

Overview

Financial procedures and controls are essential to any organisation, be it commercial, not for profit or a charity. They safeguard the organisation from accidental loss or from fraud, they facilitate the development of clear policies and procedures and they help its members to understand their responsibilities in the day-to-day running of the organisation.

A financial procedures manual brings all these together in one document. It helps to establish financial controls within the organisation that ensure accuracy, timeliness and completeness of financial data. This item sets out in summary some particular aspects worth considering.

It is advisable that all Scout Groups should have a summary document that states the following:

- The name of the Scout Group.
- An introduction outlining the responsibility of the Scout Group for promoting and developing the aim of Scouting Ireland.
- That the Scout Group financial year is from 1 September to 31 August.
- That the Scout Group adheres to the rules and policies of Scouting Ireland in relation to their financial activities.
- A listing of all bank accounts / credit union accounts and other accounts held by the Scout Group

Scout Groups are required to submit the following to Scouting Ireland:

- An income and expenditure account for the financial year.
- Bank reconciliations for the financial year - including bank statements verifying opening and closing balances on all accounts held by the Scout Group.
- Annual census return

Relevance to you

The Group Treasurer is responsible for the maintenance of the bank accounts and income and expenditure accounts in line with Scouting Ireland's finance procedures.

In addition, the Group Leader has responsibility for the day-to-day running and management of the Scout Group. The following notes may prove helpful to you and enable you to best play your part.

Financial Processes

Bank Mandates - Bank Mandates should be retained for all bank accounts. The bank

mandates should show; cheque signatories for each account, financial limits for each cheque signatory, authorised officers for transferring funds between accounts/forms of investments and financial limits. Authorisation levels should be reviewed annually.

Bank Reconciliation - Bank reconciliation should ideally be prepared for each bank account at the end of each month by the Group Treasurer. Copies of the bank reconciliation should be printed and reviewed by the Group Leader. After review, the Group Leader should sign the reconciliation and return it to the Group Treasurer for filing.

Receipts - Upon receipt of funds, a banking deposit slip is created detailing the amount received and whom the funds were received from. All amounts received should be banked intact. Payment of expenses should not be made from funds received. Any remittance advices or other documents accompanying the receipt should be retained and filed.

Authorising and Reviewing Expenditure invoices - Upon receipt of invoices, the Group Treasurer should review the invoice, match with a purchase order (if applicable), investigate any discrepancies and check that it is authorised for payment in accordance with the Scout Group budget and on authority of Group Council.

Payments - All payments made by cheque must be signed and authorised as per the bank mandate. Blank cheques should never be signed. The signing limits on the bank mandate should be reviewed at least annually.

Direct Debits and Standing Orders - Group Council should approve any direct debit or standing orders. Invoices paid by direct debit or standing orders should be reviewed and authorised annually.

Expenses - Members of the Scout Group should be required to complete an expenses claim form for all items for which they require to be reimbursed - ideally expenses should be agreed with the Group Leader in advance.

Purchase Orders / Tendering Procedures - For the supply of goods or services with a value of greater than €250 but less than €5,000 it is worth having a process in place that details the quotes obtained and that the spend has been authorised by Group Council. It may be worthwhile to put a purchase order system in place to keep track of these expenses and to ensure that the amount that has been invoiced to the Scout Group is the correct amount as agreed.

Any purchases of €5,000 or more (in total) with a single supplier should be submitted to tender. Specifications for the purchase should be drawn up and approved by Group Council. Where possible a minimum of three written quotes should be obtained. Members with a financial interest in the tendering process should not be involved in the evaluation process (see Scouting Ireland Conflict of Interest Policy). Each quote should be reviewed and graded using the following criteria.

- Value for money
- Quality of goods/service provided
- Reputation of supplier
- Delivery or completion date
- Maintenance, repair or support facilities

All documentation generated as part of the tender process must be retained.

Budgets and Forecasts - Budgeting for your Scout Group has become essential in order to ensure that you have adequate funds for necessary expenditure, including; the upkeep of your den / rental of your meeting place, training of youth and adult members, the purchase of equipment, and the purchase of programme materials.

It is advisable to prepare a detailed budget for each year of operation. This budget should be signed off by Group Council. Reviews should take place at least quarterly and the outcomes should be reported to Group Council.

Useful documents and publications

- SID 69.10 - Group Finance Manual
- SID 101.13 - Finance Support Team
- SID 102.03 - Conflict of Interest Policy
- SID 60.10 - Annual Registration Fee & Rebates/Grants to Scout Groups/Counties
- SID 68.10 - Expenses Policy (Used at National level, for reference here)
- SID 59.10 - Policy on Grants for Scout Den Development (For reference)

Where to get help

The County Commissioner is responsible for supporting all of the Scout Groups in the Scout County, they and their team should be your first point of contact for any support.

The County Treasurer should be of particular assistance to your Group Treasurer and you should ensure they get to know each other and they maintain regular contact.

The Finance Support Team may be of assistance also, ask the County Treasurer if you wish to contact this team or call National Office (on 01 495 6300 during normal office hours) for their contact details.

