

Financial rules

A set of basic rules to help your group be consistent in how you handle money and keep records.

This is one of three information sheets dealing with financial matters. The others are 'Budgets' and 'The Role of Treasurer'. Together, the three sheets aim to clarify who is responsible for what and give practical tips on handling money and book-keeping.

If your group is small, you will probably work together fairly informally and some of these rules may well be inappropriate. Even so, it's a good idea to have some rules, however few, so that everyone is clear about how to look after your group's money.

If your group is larger, then you will probably need more detailed procedures. You can use these basic rules as guidelines to draw up rules which are useful for your group.

If your group receives funding, the funder may have terms and conditions of their own about how the group's finances are handled.

As well as helping your group to function better, financial rules show funders and other bodies that your group is looking after its money well.

Your committee will need to decide details such as:

- the sort of financial records you will keep – account book, petty cash book, etc
- what bank or building society accounts you will hold, how many signatories you will have and who they will be
- how you will deal with petty cash and the amount of the float
- the maximum amount which can be paid out in cash
- whether there are certain small items which committee members may buy without going to a meeting for approval; and if so, the maximum amount of money that can be spent in this way
- the financial year (for example, if your accounts will run from 1st April to 31st March, from 1st January to 31st December, or on a different cycle)
- how often the treasurer will report to the committee, and whether you want verbal or written reports

Once your committee has agreed the rules, remember to give a copy to everyone who joins the committee.