

4.1.2 - GROUP FINANCIAL AND ASSET MANAGEMENT

Several books have been produced by the Association's National Office to provide guidelines for all aspects of Group operations; these provide sound advice based on experience.

Note, however, that some suggested procedures may differ from the policy of this Branch.

FINANCIAL YEAR

The financial year for all formations in the Branch is the calendar year. This allows two clear months for finalisation of accounts and audit before submission to the Branch Office no later than 28 February

Note that the financial year is different from the Scout Year (1 April to 31 March) which is used for census statistics and registration purposes.

BANK ACCOUNTS (INCLUDES CREDIT UNIONS)

Following are the ACT Branch requirements:

- Normally a Group should maintain one or limited number of bank accounts for all its usual receipts and expenditure.
- Within a Group, a Venturer Unit may maintain a separate bank account for its funds.
- Venturer Unit accounts shall form part of the Group financial records, and be subject to the same control procedures in respect of style, multiple signatures and reconciliation as the Group bank account.
- Venturer Unit accounts must be audited by the Group Treasurer.
- The funds of other Sections are included in the single Group bank account;
- Under no circumstances are Association bank accounts to be opened and operated by an individual.
- Separate special purpose accounts may be maintained under certain circumstances such as:
 - For fixed deposit of funds surplus to immediate requirements.
 - Group funds to be held for Scout Hall construction or extension.
 - Raffles (required by law).

Group Committee approval is required for all special purpose accounts at Group level.

All bank accounts shall be styled :

The Scout Association of Australia
ACT Branch Incorporated
Formation name (as applicable)
Special Purpose (if applicable)

GOVERNMENT TAXES

All Association bank accounts may be exempt Financial Institutions Duty (Commonwealth Government) and Debits Tax (ACT Government) by application to the appropriate authorities.

Application forms are obtainable from the Branch Office. Exemption certificates are issued for each separately numbered account, and originals must be deposited with the bank. Copies of the exemption certificates must be deposited with the Branch Office.

SECTION FUNDS

Groups may maintain separate Section funds to cover minor expenditure on the day-to-day costs of the Section's program. Where existing, such funds should be credited to the separate Sections in the Group accounts.

There are three options in this Branch for the acquisition of Section funds. In each Group the option shall be determined by the Group Leader, advised by the Group Council, together with the Group Council.

Option 1

Weekly subscriptions ('subs') paid by Youth Members.

Option 2

Term subscriptions paid by Youth Members or as an identified part of Group fees.

Option 3

Allotments to each Section by the Group Committee from general Group funds.

Authority for expenditure from Section funds rests as follows (not with the Group Committee) :

Joey Scouts	-	Leader in charge of the Mob
Cub Scouts	-	Leader in charge of the Pack
Scouts	-	Troop Council
Venturer Scouts-		Unit Council
Rovers	-	Crew Executive

Sections requiring major expenditure for equipment pass their requests to the Group Committee through the Group Council and Group Leader.

ACCOUNTING

Basic internal control measures are to apply including :

- maintenance of cash book records for all transactions;
- issue of receipts for all money received;
- recording of payment authorities in Group Committee minutes;
- payment of accounts by cheque or cash payment to be reimbursed against receipts; and

- reconciliation and independent check.

ANNUAL GROUP RETURNS

Annual Group Returns are requested by the Branch Office near the end of each year for all groups/crews/regions. These returns include an audited income and expenditure statement for the financial year 1 January-31 December. The returns are required to be audited by people who hold membership of the Institute of Chartered Accountants in Australia, CPA Australia, or National Institute of Accountants.

A model form of statement is distributed. Groups are welcome to use a form of their own choice provided it includes at least the level of detail of the model (some returns fail that test!). As stated above, audited Group Returns are required to be submitted to the Branch Office by 28 February each year, two months after the year-end.

FUND RAISING

Fund raising for the Group or any of its Sections must be authorised by the Group Committee and recorded in the minutes. The nature of the activity, the purpose of the proceeds (if there is a special purpose), and the people who have accepted particular responsibilities should be noted.

Groups may raise money to assist Youth Members, and sometimes Leaders, to attend major Scouting events such as Jamborees, or to undertake extensive adventurous activities or overseas visits.

Such funds

- remain the property of the Scout Association until paid out (because they have been raised in the name of the Association);
- must be held in the Group (or Unit) bank account; and
- may be paid out only on the basis of a list of participants and the proposed subsidies approved by the Group Committee.

Intending participants who withdraw before the event may not be paid in lieu of subsidy. To avoid difficulties which may occur when participants withdraw at a late stage, subsidy payments should be made directly to the organisers of the major event (usually the Branch Office), not to individuals.

Similarly for activities organised within the Group, participants should be credited with their subsidies rather than receive the money themselves.

Fund raising for some major events and activities may extend over several years. If Groups decide that eventual subsidies will depend on the extent of an individual's participation in fund raising activities, then the formula used to assess participation should be made known to all concerned (participants, parents, Group Committee) before each fund raising activity.

Similar considerations apply to contingents raised on a Branch basis. For all such longer-term efforts it is strongly recommended that a simple memorandum of understanding be drawn up and signed by all involved.

ASSETS

All assets of the Association in the ACT ultimately vest in The Scout Association of Australia, Australian Capital Territory Branch Incorporated, of which the Branch Executive Committee is the governing body in terms of the Branch Constitution and the ACT Associations Incorporation Act 1991.

It is expected that Groups will acquire assets to be used for the purposes of the Association.

Moveable assets remain in the custody, care and control of the Groups acquiring them unless it becomes necessary for the Branch Executive Committee to assert ultimate responsibility. This may be because:

- a. the formation ceases to function, or
- b. assets are being used for other than Association purposes, or
- c. there is a potential or actual breach of ACT law.

All buildings and equipment must be insured through the Branch Office for loss or damage. (Policy Statement 4.3 deals in detail with Insurance).

SCOUT HALLS

Groups being established may decide to seek to acquire their own halls. Advice and assistance in this major endeavour is available through the Property Committee of the Branch Executive Committee and must be sought at an early stage. In particular, early discussions about possible sites and designs must involve a Branch representative.

Scout hall leases are Special Purpose Leases not requiring a purchase premium or annual rent. Water and Sewerage Rates are payable, but not General Rates. Leases are in the name of the Association, not the individual Group.

Branch Guarantee of Group Bank Loans

When Groups build halls or undertake major extensions it is usually necessary for a bank loan to be obtained. Such loans must be guaranteed by the Branch as the incorporated body of Scouting in the ACT. Therefore the financial arrangements, as well as the design and siting of halls and extensions, are subject to approval of the Branch Executive Committee.

Well before formal consideration by the Branch Executive Committee, proposals will have been discussed extensively with the relevant Commissioners, the Executive Officer, the Property Committee and the Branch Treasurer. In seeking approval for the financial arrangements, Groups must provide the following information.

- Business case for building the hall, including
 - Group and community demographics
 - The possible scope of Scouting in the area and the use of other scout halls or facilities as alternatives
 - The building and facilities proposed, and the needs that these would meet
 - Total cost of the project
 - Current financial statement of the Group
 - How the cost is to be met
 - Group funds in hand
 - Any grants

- Details of the bank loan sought (as provided by the bank)
- Details of the fundraising program proposed to service the loan.

Authority

This Policy Statement was approved by the Branch Executive Committee (BEC) on 25 November 1998 and amended by the BEC on 27 September 2006.

It replaces Policy Statement 4.1 - Financial and Asset Management which was initially approved on 28 October 1992 and amended on 25 June 1997.