

Group Finance Officer 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. The finance officer responsibilities

The role

The skill set required for a successful finance officer includes not only numeracy, but also good levels of organisation and communication, the role will require significant time allocating to it, but will in turn result in greater understanding of the finances of the group by its members ([Finance officer role description](#))

The main tasks of the role are:

Banking Receipts

Timely banking of monies from donors is a key control. You should avoid having money in your house for longer than is necessary.

Amounts should be paid in on a paying-in slip from the group paying-in book where possible. Should a replacement paying-in book be required, one can be requested from the branch & group accountant.

The Association currently banks with Lloyds Bank. If you do not have a branch of Lloyds nearby donations can also be sent to the branch & group accountant at David Niven House (DNH) for banking on your behalf.

Nb. If you receive a charity voucher, this cannot be banked and should be sent to DNH for remittance to the relevant provider (most commonly CAF). See Other notes for further information.

Acknowledge Receipts

Acknowledgement letters are not only a courtesy to those giving money to the group, but is another control in that it confirms to the donor how much money was received.

Communicate details of receipts

Because the accounts are prepared by the branch & group accountant in DNH, details of bankings will be required to be communicated to enable accurate recording. For each banking, you should report, preferably by email:

- Paying-in slip number
- Donor details
- Nature of donation e.g. in memoriam, fundraising event etc
- Any restrictions requested by the donor
- Send in any original documentation received with the donation for filing

Report finances to the group – if applicable

There is a requirement to report to each group meeting. A report detailing receipts and payments will be sent to you each month by the branch & group accountant which you can use.

Preferably this will be presented in person, but should attendance not be possible, as a minimum, a report should be emailed to the group correspondent / group leader, together with a commentary, or forwarded to another committee member who will be able to attend the meeting and is happy to present on your behalf.

DNH responsibilities

Below is a selection of the services that you can expect to receive from DNH to assist in your role:

Monthly reports

These are produced by the branch and group accountant and sent to the group finance officer, the relevant volunteer development co-ordinator and anyone else as requested by the group.

With your local knowledge, you should review the report once received to check that it looks accurate and complete.

Quarterly reports

These are produced automatically by the branch & group accountant.

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

Annual returns

The annual return is produced for consolidation into the statutory financial statements of the Association which are ultimately filed with the Charities Commission and Companies House.

Gift Aid

Claiming Gift Aid back from HMRC is administered by DNH.

It is the local finance officer's role though to ensure that we can maximise the amount of tax the group 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 group, 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 in order to meet our statutory obligations.

Bank issues

For any questions you may have regarding your bank account, you should contact the branch and group accountant at DNH in the first instance.

Other queries

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

2. Expenses

Allowable expenditure

The rule of thumb is that for expenditure to be allowable, it should be wholly and necessarily for the benefit of the group and its objects.

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](#)

Petty cash

A cash float may be issued to a group 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 group 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 will be made in the same way as an expense claim would be i.e. receipts should be submitted to the branch & group accountant.

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

Non-allowable expenditure

Examples of inappropriate use of group funds:

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

Staff	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
Other charities	Payments to other charities would mean us failing our duty to our donors who have given to the cause of the MND Association.

	This does not however apply to payments to other charitable organisations for genuine group purposes e.g. rent of a meeting room etc.
Research not via DNH	As all research is co-ordinated centrally to ensure most effective funding, any payments required for research projects should be made via DNH.
NHS	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.
Alcohol	Purchases of alcohol should not be approved for payment without prior agreement from DNH

If you are unsure of the legitimacy of any financial transaction, whether a payment or a receipt; please contact the branch & group accountant in the first instance.

3. Other notes

Annual transfer

At the end of each financial year, a transfer of funds to DNH takes place to ensure excess balances are being utilised.

The current rule-of-thumb is that 50% of unrestricted reserves will be transferred, with the proviso that the transfer must not reduce group funds below £4,000.

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 group activity).

Analysis of each restricted fund's income and expenditure is an important task and specific restrictions must therefore be reported to the branch & group accountant. 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 group.

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 group.

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.

Charity vouchers

You may receive a charity voucher from a donor (e.g. Appendix A), 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, and email the branch & group accountant when vouchers have been posted as a safety check, should there be any delays in the postal service.

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 finance officer, 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)

Role cover and succession planning

We recognise that the finance officer 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 group with sufficient knowledge to take the reins should the need arise (even if only covering the minimum of tasks).

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

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.

Related parties

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

Just giving and other online fundraising pages

The group, or an individual donor, can set up an online fundraising page to benefit the group. Set-up is quite straightforward following instructions on the website.

As all amounts are initially remitted to DNH, the key to ensuring that the group gets all funds due to them is to ensure that the page detail **at the time of set-up** mentions that funds are due to the group.

4. 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

T: 01604 611817

- **Andrew Zielinski; Financial Controller**

E: 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

- **Jo Darby; Legacy Officer**

E: jo.darby@mndassociation.org

T: 01604 611844

Your group charter will also contain useful information regarding the running of your group; 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 Bank/building society name and branch

Charity name _____ Charity registration number _____

Address Motor Neurone Disease Association Building society roll number _____
P.O. Box 248 _____
NORTHAMPTON _____
NN1 2PP _____

Telephone: 01604 290605 Bank sort code _____ Bank account 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 (Please do not write a charity voucher for less than £5.00) £ 20 — 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 or volunteering@mndassociation.org
 Website: www.mndassociation.org/volunteerzone

