

## Branch Treasurers Guidance

This guide has been developed to be as comprehensive as practicable, but isn't intended to cover every eventuality which you may encounter in your role. Rather, this document should be seen as only one of many resources available to you to assist you in your role of running your branch finances.

It has been split broadly into two sections - the first of which provides an overview of the role and the second providing more detail and instructions.

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### 1. Glossary

|  |   |
|--|---|
| <b>Annual transfer</b>                   | The transfer made to central funds at the end of each financial year based on accumulated reserves.<br>The rule-of-thumb calculation is 50% of unrestricted reserves will be transferred, with the proviso that the transfer must not reduce branch funds below £4,000. |
| <b>Branch management committee (BMC)</b> | The committee responsible for the running of a branch, of which the Treasurer is a member. The branch management committee comprises of the Chair, Vice Chair, Secretary and Treasurer.   |
| <b>Cashbook</b>                          | The spreadsheet provided at the start of each financial year. By entering receipt and payment details, monthly, quarterly and annual reports are produced automatically within the same document.   |
| <b>David Niven House (DNH)</b>           | DNH is the name of the office building in Northampton where the majority of MND Association staff are based.  |

|                         |  |
|-------------------------|--|
| <b>Restricted funds</b> | Funds raised for specific purposes, known to the donor at the time the gift is made. This money is then only allocated to expenditure meeting these restrictions by the donor. Should this no longer be possible please contact the DNH Finance Team to discuss further. |
|-------------------------|--|

## **2. The role of the Treasurer**

### **What the role means to the branch**

The branch treasurer role is of significant importance, highlighted by the fact that it is a mandatory role for every branch and a key member of the branch membership committee (BMC). The skill set required for a successful treasurer includes not only numeracy, but also good levels of organisation and communication as the role will require significant time allocating to it, but will in turn result in greater understanding of the finances of the branch by its members.

There are three main strands to the role:

- A. Review
- B. Record, and
- C. Report

### **A. Reviewing branch finances**

This aspect of the role is to ensure that the branch is complying with the rules currently in force, such as that all spend is legitimate, that specified controls are being followed or that expected donations are forthcoming etc. Perhaps this aspect to the role is best exemplified by the old auditor adage of being a watchdog, not a bloodhound.

### **B. Recording branch finances**

The branch finances should be recorded on the spreadsheet cashbook provided by DNH at the start of each financial year. The reasons for this include:

1. It ensures consistency of reporting for all branches
2. It automates the production of monthly reports for presenting to committee meetings as well as the quarterly and annual returns required by DNH
3. It simplifies the year end consolidation process at DNH

## **Recording receipts**

The first thing to consider is whether the receipt is from DNH or from another donor. If from DNH, only consider the columns headed in **blue** when deciding where to analyse. If not from DNH, you need only consider those columns headed in **orange**.

Receipts should be recorded on the 'receipts' tab in the cashbook on the date of receipt, rather than the date banked, and noted on the bank reconciliation if not banked or cleared on the statement by the month end. This ensures that receipts cannot inadvertently be "forgotten about."

Whatever detail is typed into columns B and C on this tab will automatically update the relevant month's Monthly Report, so it is worth bearing in mind what would be useful descriptions to your potential audience when populating these fields.

## **Recording payments**

As with receipts, record any payments to DNH on the 'payments' tab in the columns headed **blue** and to any other party in the **orange** columns.

Payments should be recorded on the date made i.e. in the case of cheques – on the date the cheque is written and in the case of any payments directly from the bank – on the date it appears on the bank statement.

Again, whatever detail is typed into columns B and C on this tab will then populate the payments section of the relevant month's Monthly Report.

## **C. Reporting branch finances**

The monthly report is of great local importance as it not only provides a snapshot as to the bank position at the previous month end, but the visibility of what money has recently been received and spent is a key internal control.

There is a requirement to report to each branch committee meeting. Preferably this will be done in person, but should attendance not be possible, as a minimum, a report should be emailed to those on the distribution list, together with a commentary, or forwarded to another committee member who you know will be able to attend the meeting and is happy to present on your behalf.

### **What does the role mean to DNH**

As well as having great importance at branch level, the treasurer role is crucial in enabling DNH to meet its statutory obligations for reporting finances.

The following areas of interaction highlight how we can assist one another in achieving our goals:

### **Quarterly returns**

These are produced automatically from the information entered on the 'receipts' and 'payments' tabs in your cashbook spreadsheet and should be submitted (i.e. email

the spreadsheet) to DNH by the end of the month following the quarter end.

By doing this, we are able to demonstrate to our central, external auditors that we are reviewing branch accounts during the financial year. By doing so, we are able to spare the year-end obligation of every branch to require an audit. In addition to the time this saves in finding an auditor and delivering/collecting books, it also has saved branches approximately £30,000 each year which is money now available for local and central mission activity (rather than overhead costs).

### **Annual returns**

The annual return is produced automatically from information entered in the cashbook. The annual return pack actually comprises not only the financial statement, but also includes pages concerning restricted funds analysis, an annual transfer calculation and a branch committee declaration which is to be signed by yourself and the chair. This confirms that all relevant rules and guidance have been followed during the year in preparing your accounts.

### **Gift Aid**

Claiming Gift Aid back from HMRC is administered by DNH.

It is the local treasurer's role though to ensure that we can maximise the amount of tax the branch can recover, by following the guidance set out within "Other notes".

### **Legacies**

All legacy income due to the Association is notified by the probate office to our legacy officer at DNH. If any legacy monies are paid directly to the branch please could you provide details in order to minimise the risk of executors being chased inadvertently. As you will appreciate this is a very emotional time for a bereaved family as well as the potential damage there may be for the reputation of the charity. As a charity we are required to confirm once the legacy monies have been received by discharging the executors of their obligations, but this can only be completed by DNH rather than local/branch level to meet our statutory obligations.

### **Amounts due to/ from DNH**

Whenever you receive a transfer from or are required to make a payment to DNH, you will receive an email confirmation for your records. This may be transfers of donations or Gift Aid etc received centrally or the payment of care invoices etc. Currently, these will show on your bank statement as a transfer and will reference the DNH bank account number, which is 02952679.

### **Bank issues**

For changes to cheque signatories, or any other questions you may have regarding your bank account, you should contact the branch & group accountant at DNH in the first instance. Where signatories need to be changed DNH will have access to the most up to date mandates and will coordinate changes through our dedicated bank support to save unnecessary workload for branch treasurers.

## Other queries

We appreciate that there may be other situations for which you may appreciate advice on in your day-to-day running of your branch finances. In these situations please do not hesitate to contact the branch & group accountant.

## 3. Financial reporting – the cashbook

### Receipts

The cashbook can be navigated by the buttons found on each page. By clicking the 'Receipts' button, we can enter income from whatever source. Required entries are as follows:

| Column | Description         | Notes   |
|--------|---------------------|---|
| A      | Date                | The date received by the branch                     |
| B      | Received from       | The donor name                                      |
| C      | Description         | Detail of receipt e.g. donation, sponsored walk etc |
| D      | Paying-in reference | The paying-in slip number or other reference        |
| E      | Restr.              | Tick this box only if the receipt has a restriction |

Once the above has been completed, enter amounts in the relevant detail columns I to Z.

Most analysis columns will be self-explanatory, but where you see a red triangle in the column heading (e.g. in column M), by hovering your mouse over that heading this will open up a more detailed note as to what ordinarily you would record in that particular column.

If you use the monthly report for your committee reporting (that is embedded into the cashbook), then where a single paying-in slip includes donations from various sources which you would like to show separately, these should be analysed on separate lines and the same reference number used in column D.

Similarly, where a receipt includes any amount to come from a restricted pot, then this must be recorded on a separate line and the restricted box ticked in column E so that it is added to the restricted reserves balance.

### Payments

Payments from branch funds should only be for spend incurred wholly, exclusively and necessarily for branch activities.

By navigating to the 'Payments' tab, you can enter details relating to payments from the branch bank account:

| Column | Description                 | Notes  |
|--------|-----------------------------|--|
| A      | Date                        | The date a cheque is written / other payment appears in the bank   |
| B      | Payment to                  | Name of the payee. In the case of financial support payment full names should not be used. Instead possibly Raiser Edge ID and/or initials and/or postcode |
| C      | Description                 | Reason for payment (as above this may need to be tailored/details redacted)  |
| D      | Cheque / payment No.        | Cheque number, or other reference if payment is not by cheque – ability to cross-reference back to documentation   |
| E      | Cleared date                | Useful for bank reconciliation. Date payment taken from the account  |
| F      | Invoice No. / ref           | Recording supplier invoice numbers – help to avoid duplicate payments  |
| G      | FS recipient / other detail | This column isn't reported – more detail can be provided than column B (providing detail isn't emailed to the committee with the monthly reports)          |
| H      | Restr.                      | Tick only if payment relates to restricted funding matching restricted income raised for the branch  |

Note that where a payment is for multiple purposes, then it can be split between multiple analysis columns.

### Volunteer expenses

For more guidance about volunteer expenses please use the below resources:

- Volunteer expenses policy
- Expenses guidance
- Expenses claim form

These pieces of guidance can be found on the Volunteer Zone [here](#)

### Examples of inappropriate use of branch funds:

This is not intended to be an exhaustive list. If in doubt please do contact the branch & group accountant.

|              |   |
|--------------|---|
| <b>Staff</b> | Branches and groups are not permitted to employ staff. As such, uninvoiced round sum payments in particular should be investigated to ensure they are not effectively salary payments |
|--------------|---|

|                             |  |
|-----------------------------|--|
| <b>Other charities</b>      | <p>Payments to other charities would mean us failing our duty to our donors who have given to the cause of the Association.</p> <p>This does not however apply to payments to other charitable organisations for genuine branch purposes e.g. rent of a meeting room etc.</p>  |
| <b>Research not via DNH</b> | <p>As all research is co-ordinated centrally to ensure most effective funding, any payments required for research projects should be made via DNH.</p>   |
| <b>NHS</b>                  | <p>As above, NHS care spend is monitored centrally, so such payments should be approved by DNH to ensure that statutory services are paying for what is appropriate. Any additional payments made to NHS organisations (e.g. local care centres) must have approval from the appropriate director of care prior to discussions or payment.</p> |
| <b>Alcohol</b>              | <p>Purchases of alcohol should not be approved for payment without prior agreement from DNH</p>  |

If you are unsure as to the legitimacy of any financial transaction, whether a payment or a receipt, then please do contact the branch & group accountant in the first instance, or a member of the volunteering team at DNH.

#### **4. Financial Controls**

As treasurer, by ensuring that the below noted controls are in place and used by all relevant parties on an on-going basis, the task of producing trusted and consistent accounts is helped greatly.

##### **Bank reconciliation**

The cashbook spreadsheet contains a separate bank reconciliation report for each month. The bank reconciliation is one of the most important tasks to complete as treasurer as it not only confirms the completeness and accuracy of details entered but also serves as an aide memoire for chasing up old outstanding payments or receipts. This is required to be completed on a monthly basis.

##### **Monthly reporting**

By reporting financial information back to the committee, it makes all financial transactions transparent to an informed audience who can then review and question.

### **Payment approvals**

Cheques must be signed by two authorised signatories, who will be committee members. The two signatories must not be related.

Despite logistical issues surrounding getting cheques signed, the practice of having one person pre-sign cheques must be avoided. This will serve to safeguard the second signatory against any possible accusations of being the only effective signatory.

### **Cash counting**

When counting cash collections, two people should be present to witness, count and co-sign to confirm the amount.

Cash payments at a fundraising event should not be paid from cash raised at the event. Doing so may result in deflated receipts and payments being recorded as well as leading to the possibility of the integrity of the takings being questioned.

Ideally, two people should also be present when opening mail though it is recognised this is not always possible.

### **Record retention**

Where possible, receipts and payments should be accompanied by documentation such as invoices, receipts, letters etc to confirm amounts paid and the validity of those amounts. In addition, bank statements, cheque book stubs and paying-in books should also be retained.

Such prime documents must be retained for the current year's transactions plus the previous six years. Should space become an issue, then records can be stored at DNH.

### **Related parties**

Transacting with a related party should be reported to the committee, e.g. hiring a room for meetings from a branch member etc in order to ensure that there are no questions regarding independence of the branch.

## 5. Other Notes

### Restricted funds

Receipts should only be recorded as restricted where the donor has asked for their donations to be used for a specific purpose or a fundraising event is organised for a specific funding reason, and this reason is made clear to everyone in attendance.

Care should be exercised when accepting monies for restricted purposes. There is an expectation for us to act as stewards of such donations and be able to report back to donors as to the usage of their funds in a reasonable timeframe. As such, you should be wary of accepting donations for causes where you think you will not be able to spend the money within a 12 month period. There is a legal requirement to ensure that donors providing restricted donations know that this money will be used within a reasonable time frame. Should there be an issue that restricted funds cannot be spent, they should be offered back to the donor in the first instance and alternative use suggested (which may be unrestricted for general branch activity).

Analysis of each restricted fund's income and expenditure is an important task and can be completed by using the restricted funds sheet within the cashbook. Please note, this is an area of significant scrutiny by our external auditors.

### Gift Aid

If administered correctly, the income from Gift Aid reclaims can be a significant sum to a branch.

Before Gift Aid can be claimed on a receipt, the gift itself must pass certain tests:

- Is it monetary?
- Is it a pure donation, i.e. not for goods or services (e.g. raffle ticket, entry fee for an event)?

If all of the above can be answered positively, then the test is on the donor:

- Is it from a living individual (not a corporate body)?
- Is it from the donor's own funds?
- Has the individual paid sufficient tax in that tax year to allow for a tax reclaim?
- Has a suitable declaration to this effect been made?
- For an individual, this can be done on a Gift Aid declaration form or via a specific gift envelope (available from the volunteering team)
- For a sponsored event, this should be made by sponsors via an official sponsorship form, which is pre-printed with the relevant wording as agreed with HMRC (available from the volunteering team)

Where you receive such forms, they should be forwarded to the branch & group

accountant at DNH who will process the claim with HMRC and make sure that funds are transferred back to your branch.

To maximise amounts we can claim, a simple reconciliation of when the monies submitted on the forms were physically banked will help greatly if included with the submission to DNH, as we do need to demonstrate to HMRC where amounts claimed were paid into a bank account.

### **Petty cash**

A cash float may be issued to a branch member to cover small, irregular payments which would be impracticable to pay by cheque (e.g. tea or coffee for meetings etc).

Upon issue of such a float, the holder should be asked to sign a receipt to acknowledge that they are holding branch funds and it should be explained to them that they will be required to return the full amount of the float should they no longer have the need to hold it.

Float top-ups should be recorded as a payment in the cashbook in the same way as an expense claim would be i.e. receipts should be submitted and the cheque to top-up the float should be analysed across all relevant columns.

However this arrangement should be regularly reviewed to ensure this is still appropriate and agreed by the BMC.

### **VAT**

The Association is not VAT registered, so costs should be recorded including VAT. However, it is worth noting that certain payments should not include VAT at all, such as advertising and the supply of equipment which is specifically for the use of a pWMND.

### **Charity vouchers**

You may receive a charity voucher from a donor, which, whilst looking like a standard cheque, should not be presented to the bank. Most voucher administrators (CAF, KKL, Charities Trust etc) will only pay directly to the Association bank account. We would recommend that you submit all vouchers to DNH for processing but note the references down for your own records. We would recommend emailing the branch & group accountant when vouchers have been posted as a safety check, should there be any delays in the postal service. Once processed and the money has been received directly the branch will receive notification and the transfer will be made the following month.

### **Data protection**

The basic rule of thumb is that sensitive personal information (Names, addresses,

phone numbers, email addresses etc) should not be stored for longer than necessary and should not be given to anyone other than the intended recipient.

In your role as treasurer, this will generally involve:

- Taking care not to report full names of financial support recipients on any published financial reports (use of initials and/ or postcode and/ or Raisers Edge ID are acceptable)
- Safeguarding records
  - Keeping documentation in a secure location
  - Password protecting computers and documents
  - Backing-up spreadsheets (e.g. email to yourself)

### **Audit**

Currently, there is no longer a specific requirement for your branch to obtain an external audit.

As a part of the annual audit for the Association, the external auditors, currently haysmacintyre, will select a handful of branches to be visited each year and a further circa 10 branches to complete audit questionnaires. Should your branch be selected for a visit, we will work with you to select a time which is convenient for both parties.

### **Role cover / succession planning**

We recognise that the treasurer role is a specialist position and often it is difficult to source support in the short term. To accommodate this challenge (in the event that you are unable to maintain the financial records for a prolonged period) please ensure that there is somebody else within the branch with sufficient knowledge to take the reins should the need arise (even if only covering the minimum of tasks).

The branch charter states that it is preferable that a treasurer does not hold post for more than three consecutive years without at least a year's break. By following the guidance above, a branch will have, in effect, a succession plan should a treasurer wish to retire or resign their post. This is important to not only provide the treasurer with an assurance that the branch are not totally dependent on them as an individual but also a rotation of members leads to fresh ideas.

The volunteering team will actively support branches in recruiting and ensuring the well-being of all branch volunteers.

## **6. Other resources**

If you have any questions about anything contained in this guidance, or you come across anything in the day-to-day running on which you would like advice, then please do contact a member of the team, who will be only too pleased to help :

- **Lorraine Findlay; Branch & Group Accountant**

*For all queries regarding expenses, spreadsheets, Gift Aid, bank matters or any other question or issue which you may wish to discuss*

E: [lorraine.findlay@mndassociation.org](mailto:lorraine.findlay@mndassociation.org)

T: 01604 611817

- **Andrew Zielinski; Financial Controller**

E: [andrew.zielinski@mndassociation.org](mailto:andrew.zielinski@mndassociation.org)

T: 01604 611801

- **Volunteering team/ local VDC**

*For assisting with all matters relating to your role as a volunteer*

E: [volunteering.team@mndassociation.org](mailto:volunteering.team@mndassociation.org)

- **Jo Darby; Legacy Officer**

E: [jo.darby@mndassociation.org](mailto:jo.darby@mndassociation.org)

T: 01604 611844

Your branch charter will also contain useful information regarding the running of your branch; including a specific section on finances.

**Appendix - example charity vouchers**

**CAF** Charities Aid Foundation      **CAF Charity Account**      Account number **A 10122950**  
 CAF Charity Cheque no **1000456**

Pay Motor Neurone Disease Association      Date 6-11-15

Amount in words Fifty Pounds      £ 50 —

A gift from ~~XXXXXXXXXXXX~~      Signature ~~XXXXXXXXXXXX~~

Please tick if you require the charity to send you a receipt

**TO BE COMPLETED BY CHARITY – SEE OVERLEAF FOR INSTRUCTIONS**

Charity name: Motor Neurone Disease Association      Charity registration number: \_\_\_\_\_      Bank/building society name and branch: \_\_\_\_\_

Address: P.O. Box 248      Building society roll number: \_\_\_\_\_

NORTHAMPTON      Bank sort code: \_\_\_\_\_      Bank account number: \_\_\_\_\_

NN1 2PP      Telephone number: \_\_\_\_\_      Registered Charity No: 294354

Telephone number: \_\_\_\_\_

**DO NOT PRESENT TO A BANK    DO NOT PRESENT TO A BANK    DO NOT PRESENT TO A BANK    DO NOT PRESENT TO A BANK**

**My Giving Account**      **Charity Donation**  
 by **Charities Trust**      Pass this to a charity of your choice.  
 A/C No: 001065      **DO NOT PRESENT THROUGH A BANK**      Charity Cheque No: 552547

Pay: Motor Neurone Disease Association      Date: 24/11/2015

Amount in words: Twenty pounds      £ 20 — 00  
(Please do not write a charity cheque for less than £1.00)

A gift from...      Signature ~~XXXXXXXXXXXX~~

Name: \_\_\_\_\_      Address: \_\_\_\_\_  
Leave this box blank if you wish to remain anonymous to the charity

**To be completed by Charity:**  
 Please tick to confirm that you do not need to send Bank Details verification (See point 4 overleaf for more details)

Charity Name: \_\_\_\_\_      Bank A/C No: \_\_\_\_\_

Charity Registration No: \_\_\_\_\_      Bank Sort Code: \_\_\_\_\_

Bank name or branch: \_\_\_\_\_      **DO NOT PRESENT THROUGH A BANK**

**For more information contact the Finance Team or Volunteering Team:**  
 Phone: 01604 611814 (Finance Team) or 0345 6044 150 (Volunteering Team)  
 Email: [finance.team@mndassociation.org](mailto:finance.team@mndassociation.org) or [volunteering@mndassociation.org](mailto:volunteering@mndassociation.org)  
 Website: [www.mndassociation.org/volunteerzone](http://www.mndassociation.org/volunteerzone)

