



## **SUTTON DISTRICT SCOUT COUNCIL POLICY ON FINANCIAL MANAGEMENT & ADMINISTRATION OF THE DISTRICT**

This policy sets out the procedures and protocols around financial management of the Sutton District Scout Council ('the Council' or 'the District'). This policy was adopted by the Council in a meeting of the District Executive Committee 18 February 2009, and shall remain in force until amended by that committee. This policy will be reviewed annually and ratified, with suitable amendments, by the District Executive at its first meeting of each calendar year, or on the appointment of a new District Commissioner.

### **1. General**

The Council is a charity, with limited resources at its disposal, whose purpose is "to promote and assist in the running of scouting in the London Borough of Sutton". All expenditure incurred by the Council must further this purpose. It is incumbent on all District officials and those who conduct any activity on behalf of the District to ensure that these obligations are met, and that the Charities Commission guidelines are adhered to in relation to disbursements. The Council is also part of the Scout Association and it must therefore be ensured that all rules of that association are adhered to.

### **2. District Bank Accounts**

The District will maintain a current account to receive payments and settle liabilities. Surplus funds shall be invested in a deposit account or other suitable investments. Funds held in current accounts shall be minimised in order to ensure the investment returns are maximised.

In addition to the main bank account, accounts will be maintained for each of the Beaver, Cub Scout and Explorer Scout sections, in order to facilitate the running of events for those sections. An account will also be maintained for the District Headquarters.

Where large single events are being run, a bank account may be established for such events. Any such account should be closed once all income and expenses from the event have been settled / received, with funds transferred to the District main account. Where an account is established for this purpose, a Treasurer shall be appointed, who shall take responsibility for the financial management of the event and the adherence to these policies.

There shall be three signatories on all accounts, with the signature / approval of two authorised signatories required for all payments. The signatories on the accounts shall be:

- Main account: District Chairman, District Commissioner, District Treasurer
- Section accounts: Section ADC, Section Treasurer (or another responsible person), District Treasurer
- HQ account: HQ Chairman, District Commissioner, District Treasurer.

The establishment of any new bank account, change to authorised signatories or change in mandates must be authorised by the District Executive. The District Treasurer must be a signatory on all bank accounts established by the District Executive.

The District Treasurer shall be authorised, on a sole signatory basis, to transfer funds between District accounts (subject to any restrictions imposed by the bank).



### **Sutton District Scout Council Greater London South West Scouts**

Hon Treasurer: Matthew Hewitt, 10 Nicholas Road, Beddington, Surrey, CR0 4QS  
Tel: 020 8395 0256; e-mail [matthewhewitt06@aol.com](mailto:matthewhewitt06@aol.com)  
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The District current accounts will be maintained with Barclays Bank plc. The District deposit account will be maintained with CCLA Investment Management Limited. The District Treasurer may advise and seek approval from the District Executive if a change is considered advantageous.

Responsibility for management of the District main account, investment account and HQ account will rest with the District Treasurer. Section accounts will be managed by the ADC for that section, subject to the supervision of the District Treasurer, who shall receive monthly statements for the accounts. The District Commissioner shall provide guidance as necessary in the appropriate management of these accounts.

### **3. Expenses incurred by the Council**

All costs to which the District is being committed and will be met from the main District bank account should be notified in advance to the District Treasurer. All financial commitments to another party and all expenditure is to be approved in advance by either the District Chairman, District Commissioner or District Treasurer. The District Chairman, District Commissioner or District Treasurer may approve any expenditure of less than £200. Expenditure of between £200 and £500 must be approved by at least two of these. The District Executive must approve in advance all expenditure in excess of £500.

When entering into any financial commitment with another party on behalf of the District, the persons concerned should make it clear that they are acting on behalf of the District and not in a personal capacity.

Where expenditure relates to activities or an event which has been approved by the District Executive or the District Commissioner, such expenditure is deemed to have been approved, provided it is within the budget set for such activity. Where events are being run which result in no overall cost to the District, but require cash to be paid in advance, wherever possible, deposits of advance payment should be sought from participants both to ensure a commitment to the activity and also to mitigate any cashflow impact on the District. Where any activity will result in a cash outflow for the District in excess of £500, this should be notified to the District Treasurer in advance, so that it can be ensured that funds are available to settle liabilities which come due.

Wherever possible, costs being incurred should be invoiced directly to the Council, which will make payment directly to the supplier. Invoices should be addressed to "Sutton District Scout Council", preferably at its address registered with the Charity Commission (the District Treasurer's home address) and sent to the District Treasurer for settlement. Wherever payment of expenses is being made by cheque, this should be made from a district bank account and not from a personal account. If costs being invoiced will be paid from a subsidiary bank account, these can be addressed directly to the person responsible for that account. Payments which can only practically be made via a debit or credit card, or which are not able to be invoiced may be made by individuals and amounts reclaimed in accordance with the expenses policy which is set out in Appendix 1 of this document.

### **4. Management of section/subsidiary accounts**

Section accounts should only be used for the running of events and other activity related to that section. Expenses incurred by ADC's, or other individuals, in management of the section should not be paid from the section accounts, and should be claimed from the District in accordance with the procedure set out in Appendix 1. All expenses (whether incurred directly or incurred and refunded) which relate to a particular event should be paid from the section bank account.

All events to be run by the sections shall be authorised in advance by the District Commissioner, who shall agree with the ADC for that section which events shall be run. No event should be run which it is anticipated will result in an overall financial cost to the District, unless the running of that event has been approved in advance by the District Commissioner if the cost is less than £200 and the District Executive if the net cost is greater than that amount. The District Treasurer and District Commissioner will annually review all events to assess whether they result in a net cost to the District.



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Where there are costs associated with running an event, a charge should be made to all Scout Groups participating in it. This will be on a per head or per group basis as appropriate. The level of any charges should be such that the event covers its costs, and should not be set so that a profit is anticipated (although this will clearly be difficult to assess in advance of numbers being known, so suitable judgement should be used). Where an event runs at a significant profit, a partial refund should be considered, although may only be made at the discretion of the District Commissioner and District Treasurer acting jointly and shall be subject to the same approval levels as for any other expenditure.

All charges made to Scout Groups for events and activities should be settled via payment by the Group from their bank account. Personal cheques in settlement of Group's liabilities should not normally be accepted. All refunds or payments to Groups should be made via a cheque payable to the Group and should never be made payable to a personal account, even if payment was originally received from that account.

Individuals responsible for subsidiary accounts shall render to the District Treasurer a quarterly account of income and expenditure within one month of the quarter end. Annual accounts shall be provided by the end of February following the year end.

## **5. Explorer Scout Unit Accounts**

Explorer Scout Units form part of the District Council, but their day to day affairs are not managed by the District Executive. Accordingly, each Explorer Scout unit should maintain their own bank accounts, with appropriate signatories and policies as set out in the Scout Association POR. The District Explorer Scout Commissioner is responsible for approval and supervision of Explorer Scout units and activities and shall support Units as required in meeting their responsibilities.

Explorer Scout Unit accounts should be rendered to the District Treasurer quarterly within one month of the quarter end. Annual accounts should be rendered annually by the end of February, in order for them to be incorporated into the District Accounts.

## **6. Fund raising on behalf of the District**

Any fund raising which is carried on by individuals on behalf of the Council (as distinct from fund raising by local Scout Groups) should be properly authorised in advance by the District Executive. All funds raised should be passed to the District Treasurer as soon as possible, for funds to be paid into the District bank account.

If fund raising is carried on in order to raise funds for another organisation or charitable cause, the fund raising is to be authorised in advance by the District Executive. All funds raised should be paid into a District bank account and a cheque raised for the payment to the charity, to ensure that all funds are properly accounted for, and the District Treasurer and the District Executive has sight of the amount of all such fund raising.

## **7. Annual membership fees**

The District is responsible for collecting Scout Association membership fees together with the County membership fee from all Groups and paying them over to the County within the appropriate time frame. As a discount is available for prompt payment of subscription fees, the District Treasurer should ensure that, wherever possible, all subscriptions are paid to County on time.



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The District Executive will set the District levy which is applied to this membership fee annually, and will agree the date by which Groups should pay their subscriptions, based on the recommendation of the District Commissioner and District Treasurer. Payment of the subscription fees on to the County shall not require the explicit approval of the District Executive. All Groups who settle their subscription by the due date shall qualify for the discount applied by the Scout Association. The District levy shall normally be payable at the same time as the Scout Association and County membership fees. Any variation from this shall only be agreed to in exceptional circumstances and shall require the approval of the District Executive Committee.

All Group membership fees should be settled by a cheque paid from the Group account.

## 8. Annual accounts

The District Treasurer shall prepare annual accounts for the District, in accordance with the requirements of the Charities Commission and Scout Association POR, and present them to the Annual General Meeting of the Council. The financial year of the Council shall end on 31 December each year. The District Treasurer shall send a signed copy of the annual report and accounts to the County Treasurer within 14 days of the Annual General Meeting at which the annual report and accounts are considered and approved. The annual accounts shall include all monies received or paid on behalf of the District, including all Explorer Scout Units, any District Scout Network, Committees and District Scout Fellowships,

An auditor, official examiner or scrutineer, as appropriate, must be appointed each year to conduct an independent examination of the accounts prepared by the District Treasurer.

All Scout Groups shall prepare their own annual accounts, to include all monies received or paid on behalf of the Group, including all Sections. Signed copies of such accounts shall be provided to the District Treasurer within 14 days of the Group's Annual Meeting at which the annual report and accounts are considered and approved.

## Appendix 1 – Claiming of expenses from Sutton District Scout Council ('the Council')

### Introduction

This policy sets out the procedures for and basis of reimbursement of expenses incurred by individuals in relation to the activities of the Council. It should be remembered that the Council is a charity, with limited resources at its disposal, whose purpose is "to promote and assist in the running of scouting in the London Borough of Sutton". All expenditure incurred by the Council must further this purpose. It is incumbent on all District officials and those who conduct any activity on behalf of the District to ensure that these obligations are met in relation to their activities, and that the Charity Commission guidelines are adhered to in relation to disbursements. The Council is also part of the Scout Association and it must therefore be ensured that all rules of that association are adhered to.

This policy will be reviewed annually and ratified, with suitable amendments, by the District Executive at its first meeting of each calendar year, or on the appointment of a new District Commissioner.

Within these parameters, individuals should not bear a financial cost for activities they undertake on behalf of the Council and on behalf of Scouting in Sutton. The Council will therefore reimburse all reasonable expenses incurred in this activity, in accordance with this policy. Individuals should



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ensure, however, that all expenses are only incurred where necessary and that they are, where possible, minimised.

Wherever possible, costs being incurred should be invoiced directly to the Council, which will make payment directly to the supplier. This policy relates to expenses incurred individually by persons in the performance of their duties.

Where this policy is not adhered to in full, any reimbursement will only be made at the discretion of the District Commissioner or District Treasurer.

#### Expenses incurred in the performance of duties or for District meetings

All expenses incurred by District officials, office holders or administrators in the performance of their duties should be claimed on a quarterly or half-yearly basis using the form attached to this policy. This form should be sent, with receipts, to the District Commissioner for approval. Once approved, the District Commissioner will forward it to the District Treasurer, who will raise a cheque payable to the individual claiming reimbursement. Under no circumstances will payment be made to any person other than the person claiming reimbursement. No expenses will be reimbursed in the absence of a receipt (with the exception of mileage claims). All claim forms should be submitted within three months of the end of the period in question.

Where a person is in doubt as to whether the expense is appropriate or consider it may be excessive, they should seek pre-approval from the District Commissioner before incurring the expense. All reimbursement is at the discretion of the District Commissioner and District Treasurer, subject to a decision of the District Executive Committee to overrule a decision not to reimburse. Individual items of expense in excess of £50 always require pre-approval or may not be reimbursed. Any disputes which cannot be agreed between the individual claiming reimbursement and the District Treasurer/District Commissioner shall be referred to the District Executive by either party. The District Commissioner may also seek approval from the District Executive if they are in doubt over whether an expense reimbursement should be made.

Mileage claims for travel in own vehicles will be paid at a rate of 45p per mile. Where possible, persons travelling to the same event should arrange to share vehicles.

Expenses being claimed by the District Commissioner will be approved by the District Treasurer, who will seek the approval of the District Chairman or District Executive as appropriate.

#### Expenses incurred in relation to Section events or HQ

As set out in the Policy on Financial Management & Administration of The District, expenses which relate to running a particular event should be reclaimed from the Section ADC/Treasurer, and should be authorised by the person responsible for the management of that event, provided it adheres to the principles set out above.

#### Maintenance and availability of this policy and attached claim form

A copy of this policy and the claim form shall be maintained by the District Commissioner and District Treasurer, and shall be supplied on request. It shall also be available on the District's website.



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## Expenses claim form

This form should be used for reclaiming any expenses from Sutton District Scout Council and should be completed quarterly or six-monthly as appropriate. All claims should be accompanied by receipts for all items (except mileage claims).

Name ..... Position ..... Period .....

Address for reimbursement to be sent to .....

Date	Expense item	Total cost	Amount claimed
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Total expenses incurred			£
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Mileage	.....miles at 45p per mile		£
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Total expenses			£
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Less: donation			£
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Reimbursement claimed			£
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I confirm I have incurred the expenses shown above in accordance with the policy on claiming of expenses and wish to claim reimbursement.

Signed ..... Date .....

Authorised ..... (District Commissioner) Date .....

Completed forms should be sent to Chris Williams, 21 Buckingham Way, Wallington, SM6 9LU



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