



Advice to Commissioners, unit leaders and independent reviewers about money and accounts

As a charity, Girlguiding is subject to the same rules as other charities in respect of the management of money and review of the accounts of units/districts/divisions.

The rules for keeping and recording accounts are set out in the Guiding Manual.

Key points are:

- Every unit/district/division **must** have a bank account and it must be in the name of the unit/district/division (not personal or trading names)
- There **must** be at least three signatories to each account, two of whom must sign every cheque or instruction to the bank, including on-line banking arrangements (regardless of what the bank says)
- There **must** be a basic income and expenditure record – either in an account book or using the Girlguiding package which can be downloaded from Girlguiding website. There is no need for double-entry book keeping.
- There should be receipts for all expenditure. This can be in the form of till receipt, invoice, credit card statement or written receipt. E-mails are also acceptable (eg. from parents acknowledging receipt of a refund).
- Every account **must** be reviewed each year by an independent reviewer. (Note: a full audit is no longer required since changes by the Charity Commissioner to the level of income before an audit is triggered).
- The financial year for each unit/district/division is a decision for them – not for Commissioners/districts/divisions/counties to make. However it must cover a twelve month period. The usual financial years used are 1 January – 31 December or 1 September – 31 August.

Independent review:

- Commissioners are **NOT** required to carry out the annual review **themselves**. However they do need to make sure that each unit/district/division has an annual review, and they know who the reviewers for their units are. Reviewers must not be related to any of the unit/district/division team.

- Units are required to have their accounts reviewed and **MUST** provide their next level Commissioner with a copy of the statement of income and expenditure signed by an independent reviewer.
- The signed statement of income and expenditure **MUST** be given to the Commissioner no later than 6 months after the end of the relevant financial year (this is the Charity Commission requirement and failure to comply is a breach of charity law).

Independent reviewer's role:

- To review the accounts against the records of income and expenditure, bank statements, and receipts
- To sign the statement of income and expenditure
- To ask questions of the person who prepared the accounts if there are any discrepancies
- To highlight areas of concern (see examples below)
- To refer to the Commissioner any issues of concern – this must be done **BEFORE** the statement of income and expenditure is signed.

What independent reviewers should be looking for/at:

- A bank account exists and is in the name of the unit/district/division
- Income and expenditure is accurately reflected on the bank statements, paying in books, cheque books and receipts
- Grant money from any source has been used for the purpose for which it has been given
- Money collected for charity has been sent to the charity concerned
- Most income goes through the bank account. The amount of cash held by units should be absolutely minimal.
- Missing money – anything more than £10 discrepancy should be questioned and immediately referred to the Commissioner (this does not apply to mistakes in arithmetic)
- Expenditure which is not a legitimate use of unit/district/division money
- Delays in paying bills eg. rent for meeting place

What Commissioners should be looking for/at:

- A bank account exists in the name of the unit/district/division and there are at least three signatories
- Subscriptions are being paid regularly, and the amount is sufficient for cover expenditure
- The amount being paid in unit subscriptions matches the number of girls on GO
- Gift Aid is being applied for
- Grant money from any source has been used for the purpose for which it has been given
- Most income goes through the bank account. The amount of cash held by units should be absolutely minimal.
- Missing money – any discrepancy over £10 must be queried and a satisfactory answer sought

- Expenditure which is not a legitimate use of unit/district/division money
- Delays in paying bills eg. rent for meeting place
- Excessive expenditure on one type of activity eg. craft materials. (This may indicate that the unit programme is not balanced).

Legitimate expenditure for unit accounts (these are the most common examples):

- Training expenses for leaders, YLs and Unit Helpers
- Guiding Handbooks for all leaders, and for YLs doing ALQ
- Unit resources from Girlguiding, Region and County
- Rent for meeting place
- Safety equipment eg. first aid kit, yellow safety vests, groundsheets
- Activity materials and equipment
- External activity costs (eg. entrance or joining fees)
- Badges, certificates, welcome packs etc
- Travel costs to external events (mileage should be charged at no more than 40p per mile and parking should only be claimed if there is a parking ticket or receipt provided)
- Actual postage costs or telephone costs
- Charity donations collected for that purpose (eg. MacMillan, Children in Need events)
- Contributions to cost of Guide wear for leaders and YLs
- Modest birthday, Christmas, Easter gifts for unit members and helpers
- Modest retirement/thanks presents for leaders, YLs or helpers
- Modest expenditure on items such as ice-creams/badges during a trip
- Length of Service brooches, and Thanks badges
- Baden-Powell, DoE certificates and brooches (the County pays for QG brooches and service brooches for 30, 40 and 50 years)

Expenditure which will not be considered a legitimate unit expense:

- Mileage to unit meeting place (except in cases of hardship but this must be agreed by the Commissioner, paid at no more than 40p per mile, and accompanied by a fuel receipt for at least at third of the amount claimed)
- Charity donations (other than those for which a specific collection has been made) – it is a breach of charity law to use money collected for one charity (eg. subs) to give to another charity.
- Excessive expenditure on items which could be bought cheaper
- Unnecessary/excessive expenditure eg. on gifts (for comparison, County Commissioners receive a small vase from Region at the end of their 5 year term, value about £20).
- Credit card interest – bills should be paid immediately to avoid interest
- Bank charges caused by inadequate management of the unit accounts. Any bank charges incurred this way should be refunded by the leader(s) from their personal funds.
- Legal advice in relation to the unit/district/division. (This does not apply to land/property matters). Girlguiding has a legal adviser whose services are free, as well as its own insurers. Legal advice taken to challenge a Girlguiding policy or practice is

definitely not a legitimate expense as there is an approved way of dealing with such matters through Commissioners and advisers at all levels.

Reviewers should take account of the fact that serious issues with unit accounts can result in the removal of a leader's appointment and/or membership, and therefore MUST be referred without delay to the relevant Commissioner.

Failure to produce accounts is also a serious matter which can lead to the removal of an appointment and/or membership. Attempts by Commissioners to obtain accounts and/or statements of income and expenditure, should be recorded. After three unsuccessful attempts, the matter MUST be referred to the County Commissioner.

Under no circumstances should a reviewer write-off any missing sum over £10 without first referring the matter to the relevant Commissioner.

Only Commissioners should agree payback arrangements, and/or write-offs, over £10.

Missing money may also be a subject of a police investigation as this can constitute theft, and/or county court action to recover missing funds or debts.

On-line banking arrangements MUST comply with the rules set out in the Guiding Manual. Just because a bank offers on-line banking to charities does not mean that it complies with Charity Commission guidelines or Girlguiding rules.

Approved by Girlguiding Hampshire East County Executive in April 2015 and updated in November 2016.

Please note that this constitutes **advice** which is intended to help Commissioners, unit leaders, treasurers and reviewers, and to support the requirements set out in the Guiding Manual. It does not replace the requirements of the Guiding Manual. However, failure to follow this advice will be taken into account when dealing with any matters concerning unit/district/division accounts, including where this might lead to the removal of an appointment or membership.