

DREY FINANCES

So you registered with the Charity Commission – what now? What follows is “housekeeping” you will need to do on a weekly/yearly basis. Once you have got into the way of it you will not find it difficult and for reports you can copy a lot from the previous year.

1 Weekly Bookkeeping

- a) Keep a cash book and record all income and expenditure every week. That way you do not forget anything. The cash book can be a manual bookkeeping book with several columns for analysis or a computer spreadsheet, whatever you find easier. The advantage of a spreadsheet is that you can transfer totals to accounts automatically but if you are not happy with this pen and paper is fine.
- b) Keep a duplicate receipt book and issue a receipt for all income (unless you charge a weekly amount – here you could keep a roll type book and record amounts against children’s names each week.)
- c) Ask for receipts/till rolls for all expenses and mark these with the date paid and cheque number if relevant. File the receipts so that they can be checked when your accounts are audited.
- d) Never mix drey money with your own personal expenses. Never have cheques written to you personally by parents and never write personal cheques to pay for outing bookings or equipment. Use the drey bank account.

2 Accounts

- a) Shortly after your year end (whichever date you chose in your charity registration) prepare a simple income and expenditure account. This should show a simple analysis of income and expenses, the surplus/deficit for the year, the cash and bank balances at the start of the year and the closing cash and bank balances. (The cash and bank balances should be reconciled to the actual cash and bank statement balances and the opening balance + the surplus/- the deficit should equal the closing balance.)
- b) The accounts should then be audited by an independent person – all dreys are small charities so this person **does not** need to be a qualified accountant/auditor. Perhaps the person who audits your scout group accounts could also audit yours. You should show him/her your cash book, receipts book, expenses file, cheque stubs and bank statements.
- c) The drey management committee treasurer and the auditor should sign the accounts when happy with them.

3 Trustees report

The trustees (management committee) are required to prepare a report each year. In practice this will probably fall to the Leader in charge. It can be in point form so long as it covers all headings expected by the Charity Commission. Once the first year’s report is done, its format and a lot of the information can be used in following years. It needs to cover:

- a) Full name of the drey
- b) “Registered with the Charity Commission for Northern Ireland – NIC 100xxx”
- c) Drey address
- d) Website and email address (if applicable)
- e) Trustees and Management Committee at ---- (year end date)
- f) Purposes – please include the “Objects” statement from your constitution :

“The drey is established to promote the benefit of young people between the ages of 4 and 6 in the xxxxx area of Northern Ireland and in particular to promote the development of young people in achieving their full physical, intellectual, social and spiritual potentials as individuals, as responsible citizens and as members of their local, national and international communities.”

- g) Membership – numbers of boys and girls at year end and at previous year end
- h) Leaders – names and titles. Thank any who have left in year and welcome new ones. Mention any training carried out in year.
- i) Badges – numbers of each badge awarded. (In particular, the smile badges support the drey purposes.)
- j) Main activities during the year

4 Meetings

- a) The drey management committee should meet at least twice a year (see your constitution). One of these meetings can be the agm – parents should be invited to the agm. There should be between 4 and 6 members of the committee and they should be elected/re-elected annually at the agm. As the committee members are also the trustees of the drey, any new members elected should be asked to complete a trustee information form and declaration. The Charity Commission contact person then needs to update the trustee details online.
- b) The treasurer should present and answer questions on the accounts at the agm.
- c) The secretary should present and answer questions on the Trustees Report at the agm.

5 Charity Commission

Dreys will need to file online with CCNI an annual monitoring return, accounts and trustees report each year. The first filing is not due until after the first full financial year after registration – eg if your charity registration date was 27 January 2016 and your accounts year end was 31 March, the first full financial year after registration would be the year ended 31 March 2017 and the annual monitoring return, accounts and trustees report for the year ended 31 March 2017 would have to be filed within 10 months of the year end – ie by 31 January 2018. But if your charity registration date was 17 May 2016 and your accounts year end was 31 March, the first full financial year after registration would be the year ended 31 March 2018 and the annual monitoring return, accounts and trustees report for the year ended 31 March 2018 would have to be filed within 10 months of the year end – ie by 31 January 2019. CCNI will send a reminder when filing is due.

The first part of the annual monitoring return shows the details CCNI have already have for the drey – you just need to confirm them or change them. Then there are a few details to enter from your accounts, and a report on drey activities. If you have prepared your Trustee Annual report to show the same details, you can copy and paste into this section. You then attach a pdf copy of your accounts and the Trustees report.

6 Giftaid

Now that you have registered with the Charity Commission, you can reclaim Giftaid annually on subs provided you have first obtained a written declaration from each payer that they are happy for you do this and that they are a UK taxpayer. Appendix 1 is an example of a giftaid declaration. As HMRC do audit giftaid

claimants occasionally you will have to keep financial records of all income for at least 6 years after each claim – but this is good practice and you should be keeping all your financial records anyway.

First you must register your drey with HMRC. You will require a Government Gateway account. Go to:

<https://www.gov.uk/charity-recognition-hmrc>

There is a link to obtain a government gateway account. You will be able to set up your own password and HMRC will provide you with a user id number. Then on the same website as above, there is a link to register for giftaid. You will require:

The drey bank account details and last set of accounts

Details of 3 officials (probably trustees so you will have most of the details required on the trustee forms they completed for CCNI.) You also need their national insurance numbers.

The drey charity number

The drey purposes (as you completed on charity registration application)

A copy of the drey constitution

Some of these documents have to be sent to HMRC by post – follow the instructions on the website.

Once registered you can reclaim giftaid (25% of eligible subs) annually – again an online process – to boost drey funds.

Attached is an example of a manual cash book and an income and expenditure account. All dreys will be different so the headings you need to include in your accounts will be different. If you would like an example of a spreadsheet feeding through to accounts, please email me and I will send you one.

If you have any queries, please let me know and I will try to answer.

Marjorie Guiler

Treasurer

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