

CLUB AND SOCIETY ACCOUNTS

The Club/Society must determine who is authorised to spend money on behalf of the club and what they may spend it on. This is usually done by preparing a budget for income and expenditure which must, anyway, be submitted to the CCRFC if a request for CCRFC funding is made in the allocations round, which takes place in March/April for the following year.

The financial year for the College and CCRFC funding is July – June, so Clubs/Societies should operate their accounts to match this.

It is most likely that the society's financial systems are simply enough for its officers to operate a manual accounting system, recording income and expenditure on a simple spreadsheet. More complex societies should seek advice from the College Finance Manager.

There are some financial procedures which the society **must** operate to be legally compliant. These are:

- a) Society funds must only be used for purposes consistent with its purposes, aims and objectives outlined in its constitution.
- b) Any bank accounts must be in the (full) name of the society, as noted in its constitution.¹ The College is able to set up an internal banking arrangement for clubs and societies. Please contact the Finance Department for further information
- c) Cash and chequebooks (or online banking apparatus) must be held securely.
- d) Cash and cheques received must be banked promptly.
- e) The society must designate authorised persons to manage the bank accounts (in its constitution), and provide signatures to the bank. It **must** keep these up to date. It is important to have the College Finance Manager as an additional signatory for continuity especially during vacations and committee handovers.
- f) The society must keep a register of its other assets (e.g. equipment) along with an estimated value of each item.
- g) Annual accounts should be prepared (see below) and stored for seven years. This means a review of all income and expenditure, with a reconciliation of all purchases against the aims and objectives of the society.
- h) Annual accounts must be reviewed (audited) by an independent person and presented to the Finance Manager if a grant from the College is being applied for.

While not required, a number of other practices are recommended. The Junior Treasurer or responsible officer should:

1.
 - i. When you pay monies into a bank (or make withdrawals), you should record the dates independently, either on a spreadsheet or a "receipts and payments" book. For cheques, you should also record the cheque number.
 - ii. You may wish to consider a separate register of membership fees and subscriptions, recording alongside it the category of membership and the date of expiry of the membership fee. Start with a new list every (financial) year.
 - iii. You shouldn't mix income and expenditure (i.e. keep cash in and cash out separate).
 - iv. It often helps to keep a petty cash float for very minor purchases. Set a reasonably small amount that gets topped up to that level on a fixed date each month. Keep a "petty cash" book to record monies removed, and store receipts.

¹ If you are setting up a new club or society (or setting up a new bank account), you are strongly advised to consult the College Finance Office, which will be able to help you identify the most appropriate banking facility for your purposes. The Club/Society should have its own account if it is handling more than about £300 in turnover each year.

- v. Otherwise, major payments and expenditure should be made by cheque or bank transfer (for a more transparent record). You should consider only making such payments in response to a formal invoice from the recipient (and record the invoice number against the payment when it is made).
 - vi. Proper records of any other assets held by the society should be kept via an asset register. This should make clear the purchase details and date and expected lifecycle. Purchases of assets (e.g. computers, equipment) that will last for longer than a year may be spread over the lifetime of the equipment.
2. In preparing annual accounts, the Junior Treasurer should:
- i. reconcile any record of income and expenditure against the bank statements;
 - ii. ensure that all petty cash is accounted for by receipts and check the cash in hand corresponds to the petty cash book balance;
 - iii. review the asset register and ensure it is correct and up-to-date;
 - iv. set aside any financial transactions that actually apply to other years, making a careful note of these;
 - v. complete a set of annual accounts: a template is attached;
 - vi. have the completed accounts checked (audited) by someone else (often a senior member of the College, or two other members of the society).

Preparation and form of Annual Accounts

Ideally the accounts should be prepared at the end of the academic year (ie the end of Easter Term, particularly if the Junior Treasurer is a finalist.

The Accounts need to be presented as an income and expenditure statement and Balance sheet. A dummy set of accounts for a mythical club, the Judo Club, is attached as an example.

The income and expenditure statement should summarise under useful headings the different types of income (eg. CCRFC grant, members' contributions, sale of surplus equipment) and expenditure and give the net income or expenditure at the end of the year by taking one from the other.

The balance sheet should state the balance brought forward at 1 July from the previous year (split into location – cash and bank). Any net income from the current year's activity (from the I & E account) is added back in, plus debtors (those who owe the club/society money) and then the creditors (to whom the club/society owes money) are deducted to give the closing balance at 30 June of that year. This should be able to be reconciled to the bank account statement.

There remains a duty to get the money out of debtors and pay creditors! If debtors do not pay up, consult the accounts department about recovery of the money from them. If it is impossible you will have to write off the debt on the balance sheet in a subsequent year – but the club/society must decide to do this and minute it.

Signing off the Accounts

The Senior Treasurer is tasked by the College with signing off club or society accounts.

The accounts should be presented to the Senior Treasurer as soon as possible after 30 June, together with the supporting evidence:

- The cash book (or spreadsheet printed out)
- Bank statements
- Receipts/invoices

The Senior Treasurer should sign the I & E Account and Balance sheet only after they have satisfied themselves that :

- 1) that the statements in the I & E account are true – by taking a small number of areas of income and expenditure and verifying that they are accurate – by checking against the cash book, bank statements and receipts/invoices.
- 2) That the opening and closing balances reflect what is in the bank statements.
- 3) That proper records are being kept
- 4) That any CCRFC funds have not been spent on inappropriate things (ie. against CCRFC regulations – usually food and drink when not incidental to the main activity).
- 5) That expenditure is in line with the budget proposed to the CCRFC and if not, the reason for this.

Accounts are to be presented to the College Finance Manager at least once a year.

As the society is a separate legal entity to the College, for VAT purposes, they are not covered by the College's VAT registration. The society is treated as a separate business for VAT purposes.

November 2019

CHURCHILL COLLEGE JUDO CLUB

Accounts – 20XX-

Income

£

CCRFC Allocation	500
Sponsorship	150
Members' Payment for kit	250
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	900

Expenditure

Hire of sports hall	450
Cuppers entry fees	150
Purchase of kit	350
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	950

Surplus/(deficit) £(50)

Balance sheet

Opening balance in account: at 1 July 20XX	£120	(checked against bank account)
Movement in funds	£(50)	
Closing balance in account at 30 June 20XX	£70	(checked against bank account)