

# 5<sup>th</sup> Letchworth Scouts

## Finance procedures

For use by all Section Leaders.

### 1 Introduction

The Group's Executive Committee has approved a policy statement that requires all financial matters to be handled in a way that guarantees compliance with our own Constitution and with charity law. This document sets out the way that this policy can be implemented within the Group.

The approach is to document a set of “best practice” procedures that can be followed by Leaders as they run their sections. The purpose is to highlight to leaders what they need to do and offer them a way of doing things that is, hopefully, not too onerous.

It is likely that individual leaders will have a better way of doing things. That's fine, provided the intentions of the procedures are met.

If you do have a better way of doing things, please let us all benefit from your knowledge.

### 2 Restatement of policy

To give the procedures some meaning, here is a restatement of the policy that was agreed by the Exec.

- All income and expenditure is to be accounted for in a timely manner
- All expenditure is to be budgeted for in advance
- All camps and events are to be self funding unless prior approval is sought
- No young person should be barred from attending scouts, a camp or event due to financial constraints
- Capital expenditure is to be budgeted for and approved in advance by the Exec

### 3 Normal Activities

The following is a suggested plan that Section Leaders can follow during the year. Some reference is made to matters that are further expanded later on: e.g. camps and events, and collecting subs. Please refer on for the detail in those areas.

### ***Before the start of the each year (e.g. during the summer holidays)***

- Prepare an outline plan for the year with proposed camps and events.
- Prepare outline budgets for all camps and events to estimate the cost. You can use the attached sample as a guide.
- Send an email or letter to all parents with dates and the likely cost of camps/events so that they can mark up their diaries and plan expenditure.

### ***Before the start of each term***

- Prepare a detailed plan for the term.
- Inform the Treasurer of likely expenditure during the term (e.g. if you plan on cooking)
- Start the detailed planning for any camps and events in that term.
- Send a letter or email to all parents about subs (see later for details)

### ***At the first meeting of each term***

- Give out a letter with details of planned camps and events with indicative cost
  - Do it in the form of a table with a column for the parent's response.
  - Request a response for the next meeting.

### ***At the second meeting***

- Collect the responses and use them to determine the viability of each camp/event.

## **4 Camps and Events**

Camps and events tend to be the highest cost items in each year and also carry the highest risk of exposing the Group to unplanned expenditure. It is vital that all camps and events are planned carefully to reduce this risk. A suggested approach is as follows:

### ***At the start of each year***

- As part of your annual planning, prepare a plan of likely camps/events
- Prepare an outline budget for each camp or event to determine the likely cost for attending and any required deposit
  - Note: where a camp involves the pre-booking of accommodation or activities it is vital that firm commitment is gained from parents *before* committing expenditure.
- If the likely cost means that a subsidy will be needed. e.g. for an overseas trip, make a proposal to the GSL before proceeding any further.
- If there is to be a summer camp or other high cost event,
  - notify the parents at the start of the Autumn term so that they can plan. Tell them the outline plan for the camp and the likely maximum cost.
  - Request a deposit to secure a place and consider allowing staged payments.

- If accommodation needs to be booked well in advance you will need to start your planning earlier as well. You may even need to plan during the previous year as some places get booked very early.

### ***At start of the term in which the camp/event will occur***

- Before committing to the camp/event and paying any deposits
  - prepare a detailed budget
  - calculate the required minimum attendance for the camp to be viable financially
  - calculate the maximum cost to attend (assuming these minimum numbers) and the required deposit to secure a place.
  - get commitment from parents in the form of a deposit, telling them there is a deadline to respond by.
- If not enough respond, either cancel the camp and return deposits or seek guidance from the GSL.

### ***As confirmations and deposits come in***

- Start keeping an account
- Pass money to the Treasurer with a copy of the account. Do this on a weekly basis if possible.
- Once you have enough to make the camp viable
  - book accommodation and activities using a cheque obtained from the Treasurer.

### ***When the final numbers attending are known***

- Re-assess your budget and set the final cost to attend
- Set the date by which final payment must be made. This should be at least one month ahead of the camp.
- Notify the parents of the final cost and date and remind them again shortly before the date.

### ***As money is paid by parents***

- Update your accounts and pass the money to the Treasurer with a copy of the accounts.

### ***Before each camp/event***

- Prepare an estimate of any money that is likely to be spent whilst at camp
- Pass this estimate to the Treasurer and ask for an advance.

### ***At the camp/event***

- Keep a detailed account of all expenditure.

### ***Immediately after each camp/event (i.e. within two weeks)***

- Finalise the accounts showing all income and expenditure
- If there is money left over decide whether or not to reimburse parents
- Pass the finalised accounts to the Treasurer together with any balance of money advanced, or a request for reimbursement for additional expenses.

## **5 Collecting Subs**

Subs provide the primary source of funds to permit us to run a full and active programme. Parents need to understand that the payment of subs is not optional. They also need to understand that not being able to pay is not a bar to attendance, though approval must be sought in advance.

The following is a suggested process to ensure the speedy collection of subs with the minimum of fuss.

### ***Before the start of each term***

- Send out a notification to all parents making it clear that subs need to be paid at the first meeting of term.
- State the amount required.
- Indicate that financial hardship will not bar attendance but that this must be cleared in advance.
- State that cheques are preferred, made payable to "5th Letchworth Scouts"

### ***At the first meeting of new term***

- Make a point of collecting subs from parents or the young person (e.g. by having a leader sit at a table across the entrance into the main hall)
- Keep a list of who has, and who hasn't paid
- Remit money collected to the Treasurer on a weekly basis, together with a copy of the list.

### ***At the second meeting***

- Chase any non-payers directly.

### ***After the second meeting***

- Send an email/letter to all non-payers restating the need for prompt payment of subs.

### ***At the first meeting of the next month***

*To allow for occasions when payment is possible after the next pay cheque*

- Chase any continued non-payers directly.

### ***After this meeting***

- Inform the GSL and Treasurer of all non-payments.

## **6 Capital expenditure**

The Group holds a considerable number of assets that are used to deliver the programme. This includes tents, cookers, games equipment, chairs, tables etc.

Over time, these assets deteriorate through normal wear and tear and need to be replaced. There are also occasions when we need, or would like to, buy new equipment. As many items are expensive to buy, we need to plan our expenditure to ensure we don't exceed our ability to pay for these items.

As Leaders, you are best placed to recognise when items need replacing or when we need to buy more. The agreed process is for Leaders to notify the GSL as and when they notice something that needs to be replaced or as they identify the need to purchase new equipment.

Each term, at the Group Scouters' meeting, the “wish list” will be reviewed and prioritised to reflect the Leaders' collective view on the relative importance of purchasing equipment. This prioritised list is then presented to the following Group Executive meeting so that the Exec can take a decision on what should be purchased.

***When you identify the need to purchase something other than consumable supplies***

- Notify the GSL by email with details of what needs to be purchased, why (if it's not obvious), an indicative cost and a supplier.