

Information for Member Network Treasurers

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

Groups are formed 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 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 officials to sign cheques or make online payments.
- Surplus funds should be placed in a deposit account with the RSC. While interest rates remain so low, we ask that you please consider your medium-term, not short-term, cash requirements. A minimum deposit / withdrawal of £2,500 is suggested. Please email Networks Finance to deposit or withdraw funds.
- Order new chequebooks 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, bank statements should be reviewed at least once per month so that unexpected transactions are identified and dealt with accordingly.

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

An Excel cashbook template (with instructions) is provided to assist Treasurers with 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.

In your role as treasurer, you might be asked to reimburse expenses incurred during the performance of committee duties. The form made available via our website ('Member and non-member expenses form') is designed for claiming directly from the RSC, not from the Group. It is more complicated than is necessary for treasurers' needs and does not help you incorporate the costs into your financial analysis. To make claims from the Group, we recommend that claimants provide you with a signed, printed copy of the following 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>

3. 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 (for 2018 year-end, by 8th February at the latest) to enable consolidation within the RSC financial statements.

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

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.

The RSC provides an Excel workbook template for your year-end accounts (part of the cashbook). To help prevent the inadvertent corruption of formulae or links between worksheets, please do not use copy/paste or cut/paste within the file. Much of the workbook is password protected 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 any queries you have with 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 applicable 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 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, hardcopy signatures of the Treasurer, Chair and Auditor will not be necessary if a scanned document is provided.

4. 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 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 that 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 this job is not treated as low priority at a time when they might be busy with other year-end jobs.

5. 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.

6. Grants

Only after the signed year-end accounts have been received, can grants be paid. The payment will be transferred directly into the Groups' bank accounts by BACS. Queries relating to the grant calculation and payment should be directed to networks@rsc.org.

7. 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 provided 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** – the link below will direct you to our 'Useful Forms and Documents' page. In the 'Forms for member networks' section you will find the 'Member and non-member expenses form' and guidelines for their 'Submission and approval'.
<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