information pack explaining what needs to be done. This is available from CHQ and is also available to download from the web site

<http://www.girlguiding.org.uk/> > *Members' area* > *Running your Unit* > *Finance and Insurance* - this link opens in a new window).

The information pack includes:

- How to apply for a Gift Aid number for your own Unit.
- How to keep the necessary records and the filing system.

- Gift Aid declarations - advice and guidance on how to get these signed.
- A 'step by step' guide to making a claim.
- Writing an explanatory leaflet for parents
- Where to find help - useful telephone numbers and addresses.

## **Independent review of Year End Accounts**

If the income is below £10,000, an independent review of a Unit's accounts is required by Girlguiding. When the income is above £10,000 there is a legal requirement to obtain an in-depth review of the accounts.

Although the Unit Leader is responsible for having the Unit accounts independently reviewed, the District Commissioner is responsible for ensuring that this is done. In many cases the District Commissioner appoints some-one to review the accounts of the Units in the District. Any responsible person may review the accounts; it is not necessary for this person to be a registered or qualified auditor. However, the reviewer should not be related to any leader in the unit, including partners.

The following information should be submitted for the review: -

- All cash account pages
- bank statements
- paying-in slips
- cheque book stubs
- invoices
- receipts
- attendance registers
- subscription records
- Asset register, if kept

Once reviewed, the Unit annual accounts should be sent to the District Commissioner by the date advised by the District.

### *District Commissioner / Team Leader responsibilities.*

- Ensure that Unit accounts are received from each Unit
- Check that Unit expenses are in line with Girlguiding policies
- Complete the Summary sheet provided by County, giving the name of Unit main contact, the name of the bank, the balance at the end of the financial year. Check that there are at least 3 signatories.
- Forward the Summary Sheet to your Division Commissioner by the date advised by the Division, even if all accounts have not been received - making a note on the sheet of the Unit(s) whose accounts are missing.
- Prepare District Accounts in the same way as Unit Accounts, and forward to the Division Commissioner by the date advised by the Division.

### *Division Commissioner responsibilities*

- Provide support to District Commissioner in the event there are Units struggling to produce accounts.
- Collect and check District Accounts
- Complete the Summary sheet provided by County, giving the name of District main contact, the name of the bank, the balance at the end of the financial year. Check that there are at least 3 signatories.
- Forward the Summary Sheet to County by 31st March, even if all accounts have not been received - making a note on the sheet of the District(s) whose accounts are missing.
- Prepare Division Accounts in the same way as Unit Accounts, and forward the Account Summary Sheet to County by 31st March