

BNPOLO010 – Finance Policy

Statement of Financial Policy and Financial Administration

As a registered charity Bradford North District Scout Council has a statutory obligation to prepare an Annual Report and Accounts complying with the Charities Act 2006.

The District Scout Council must also comply with Policy, Organisation and Rules of the Scout Association. These Rules incorporate the financial obligations of the Charities Act 2006, explaining them and giving guidance on their implementation within the Scout Association.

The District Scout Council has an obligation to produce a statement of the financial policies necessary to comply with its statutory obligations and assist the Auditor in his duties.

Bank Accounts

All monies received on behalf of Bradford North District Scout Council shall be paid without delay into an approved bank account as described below. Under no circumstances shall such monies be paid into a private bank account.

All bank accounts, which title also includes Building Society accounts or National Savings accounts, operated for/or on behalf of Bradford North District Scout Council shall:

- Where possible incorporate BNDSC and the registered charity number 1138166 within its title
- Be operated based on two signatures from at least three authorised signatories
- Have the District Treasurer as one of the authorised signatories

Special Events

It is the policy of BNDSC that any special event (e.g. activity camp etc) which is run on behalf of BNDSC regardless of total income / expenditure will operate on a 'break even' basis.

Special events should include an appropriate contingency, which will be built into the budget.

It may be considered prudent to appoint a specific treasurer for certain large-scale events and/or projects. The appointment of a treasurer for such an event/project must be approved in every case by the District Trustee Board, who will ensure that the appropriate enquiries have been carried out.

A specific bank account for the event/project will be opened and operated in accordance with Section 2 above. The title of the account shall be "BNDSC (****) Registered Charity 1138166" where **** is the name of the special event/project.

The Account Holder must send a copy of the statement to the District Treasurer on receipt of each statement.

The District Treasurer shall certify the balance(s) at the end of the financial year direct to the District Scrutineer.

Requests for donations to Building Projects

It is District Policy is that funding will not be given to building development / refurbishment projects, however the district may consider a hardship loan subject to a thorough business case including accounts.

Expenses

The policy of the District Executive is that District officeholders should not be financially disadvantaged when carrying out their duties on behalf of Bradford North District Scouts.

All District Officeholders are entitled, and encouraged, to reclaim any expense incurred in carrying out their duties for the district. In addition, a mileage rate for private vehicles used on District duties is reviewed annually

Claims for all expenses, which must be supported by receipts for expenditures. All expense form to be submitted to treasurer@bradfordnorthscouts.org.uk for approval no less frequently than quarterly.

Claims for expenses more than four months old will only be considered for payment if approved by the Lead Volunteer.

Cash Floats / Cash Advances

Where the District Treasurer agrees cash floats, they will not exceed £200. Cash Advances will not exceed £1000 unless a higher amount is approved by either the District Lead Volunteer or District Chair.

Investment Policy

Funds not immediately required must be transferred into a suitable investment account held in the name of the district.

Any investments will be undertaken as specified in the Trustee Act 2000.

Purchasing Policy

In summary, items over £500 must have at least two competitive quotes, unless the item(s) to be purchased can be shown to have a single supplier and / or a competitive tendering process is not feasible (e.g. the nature of a specific event can only take place at one possible location – thereby incurring charges as set by the location).

Any order should be placed with the supplier giving the lowest quotation unless there are extenuating circumstances (e.g. significant quality issues). The only exception to the requirement for competitive quotes is if the services of the Central Government Buying Agency are used.

A Declaration of Interest must be signed by all Trustees and non-voting members of the Trustee Board.

Reserves Policy

The Policy of BNDSC is to operate with a financial reserve of between 75% and 110% of the total expenditure in the most recent version of the approved annual report and accounts. If at any time the reserves are outside this band, the District Treasurer will report this to the District Trustee board who will then consider an appropriate recovery plan. The trustee board have the authority to temporarily vary the level of reserves – and this will be included in the notes of the trustee board meeting – together with agreement of the plan and timescale to bring the reserves back into line with the approved scale.

Budgeting Policy

The district trustee board will identify budget holders, each budget holder is to submit a budget for all planned expenditure in the following calendar year for agreement by the trustee board at its first meeting after 1st October in the preceding year. This includes budgets for District Scout Shop and Gang Show.

The budget approval meeting of trustee board will also identify planned income for the following year. This will include proposals for the district membership fee, which will apply in the following year. The overall budgeted income and the District Treasurer will collate expenditure submission. The overall District Budget will, in every year, also include a contingency amount. This amount will also be approved.

The overall budget for BNDSC should ideally be based on planned income exceeding planned expenditure – or as a minimum break-even. If the overall budget results in expenditure exceeding income, the full rationale and impact on reserves must be explained to the trustee board.

Once the approval of the trustee board has been gained, budget holders will be advised of their approved budget and the district will be advised of the intended District membership fee.

If a situation arises whereby a budget has not been submitted to the trustee board in line with the above timescales (e.g. a special project arises during the year) it must be submitted to the District Executive for approval at the earliest opportunity.

The district trustee board must, unless exceptional circumstances prevail, agree any single item of expenditure in excess of £1000. The trustee board must also approve separate budgets for large projects in excess of £8000. (See below)

All District Events, which have a budget, provided by the trustee board must have basic accounts of the event provided by the event manager within three months of the event ending or a date pre-arranged with the Finance Committee on the relevant form.

Budgeted Expenditure

Once a budget has been approved by the District Trustee Board any amount up to the agreed sum can be spent by the individual authorised to do so. Authority will either be contained in minutes of meetings or in a letter / e-mail from the Lead Volunteer, District Chair or District Treasurer.

Non-Budgeted Expenditure

From time-to-time opportunities arise regarding the purchase of items of equipment. There may be a need to respond quickly to secure the best deal. For non-budgeted expenditure in excess of £500, the agreement of the district lead volunteer and the District Chair must be obtained. It is recognised that in these circumstances it may not be possible to obtain competitive quotations. If such approval is granted, the district lead volunteer and District Chair will provide a full report to the next meeting of the Trustee Board

If the expenditure is below £500, the agreement of the budget holder must be obtained. For example, a member of the program team wishing to purchase an item must seek the agreement of the trustee board.

If it is the budget holder/ project manager or other responsible individual who wishes to spend the money, they must seek the agreement of either the District Chair or the District lead volunteer.

Capital Expenditure

In Budget Expenditure

Capital expenditure within budget must be approved budget holder. All Capital purchases must be added to the relevant insurance policy

Out of Budget Expenditure

For all requests for Capital Expenditure, out of budget, a business case must be submitted in writing and presented to the District Finance Sub Committee for recommendation to the district trustee board for approval.

The business case must include:

- Costs and examples of requested purchase
- On-going maintenance / servicing costs (where applicable)
- Indicative hire costs (where applicable)
- Predicted numbers of Young People the purchase will impact
- Predicted financial return

Where Out of Budget expenditure is approved, and the items are purchased, a report is required to be submitted to the Finance Sub Committee twelve months after purchase date and include:

- The number of Young People the purchase has impacted
- Actual financial return

Gifts In Kind

Gifts in Kind Gifts in Kind or gratuities with a value of £40.00 or more that are received by any member of West Yorkshire Scouts for personal or event use must be declared and recorded by the District Administrator on the district Gifts in Kind Register.

Sponsorship

Refer to the Fundraising policy BNPOL016 – Sponsorship

Fundraising

Refer to the Fundraising policy BNPOL012 – Fundraising

Management Reporting

Full details of performance against agreed budget will be submitted to the district trustee board at every meeting (on a quarterly basis, at the Executive meeting following the financial quarter end (e.g. The first Executive meeting after 31st March 30th June, 30th September and 31st December each year), This will be submitted by the District Treasurer in respect of the financial activities for BNDSC.

For all other large projects, a statement of income / expenditure to date, analysed by class of income / expenditure, shall be presented on behalf of the project to the district trustee board at the same frequency as for BNDSC unless otherwise specified by the trustee board, until the project is accepted by the trustee board as complete.