

Guide for Member Network Treasurers

For the purposes of this document, the term 'Group' is used to refer collectively to all Member Networks; ie, Interest Groups, Local Sections, Analytical Division Regions and Education Division Regions.

Groups are established in accordance with a trust deed and must adhere to the rules approved by RSC governance boards.

Groups that are joint-funded with other professional bodies should contact the Networks team for clarity on which professional body's rules it is accountable to.

1. Bank accounts

Each RSC Group maintains a NatWest Bankline current account; opened and administered by the RSC's Networks Finance team. Groups must not hold any other accounts.

- Treasurers must ensure that their Group's bank account is never overdrawn.
- A dual signature mandate applies, requiring two of the Group's three officers to sign cheques or make online payments.
- Surplus funds should be 'deposited' with the RSC. Please email Networks Finance to deposit or withdraw funds. NB - With interest rates remaining very low, we suggest a minimum of £5,000 for each deposit / withdrawal transaction.
- New chequebooks can be ordered via the NatWest Bankline website.

For more help with Bankline please see the separate guide <http://www.rsc.org/globalassets/03-membership-community/connect-with-others/through-interests/forms-documents/bankline-user-guide.pdf>.

2. Bookkeeping

To avoid any potential embarrassment / reputational damage to the RSC, please review bank statements at least once per month so that unexpected transactions are identified and resolved.

Paperwork relating to financial transactions must be kept for the statutory period (current year +6).

An Excel cashbook template (with instructions) is provided to Treasurers for maintaining their Group's financial records. It is highly recommended that the cashbook be updated regularly, as it will both simplify and speed-up the year-end accounts production. As it provides the RSC with detail to support the summarised year-end schedules, completion of the cashbook is mandatory unless the Member Network Committee has approved an alternative.

3. Expenses

When claiming expenses from the Group, please do not use the form made available via our website ('Member and non-member expenses form'). That form is more complex than is necessary for your purposes and does not help you incorporate the costs into the cashbook. Instead, please ask claimants to provide you with a signed, printed copy of the member networks expense form for your records... <http://www.rsc.org/globalassets/03-membership-community/connect-with-others/through-interests/forms-documents/expense-form-for-member-networks.xlsx>

4. Annual Accounts

Under the Charities Act 2006, the RSC must include all Groups' results in its annual financial statements. Therefore, each Group must submit a set of accounts for every financial year (1st January to 31st December). The accounts should be provided to the RSC Finance Department as soon as possible after the year-end to enable consolidation within the RSC financial statements. The deadline is usually around February 11th but will be announced before the end of each year.

For Groups with gross income below £100,000, the accounts should be prepared on a receipts and payments basis; ie, transactions on the bank statement should be analysed, 'uncleared' items should not.

If gross income exceeds £100,000, accounts must be prepared on an accruals basis, meaning income and expenditure is recorded in the year it relates to, not the year it appears on the bank statement. Groups who exceed the threshold should continue to use this accounting method in future years.

Completion of the cashbook automatically updates the year-end schedules. To help prevent the inadvertent corruption of formulae or links between worksheets, please do not use copy/paste or cut/paste within the file. You will notice that much of the workbook is password protected. This is because, although many treasurers are capable of adjusting our file without complications, protection ensures consistency in the format of reporting from the 100+ individuals submitting files. If the guidelines within the workbook do not answer your queries regarding its use, please contact Networks Finance.

The workbook includes the following schedules:

- A. Checklist - Sets out the tasks that the auditor should perform (see section 4 for further details of the audit).
- B. Bank Reconciliation - Treasurers are expected to keep track of uncleared transactions but this formal Bank Reconciliation is only required from Groups with annual gross income exceeding £100,000.
- C. Audit Report - Auditors must provide their details and sign. If applicable, they must declare their independence from Group activity by ticking the box.
- D. Prepayments and Accruals - Only necessary if gross annual income exceeds £100,000.
- E. Fixed Assets – For when a Group owns any items of value (eg, equipment, trophies).
- F. Receipts & Payments – Guidelines on how to analyse the financial transactions into the categories determined by the RSC are available within the worksheet. This schedule is auto-populated by the entries in the Cashbook.
- G. Accounting Summary – No input is necessary, as this is auto-populated from schedule F.
- H. Miscellaneous Items – Where schedule F reports 'other' transactions that do not fit into specific categories, further detail are required on H.

To finalise the accounts:-

- Return the completed Excel file by email to enable the efficient uploading of the numbers into the RSC accounting system.
- With effect from 2019, Networks Finance can accept a scanned version of the signed documents, thereby removing the need for a hardcopy to be posted to the RSC.
- Please be aware of the declaration alongside which the treasurer and chair are asked to sign schedule F.

5. Annual Audit

Although it is a requirement that the accounts are audited, the type of audit is dependent upon the level of gross income. Please do not employ professional accountants unless necessary:-

- Up to £10,000 (honorary audit) - This can be performed by a member of the committee or a competent person approved by the committee.
- £10,000 to £100,000 (independent examination) - This must be carried out by someone independent¹ of the Group and with the ability and practical experience to carry out a competent examination of the accounts.
- >£100,000 (independent profession audit)

¹ The nominated auditor must have neither involvement in the Group's day-to-day decision-making nor a connection to anyone who does; ie, they must not be a child, parent, grandchild, grandparent, brother or sister, spouse, civil partner, business partner or employee.

To avoid delays, please note that audited accounts may be submitted to the RSC Networks Finance before being approved at your AGM. In addition, we recommend making an advanced 'booking' with your auditor to ensure that the task is not relegated to low priority at a time when they might be busy with other year-end jobs.

6. VAT

Although Groups share the RSC's charity number, they do not form part of the RSC's VAT group and therefore must not quote the RSC's VAT number on any sales invoices they produce. Groups should only charge VAT if they have independently registered with HMRC.

A separate guide is available to help answer your VAT questions; http://www.rsc.org/images/vat-member-networks_tcm18-95692.pdf. Please contact the RSC Finance Department if you are considering registering / deregistering for VAT or for any other VAT-related queries.

7. Grants

Grants cannot be paid before the signed year-end accounts have been received by the RSC. Please direct any queries relating to the grant calculation and payment to networks@rsc.org.

8. Guidance on Activities

Member Networks are established as independent Charitable Trusts and the RSC requires them to be self-financing. Therefore, the cost of all Group activities must be met from the Group's own funds.

Please refer to the Networks Handbook for detailed information on the administration of the Groups. Links to a selection of finance-specific matters are below:

- **Group expenditure** - should be in accordance with the RSC's charitable objectives as laid out in our charter: <http://www.rsc.org/about-us/our-charter/>
- **Committee expenses** – see our 'Useful Forms and Documents' page. The 'Member and non-member expenses form' is under the menu 'General Information for Committees'. <http://www.rsc.org/Membership/Networking/InterestGroups/FormsDocuments.asp>
- **Sales invoices** - the RSC charity number should appear on any promotional material (including sales invoices). Useful information is available in the Networks Handbook: <http://www.rsc.org/Membership/Networking/InterestGroups/handbook/>

Contact

NetworksFinance@rsc.org