

Bank Accounts for community and voluntary organisations

It can really help your group to run smoothly if the financial side of things is well managed and carefully looked after. It is your whole group's responsibility to do this – it's important not to just leave it up to just one person.

This sheet provides information to help your group to take shared responsibility for the finances. It outlines why it is important to be well organised about keeping track of your group's money and suggests strategies to help you do this. It also contains information about how to budget and plan for the future.

Making sure your group takes good care of its money is the responsibility of your whole committee, or, if you are a very small group, your whole group. All your members have a right to know what happens to the money.

Most banks and building societies offer special accounts for small voluntary and community organisations and give free banking as long as your account is in credit. The conditions and benefits vary slightly from bank to bank.

Guidelines on opening an account

Opening a bank account can take several weeks, or even a few months. Be careful to fill the application form in thoroughly and send all the information that is requested. This should be sufficient, but the bank may still write to ask for further details before opening the account.

You will be asked for proof that your group is a voluntary, non-profit-making organisation and not a private business. Ensure that you make this clear or you will be treated as a small business and have to pay charges.

This could be one of the following:

- Copy of your group's Constitution
- Letter from the chair and secretary of your group
- Copy of resolution passed at AGM authorising your group to open an account with the bank
- Charity Registration confirmation/Trust deeds (if group is a charity)

At least two people should sign each cheque that your group writes, or each time you withdraw money from the account. You can have a pool of people who are named as

'signatories' for the account, any two of whom can sign cheques. The signatories should be people with good credit ratings (i.e. no 'bad debts') as the banks will run credit checks on all the signatories. Unless they have an account with that bank already it will be necessary for them to go to the branch in person with:

- Proof of identity – e.g. driving licence, passport, child benefit book
- Proof of address – e.g. utilities bill, benefit book, tax demand.

Many banks now offer internet banking and the use of debit cards. These are very convenient but do not give the security of a cheque payment that requires two signatories. Your group will need to set up a system to ensure the account is checked on a regular basis and that all internet and card payments have to be approved by two people.

When you are looking for information on the internet, remember that most banks refer to community and voluntary organisations as 'Clubs and Societies'. Accounts for these groups are usually managed by the bank's 'Business Banking' department.