

Finance policy

1. Purpose

This policy will provide financial guidance to its members and will support The Trefoil Guild by ensuring that financial matters are undertaken in the best interests of the charity and are compliant with its statutory and legal duties.

2. Scope

This policy applies to all trustees, members of its sub-committees and any member who has financial responsibility or accountability within Trefoil.

This policy excludes the processing of wages and salaries which is subcontracted to Girlguiding.

3. Management of finances

3.1 Administration

Each level or guild should appoint a treasurer in line with the requirements as laid out in the constitution and Trefoil handbook.

All documents must be kept in line with the Trefoil data retention policy and the managing information policy, both of which can be found on the Trefoil website.

Country, region and county treasurers must notify their bank account details and details of their signatories to the Trefoil office to facilitate the payment of the annual subscription.

3.2 All accounts

All accounts and related documents should be maintained in line with the data retention policy. Accounts must record:

- All monies received.
- All monies paid out, ensuring that any expenditure is properly authorised, and can be demonstrated with invoices, contracts, or appropriate audit trail.
- Bank mandates, statements, and other related documentation.
- Clear separation and management of restricted and designated funds. Restricted funds have a specific purpose and only allow money to be used for that one cause. Designated funds should be used for the designated purpose, but any surplus can be returned to general funds.
- Any monies raised because of fundraising should be recorded separately and those funds should be used for the purpose raised.

3.3 Annual accounts

A statement of accounts must be prepared annually and be approved by the board of trustees, relevant executive committee, or guild. They should then be

either audited if appropriate or independently examined within ten months of the year end. Following auditing or examination the accounts should be communicated to members.

The Trefoil accounting year runs from the 1 January to the 31 December.

The board of trustees, executive committee or guild must appoint an auditor or independent examiner to review the accounts.

The national treasurer has a responsibility to check that countries and regions have verified statements of accounts. The treasurers at country and region level check that county statements are complete and verified, and county treasurers check that Guild accounts are completed and verified.

3.4 Payments and expenses

Members incurring personal costs relating to Trefoil business, such as travel costs to a meeting, should be reimbursed on the presentation of a properly evidenced and authorised expense claim.

No member should commit to any purchase or personal expense unless approved and within the budget / funds available.

If possible, all payments should be through the banking process however it is acknowledged by Trefoil that that may not be possible in all instances. In all cases the following process should be followed:

- The country, region, county or guild to ensure that they have the funds to fully cover the amount to be expended.
- That a person is designated to make the purchase or payment on Trefoil's behalf.
- The spend is authorised in advance by the normal signatories and a written record of the authorisation is kept with the accounts.
- The spend is backed up with an invoice, a receipt or appropriate paperwork to prove payment and ensure an audit trail is maintained.

3.5 Other financial commitments

The Trefoil Guild does not accept any liability for any financial commitment unless properly authorised. Any orders placed or undertakings given must be authorised and noted.

3.6 Budgets

National Trefoil, guilds, counties, country and regional executives should have a budget to enable planning and to ensure that there are enough funds to cover all planned costs. The budget should include details of any likely income, typically through subscriptions and any expected costs, such as, meeting expenses, activities, and events. Budgetary risks should be considered when drawing up the budget such as changes in membership numbers or

inflationary impact. If funds are committed, then you must ensure that the income is there to cover it.

3.7 Gift Aid

Gift Aid can be claimed on members' subscriptions and on donations received, depending on HMRC (Her Majesty's Revenue and Customs) rules. You will also need the person giving the money to sign a Gift Aid Declaration which must be retained for the period that the member is within that guild. Note that claiming Gift Aid is appropriate only where the member paying the subscription also pays income tax – it is the members responsibility to notify the guild when Gift Aid cannot be claimed.

4. Banking principles

It is a requirement that guilds at all levels have a bank account keeping "cash in hand" outside the account to a minimum.

- The Trefoil Guild does not stipulate which bank to be used however the bank used must be covered by the Financial Services Compensation Scheme.
- The account must be in the guild's name and must be unique to that guild, that is, no joint guild accounts shall be set up.
- The bank mandate which lists those who can access and sign cheques on their behalf, will be approved and minuted, as will any changes to it.
- There shall be at least three signatories and each transaction must be authorised by at least two of these signatories – whether on cheques, mandates, or electronic banking.
 - Signatories should not be related to or in a relationship with any of the other signatories.
 - Signatories should be Trefoil members
 - At the time of writing signatories do not require a criminal record check, for example, DBS (Disclosure Barring Service), but will follow the banking verifications to become a signatory.
- A cheque should not be signed by the person to whom it is payable unless unavoidable.
- Cheques should not be signed in advance, that is, no-one must sign cheques without a payee or without the appropriate documentation
- Any expenditure should be managed in line with the funds available and the level or guild budget, and that expenditure should be approved in advance of the purchase

4.1 Bank charges

Many banks now charge for the use of their services although there are several high street banks that continue to provide a free service. Any charges are a

justifiable expense and country, region, counties and guilds should ensure that funds are available to cover any charges incurred.

4.2 Debit cards

Debit card users must be signatories for the Trefoil bank account the card is linked to. Cards may be used with an online account or a cheque account. Each authorised user will have their own personal security details.

Signatories should:

- Keep the debit card safe and secure.
- Work to a pre-agreed limit on the amount that can be spent on the debit card.
- Make sure that any spend is within the agreed budget.
- Ensure that any spend is authorised in advance by the other signatories and keep a written record of the authorisation with the accounts.
- Make sure that the spend is backed up with an invoice, a receipt or appropriate paperwork to prove payment and ensure an audit trail is maintained.

To prevent the card being used inappropriately or in error signatories must not:

- Share the debit card, PIN, or personal security details with anyone else including other Trefoil members.
- Use their debit card to make personal purchases or for cash back at a store.
- Store their debit card on their mobile device, such as through Apple Pay or Google Pay.
- Save their card details on any websites, or in their browser. Always use the option to checkout as a guest when paying online if possible.

If your debit card is lost or stolen, contact your bank as soon as possible by phone or through their mobile app, so that the card can be cancelled, and a replacement sent to you. Inform the other signatories on the account and anyone else involved in finances for your guild.

4.3 Credit cards

Credit cards are not allowed unless you have a national role. They are restricted in use.

5. Investments

The Trefoil Guild allows for the investment of funds to generate income for the charity, using for example a deposit account, charity investment account or through an investment portfolio.

Investments are normally only carried out at national, country or region level and must be aligned to the values and ethos within The Trefoil Guild constitution. If investments are considered then you need to ensure that there are the skills and expertise necessary to do so or, you need to take advice from someone who does. That advice needs to be impartial and can be obtained from an investment manager although the trustees are still legally responsible for any investment decisions made.

6. Reserves

At all levels Trefoil need to keep a degree of financial reserves to ensure that they can cover any unforeseen emergency or unexpected need for funds. Reserves need to cover any planned commitments that cannot be met by future income alone as well as covering for short-term cash deficits, for example, for events such as an annual gathering or planned excursion where money often needs to be paid out ahead of members payments being received.

At national level reserves also need to cover any unforeseen operational costs, for example, employing temporary staff to cover for sickness absence or parental leave or to underwrite national events.

The Trefoil Guild does not have properties to manage or maintain at present, therefore the reserves should be limited to the risks as laid out above. For most the reserves will simply be a small contingency fund to meet unforeseen costs.

At national, country, region and county level reserves need to cover unforeseen emergency costs, unexpected operational costs as well as underwrite any events. Events are frequently planned 2-3 years in advance and therefore reserves need to cover these and any unexpected changes to those plans.

In many instances, countries, regions, counties and guilds hold higher reserves than required to cover their financial risk however in recent years planning reserve requirements has been compounded by the COVID pandemic and latterly the War in Ukraine together with unprecedented rising inflation. This has led to uncertainty about actual running cost levels and greater financial risks in holding events.

In recognition of these issues, The Trefoil Guild recommends that all levels should aim for a reserve level which accounts between 1-2 years running costs with a contingency for emergency or unforeseen costs. Any level which is holding funds for a specific event such as a holiday should consider showing these funds as designated. Designated funds are outside the reserve recommendation.

Trustees and members of Trefoil have a general legal duty to spend income within a reasonable time of receipt. Funds may be spent to fund its charitable

activities or meeting its day-to-day running costs. If any level has reserves equating to more than the two years requirements, then they should agree to spend the surplus funds in accordance with the aims of The Trefoil Guild constitution.

7. Dissolution or closure of guilds

In the event of the closure of a country, region, county or guild, the following process should be followed in respect to funds and assets:

- All debts and liabilities must be cleared, including
 - Any unspent grants received which should be checked with the Grantmaker as to the process required on closure.
 - Any monies raised in fundraising not yet handed over should be issued to the relevant charity it was raised for.
- Any financial accounts, for example, with the bank or building society should be closed.
- The accounts must be complete and verified.
- Any remaining funds and assets together with all related documents, including cash books, invoices, receipts, and accounts (see the Trefoil data retention policy) to be transferred to the next level in Trefoil, namely guilds will transfer to their county, counties will transfer to their country or region and country or regions will transfer to national Trefoil. It is important to note that charity trustees or executives remain responsible for the decisions they made whilst in office.
- Any restricted funds transferred should be accompanied by the details of the original donation and must remain restricted on transfer.

Funds transferred unless noted as restricted (see above) will go into general funds to be used for the purpose of The Trefoil Guild and its charitable purposes.

There is no requirement for the monies to be returned if the guild, county, country or region reopens a later date or where members transfer to another local Guild. It will remain a local decision as to whether financial support would be provided, grants given, or money moved to support that re-opening or movement of members.

In the event of the dissolution of the national Trefoil Guild the above process will be followed but in accordance with The Trefoil Guild constitution any remaining funds or assets would be transferred to Girlguiding.

8. Monitoring

This policy is approved by the board of trustees and compliance will be monitored by the finance and general purposes committee.

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