

Voluntary Management Committee Handbook

Introduction

Many groups and organisations offering childcare are run by Voluntary Management Committees. The majority of committee members, that are ultimately responsible for the management and leadership of the organisation concerned, are parents driven by their own need for sustainable, quality childcare who become involved often without knowing exactly what their roles and responsibilities will involve.

The value of the work undertaken by Voluntary Management Committees is crucial and many committees survive on their member's commitment and goodwill, proving to be resourceful and often extremely successful. However, to work effectively they need access to information, advice and support in areas such as training, fundraising, management and legal obligations. Whilst there is a lot of support and resources available to support management committees, it is not always easily accessible or in one place.

Being part of a voluntary management committee can be both enjoyable and rewarding, offering individuals the opportunity to develop new skills in areas such as management, marketing, fundraising and recruitment. It can assist them to return to paid employment or full-time education.

This Guide aims to help new members, and those who are unfamiliar with the childcare sector, to understand the context in which management committees operate, and signpost organisations and resources that may assist you.

Contents

1) What is Management?.....	3
a) Who are the Management Committee?.....	3
b) Organisational Structures	3
c) Posts on the Committee	4
d) Essential responsibilities of the Committee	5
e) Liability of the Committee members	5
2) Why should you register as a charity?	6
a) Charitable incorporated organisations	6
3) Guide to holding meetings.....	7
a) The Constitution.....	7
b) The Agenda	8
c) The purpose of meetings	8
4) What is an Annual General Meeting?	8
5) Ensuring the Committee works well.....	9
6) What does a Chairperson do?.....	12
7) What does a Treasurer do?.....	13
8) What does a Secretary do?	17
9) Template of an agenda for an Annual General Meeting	18
a) What happens at an Annual General Meeting	18
10) Template nominations form for an Annual General Meeting	19
11) Template minutes for an Annual General Meeting	19
a) What the minutes should record.....	20
12) Template agenda for a Management Committee Meeting.....	20
a) What happens at a Management Committee Meeting.....	21
13) Template Treasurer's Report	21
14) Glossary.....	22
15) Contacts	24

1) What is Management?

Management is seen as something people can only do if they are highly trained, super intelligent or extremely efficient.

In fact, anyone who can get three children dressed, breakfasted, washed and off to school and get to work on time is a superb manager. Anyone who can plan and produce a dinner for 12 can manage complex administration and task functions. Anyone who can survive on income support is an excellent financial manager. People only need the confidence to transfer these skills to other situations.

Management can be defined as ensuring an organisation makes the most effective and efficient use of resources in order to achieve agreed objectives.

Good management should include:

- A shared vision: a clear understanding of why the organisation exists and its overall aims or long term objectives;
- Shorter term objectives which are clear and shared;
- A good understanding of the resources available (people, money, premises, equipment);
- An ability and willingness to plan, organise and coordinate the use of these resources to meet the objectives;
- Clarity about how the organisation will know when it has met its objectives;
- An ability and willingness to set or abide by and monitor expectations and standards;
- Flexibility to change plans or objectives when circumstances change.

In order to manage, then everyone involved in the organisation should be clear about:

- Who has responsibility for making decisions or taking action;
- The information required for effective and efficient decision making or action;
- Who deals with situations if things go wrong.

Management is sometimes confused with administration. But management involves making broad decisions and ensuring appropriate systems and procedures are set up to implement those decisions while administration involves the day-to-day work of running the systems.

Management without administration is ineffective because managers will not have the information needed to make good decisions.

a) Who are the Management Committee?

Most voluntary organisations will be run by a committee. A management committee can have different titles depending upon their chosen legal structure, such as;

- Committee
- Executive committee
- Management committee
- Board of Directors
- Board of Trustees

b) Organisational Structures

There are a number of different legal structures that can be adopted by voluntary organisations and each will define the governing document setting out what the organisation sets out to achieve.

For example:

Legal Structure

Governing Document

Unincorporated Association	Constitution
Charity	Declaration of Trust, or Trust Deed
Charitable Incorporated Organisation	Constitution
Company Limited by Guarantee	Memorandum and Articles of Association
Industrial and Provident Society (Co-operative)	Rules

It is possible to have an Unincorporated Association and a Company Limited by Guarantee as a Registered Charity in addition to a Trust as a Registered Charity.

Whatever the name used, the Committee is a voluntary group of people with the key role of ensuring that the organisation fulfils all its legal obligations and operates efficiently and according to its governing document. A successful organisation will have a strong committee that ensures it plans for the future by developing a business plan to meet its aims and objectives.

A voluntary management committee can be of various sizes. It needs to have enough members to be representative and perform the necessary tasks but not so large that it becomes unwieldy. The number of members of the management committee partly depends on the size of the organisation but generally to work effectively it should be no more than 12.

c) Posts on the Committee

The following 3 officers are essential for any committee:

- The Chair
- The Treasurer
- The Secretary

The Chair, Treasurer and Secretary have many responsibilities to the organisation and are expected to undertake certain duties. Therefore, they are referred to individually within this handbook.

If the organisation is a company limited by guarantee it must have a company secretary whose duties are defined in law. The secretary of an industrial and provident society also has defined duties. An organisation with a company secretary does not have to have an elected secretary as well, but can do. The division of responsibilities between company secretary, minutes secretary, correspondence secretary and staff must be clear.

Other posts can be added to suit individual committees, subject to their provision within the organisation's constitution.

For example:

- Minutes Secretary
- Waiting List Secretary
- Fundraising Officer
- Newsletter Editor
- Equipment Officer

It is very important that all the work of the committee isn't left up to the officers, but instead, that the workload is shared out amongst all the committee.

The most successful and harmonious committees are those where everybody contributes to the running of the organisation, and all committee members should be given the opportunity to utilise their talents and develop their skills.

Everybody needs to be very clear as to what their role is and what they are expected to do.

Partners, committee members, directors or members of the governing bodies involved in a childcare setting require a Disclosure and Barring Service check (used to be called a CRB check).

d) Essential responsibilities of the Committee

The responsibilities of the management committee can be divided into the following 10 main areas;

- Constitutional objects and powers - ensuring the organisation is clear in its purpose and direction and operates within its powers according to its governing document. Long-term and short-term strategic planning, normally in the form of a business plan is recommended.
- Procedures and accountability - ensuring the organisation carries out its business and all decisions are taken in line with its purpose and according to its constitution or governing document, the law and good practise.
- Legal obligations and undertakings - ensuring the organisation meets statutory and common law obligations and any legal undertakings the organisation chooses to enter into. Organisations providing registered childcare have a specific responsibility to meet any relevant Government legislation related to the delivery of childcare and early and provide a quality childcare service.
- Financial responsibility and accountability - ensuring the organisation has enough money to carry out its work, meet its financial obligations and accounts for all its financial transactions (ensuring proper records are kept and money is spent in the correct way).
- Employment and volunteers - ensuring the organisation has appropriate and effective recruitment and employment procedures;
- Equal opportunities - ensuring the organisation complies with equal opportunities legislation;
- Premises and health and safety - ensuring the organisation properly and legally manages the use, safety and security of premises.
- Insurances and safeguarding assets - ensuring assets are safeguarded and used appropriately and efficiently and that the organisation takes out and pays for all insurances.
- Legal and charitable status - ensuring the organisation meets its obligations as a company limited by guarantee, an industrial and provident society and / or a registered charity and the committee is representative and functions effectively.
- Everything else! - such as, conditions imposed by funders or requirements imposed by a general meeting of the members.

Voluntary management committees may consider taking up training for their roles

e) Liability of the Committee members

In many voluntary managed childcare providers there is minimal risk but all voluntary organisations will want to ensure that members and committee members do not become personally liable for losses in any way.

It is important to understand the following ways in which committee members can become personally liable:

- For breach of trust if the organisation is a charity
- For negligence to service users, staff, or anyone else
- For breach of statutory duties in carrying out the organisation's activities
- Under contracts entered into by the organisation

It is important to remember that:

- Each individual committee member does not have to do all these things, but they do have to ensure, individually and as a group, that someone does them and reports back at appropriate times to the committee.
- Committee members should feel comfortable to ask other committee members, managers or staff for necessary background information and for help in understanding the information.
- If information is presented in a way committee members don't understand, they should ask for it to be explained and for it to be simplified next time.
- A good organisation will provide books (see References section) for its committee members to use.
- A good organisation will provide or support the training of its committee members.

2) Why should you register as a charity?

While groups are choosing the legal structure most appropriate to their childcare project, they should also consider whether or not their organisation should become a charity.

Generally, if your annual income exceeds £5,000 and you have charitable objectives then you are legally obliged to apply to the Charity Commission for charitable status.

To be a charity an organisation must have exclusively charitable purposes (its objects or aims, which are usually stated in its constitution). There are 13 Charitable Purposes, as defined by the Charity Commission. The key purposes may that apply to your organisation may be;

- The prevention or relief of poverty
- The advancement of education

Advantages of registering as a Charity. There are a number of benefits in obtaining charitable status which are broadly summarised as:

- Exemption from most forms of direct taxation.
- Providing a framework for running the organisation.
- Eligibility for help, especially financial, from other charities.
- A good public image and credibility when fund raising.

Disadvantages of registering as a Charity. There are some disadvantages in obtaining charitable status which are broadly summarised as:

- Must submit accounts and annual report to the Charity Commission and comply with other obligations under charity law.
- The Charity Commissioners in England and Wales have controlling powers.
- Committee members cannot normally be paid.
- There are restrictions on the alteration of objects (within your constitution) and on dissolution.

a) Charitable incorporated organisations

A Charitable Incorporated Organisation (CIO) is a new form of legal entity designed for non-profit organisations in the United Kingdom. It became available to charities in England and Wales in March 2013. It has a legal personality and can limit the liability of members and reduce bureaucracy.

Advantages of Becoming a Charitable Incorporated Organisation (CIO)

There are a number of benefits in becoming a CIO which are broadly summarised as:

- Like companies, CIOs have a separate legal identity – this means that a CIO is treated legally as a person and can enter into contracts, employ employees and hold land and other assets in its own name. By contrast, trusts / unincorporated associations do not have a legal identity and accordingly contracts must be entered into and assets held by the individual trustees on behalf of the trust / association.
- Limited liability for the CIO's members and trustees – because a CIO has a separate legal identity, the personal liability of its members and trustees for the obligations and debts of the CIO will, save in exceptional circumstances, be limited.
- Less administratively burdensome than companies – companies are obliged to register and comply with the requirements of both Companies House and the Charity Commission. CIOs only need to register and comply with the (less onerous) requirements of the Charity Commission.

Disadvantages of Becoming a Charitable Incorporated Organisation (CIO)

There are some disadvantages in becoming a CIO which are broadly summarised as:

- More administratively burdensome than an unincorporated charity – the Charity Commission imposes more obligations on a CIO than a trust / unincorporated association.
- Not suitable for charging property – a CIO cannot charge its property. Therefore, if a charity wishes to mortgage or charges its assets, a company structure should be used.
- Public filings – all CIOs (regardless of their size) will be required to file accounts with the Charity Commission, which will be publicly available via the Charity Commission's website.

3) Guide to holding meetings

Well run meetings are essential if business is to be dealt with fairly, efficiently, within time boundaries and in accordance with the organisation's constitution. Every committee member should be familiar with the constitution.

a) The Constitution

A constitution is the legal document that sets out the rules for governing an organisation. Some rules are determined by the organisation's legal structure and whether it wishes to be legally charitable; others will depend on how it wants to manage its own affairs.

The constitution should include clauses stating how many people should serve on the committee and how long someone remains in office once elected.

Also, the constitution or attached standing orders should state:

- How often the committee should meet.
- Who is responsible for calling meetings - this is usually the Secretary.
- The length of notice that must be given.
- That the notice of a meeting must include the venue, date and time, together with the agenda.
- Voting procedures.
- The quorum, and the procedures for an inquorate meeting.

In order to take binding decisions or agree policy, a voluntary management committee meeting must be quorate. This dictates the minimum number of committee members

including any officers necessary at a meeting. The number or proportion of the Committee required to make a meeting quorate is set down in the Constitution or at an annual general meeting. A quorum should ideally be over half and up to two-thirds of the full management committee. If a quorum is not present then binding decisions cannot be taken. In the event of an equal split on a decision the convener's / Chairs vote decides. Some constitutions describe the content of agendas and conduct of meetings.

If not set out in the constitution, issues which need to be clear before any meeting are:

- Who is taking minutes.
- Whether a sub-committee has delegated powers to make required decisions.
- Whether the chair has casting vote in the case of a tie.

b) The Agenda

An agenda lets everyone know what is going to be covered at a meeting. If the agenda is distributed in advance, then people have a chance to prepare for the meeting and think about any questions they might like to ask. Having an agenda requires everyone, not just the person chairing the meeting to be responsible for getting through all the business.

Sample Annual General Meeting & committee meeting agendas accompany this guide.

c) The purpose of meetings

There are broadly six reasons for having meetings:

Information:	To share information about what has happened or what is going to happen.
Consultation:	To get members' views or proposals about what should happen, but without the meeting having power to make a decision.
Business:	To discuss what the group should do and / decision making how it should be done, and make decisions on the basis of those discussions.
Legal:	To carry out business which must legally (according to legislation or the organisation's constitution) be transacted.
Social / Support:	To be with friends, share an interest or support each other
Education:	To learn about a topic of relevance to the group, for example by having a speaker, video or discussion.

4) What is an Annual General Meeting?

The aim of an AGM is to provide the committee members and / or officers the opportunity to report upon their management of the group to the members.

It also provides the members of the group with an opportunity to ask questions before voting on business items on the agenda.

When Do You Have An Annual General Meeting? An AGM is usually held once a year and members can attend and vote, although the organisation's constitution will state when it

should be held and determine some of the content of the meeting. However, any additional items of business may be included if appropriate.

Unless the governing document states otherwise, the notice of the AGM will need to be sent to all the members and interested parties with the relevant documents at least 21 days prior to the date of the meeting.

- The notice calling the AGM should set out:
- The date and time of the meeting.
- The venue.
- The detail of the business to be considered.
- An invitation for proposals for resolutions.
- Requests for nominations (or the names of proposed nominees) for officers to be elected.

The constitution or governing document will usually state who can attend and voting rights at an AGM. To help the AGM to run smoothly it is recommended that the following good practice is adopted:

- All members and officers attend the AGM.
- Officers are seated facing the members.
- The Chairperson does not propose her or his own election or re-election.
- Officers do not propose, second or advocate a resolution in which they have an interest.
- The Chair allows sufficient time for questions during the meeting.
- The Chair explains the effect and purpose of each resolution before putting it to a vote.
- The Chair allows an opportunity for the proposer of any resolution to address the meeting.

Minutes of the AGM should be available upon request.

Sample template for minutes of meetings accompanies this guide.

5) Ensuring the Committee works well

All the committee should play an active role in the running of the organisation. However, very often the 'committee' degenerates into just a handful of people who do all of the work.

It is important that every committee member is given the opportunity to participate. However, genuine participation can only be achieved if all members (especially new ones) understand:

- Why a committee is necessary.
- What the committee's responsibilities are.
- How each member can contribute.
- The purpose of meetings and how they are conducted.

This is not fair on the few, neither is it good for the morale of the group.

What Is Going Wrong?

Accessibility

Are meetings held at times and places and with sufficient notice to be convenient to most members?

Preparation	Are minutes and agenda circulated in advance to give members a chance to prepare and consider issues?
Frequency	Are meetings held too often so as to impinge on member's other commitments, or are there so few that members lose interest altogether?
Duration	Are meetings too long, or equally, so short that business is never completed with important decisions not being made?
Execution of Business	Is the agenda kept to, or is it sometime not completed because discussions go off at a tangent and do those agreeing to undertake actions actually carry them out?
Democracy	Is everybody consulted when an issue needs to be discussed, and are all members given the opportunity to put their point of view across? If a vote needs to be taken do all members understand the issue in hand, and do they have enough information to make an informed decision? Are decisions repeatedly made by only a few members outside of committee meetings, and without the general committee's knowledge or consent?

Introduction of New Members

Are new members encouraged to join the committee and are they made to feel welcome? Are meetings so cliquey that new members feel uncomfortable? Do they understand how meetings are run and what's involved? Are they given the opportunity to contribute to meetings and make use of their own skills and experience? Are they briefed on issues about which other members are clearly knowledgeable?

How Can We Improve?

In order to work towards an efficient management representation, the following measures may be considered:

- A balanced committee should include membership that reflects the community it represents.
- The organisation's equal opportunities policy should also apply to the procedures for nominating and then supporting its management board members.
- The organisation should make use of the power to co-opt additional members where there is a skills deficit within the immediate community group.

Mentoring

This is a paired working approach which can include the following models;

- Building in a hand-over training period to all of the key posts, where the past officers works with the new incumbent to ensure that they are fully able to fulfil their new role with confidence and knowledge.
- Identifying skilled volunteers from other community ventures who can spend time working with new managers, attend meetings etc.
- Organising 'time in' with a paired organisation that offers a similar service.

Sub Groups

Sub-groups can have special responsibility for specific areas of work such as publicity and marketing, fundraising and finance, staffing etc.

The sub-group may include two or three of the full committee members and offer the chance to bring in additional support from volunteers – which may also include co-opted members. The sub-group will make recommendations with the final decision / approval to be made at full committee level.

Even where small childcare management groups are concerned it is possible to operate one or two sub-groups; this approach can offer the following benefits:

- Ensures that the main management meetings are focused and make best use of the allocated time.
- Ensures that managers are not over stretched by the expectation that they attend to every detail of managing the organisation.
- Provides the opportunity to bring in additional volunteers for specific areas of work e.g. special events planning, parent liaison, without intimidating or over-stretching them.
- Provides new volunteers with the chance of obtaining new skills and assessing their personal potential to become full board members in the future.
- Offers additional scope to include community representation and support.

Every sub-committee and working group should have clear terms of reference.

Training & Skills Building

This is a vital component of management sustainability. Management training needs should preferably include the following key elements:

Induction training and introduction to 'Our Organisation's Book of Records' should include;

- The original purposes of the organisation and any major changes since its conception.
- When it was founded and its history.
- The constitution of the organisation.
- The governing structure of the organisation.
- The legal form / structure of the organisation.
- Annual reports and returns.
- All policy documents.
- List of names and addresses of staff and other members of the voluntary management committee.

Skills building training should include;

- Team building.
- Key management skills according to role e.g. Chairing meetings, fund management, premises management.

Skills update training should;

- Fit in with organisational needs as well as local strategic objectives.

This can also include accredited training routes, which will benefit participants in both the short and the long term.

Employing Staff or Contracting Out

Where it is allowed in the organisation's constitution or governing document, those voluntary childcare providers who can manage to find sufficient funds, can employ staff or contract-out to undertake certain duties, such as, payroll.

This will offer day-to-day support to the management committee who can then concentrate on the strategic objectives and legal obligations of running the provision. This approach can work particularly well in areas where the management committee lack certain skills, or where the committee are very busy.

Social Events

This is the added extra! If members only meet in the context of meetings, the role of the board can become more onerous than it needs to be. The challenge of running a childcare business means that there is also a need to schedule team-building stress-busters in the diary of the committee. These can include family day trips or evenings out, perhaps with other families who use the setting.

These measures offer a significant potential to develop a sustainable management model in an area of work where continuity of skills and commitment can be a challenge.

6) What does a Chairperson do?

The role of a Chair is to lead the management committee, develop and maintain an effective working relationship between the committee and its staff, volunteers and members.

Chairing Meetings

Chairing meetings in a friendly yet business-like manner is a skilled task.

- The Chair must not only ensure that the meeting runs in accordance with the rules of the constitution or governing document, but must also make sure that business is dealt with efficiently and that decisions taken are well considered.
- Most importantly, the Chair must make sure that everybody has the chance to participate in both the discussions and the decision-making.

Representing the Group

- The Chair is generally viewed as the representative of the group, and so is usually the first person contacted if there are any problems. The Chair must ensure that all problems and complaints are resolved quickly, as smoothly and as fairly as possible. If unable to do this alone, then the Chair must seek advice from other committee members, or from outside the group.
- The Chair should be prepared to act as spokesperson for the group. This may entail speaking or writing on the members' behalf.
- The Chair should take an interest in all aspects of the group, and it is particularly important that the Chair is available to support staff and committee during times of inspection.
- The Chair will usually take a lead role in dealing with staffing issues. This could include invoking disciplinary and grievance procedures, organising staff reviews and helping with the appointment of new staff. The Chair should certainly ensure that all staff are fully supported in their work.
- In exceptional circumstances, the Chair may have to make emergency decisions on behalf of the group. This should only happen if there is genuinely not enough time to call an emergency meeting or if the matter cannot wait until the next committee meeting. If an emergency decision does have to be taken, then the Chair should consult with as many members as possible before taking any action. Afterwards, the Chair must report on his or her action at the next committee meeting or should call an emergency meeting to discuss the issue and ensure that everybody is kept up to date with proceedings.

7) What does a Treasurer do?

The Treasurer is the person specifically entrusted with the funds of the organisation. In most childcare organisations, paid staff will deal with much of the day-to-day financial business.

The tasks of the Treasurer for voluntary management committee meetings can include:

- Advising the committee on financial matters, both positive and negative.
- Controlling and accounting for the organisation's finances. Issuing receipts for all cash received and keeping records of cash paid out.
- Acting as a counter signatory to any major banking transaction.
- Attending meetings of the finance sub-committee (if there is one).
- Overseeing or undertaking the bookkeeping.
- Preparing the Treasurer's report for committee meetings and the annual general meeting.
- Liaising with the appointed Auditor or Independent Examiner on the annual accounts.
- Advising the organisation's management committee of its financial requirements for the year ahead.

Although the Treasurer is the person delegated to take responsibility for the finances, ultimately it is the whole management committee who has responsibility for the financial matters of the organisation, not just the Treasurer. However, it must always be remembered that the treasurer is accountable to the committee and must certainly never carry out any financial undertaking without their authorisation. So the Treasurer's role is to act as the go-between, between what is happening financially in the organisation and the committee. If a bad financial decision is made by the organisation, and debts are run up, it is the committee that is ultimately liable for those debts.

It follows from this that it is crucial that the Treasurer:

- Has a good grasp of the organisation's finances.
- Makes sure that all financial tasks that should be done are done, and
- Keeps the committee up to date with financial information.

Responsibilities of the Treasurer may include:

- Keeping a general overview of financial matters.
- Managing the income from fees and fundraising.
- Budgeting and financial planning.
- Reporting back to the committee or board, the Charities Commission and Companies, House as appropriate.
- Bookkeeping.
- Keeping a check on stock and assets.

Broadly the job of a Treasurer, whatever the size of the group, is as follows;

General Overview

This basically means knowing where the money is, how much money there is and how and by whom it could potentially be spent. The Treasurer needs to ensure that workers and committee members know enough about the organisation's finances to make decisions, and enough about the limit of their responsibilities, to be able to work effectively within those limits. The Treasurer's role may also include advising on contracts of employment where the committee employs staff.

In some small organisations the Treasurer may undertake day-to-day financial tasks, from working out the salaries each month, to paying fees into the bank, to producing reports for the committee.

However, in some organisations an individual may be employed to do some of the day-to-day work of entering transactions into the books, whilst the Treasurer takes responsibility for reporting to the committee, dealing with the auditor etc.

Income

The tasks may be split between the Treasurer, a committee subgroup and paid employees but broadly include fund raising, both in terms of liaising with funders and raising new money, and looking into ways of generating money such as events, special projects and increasing income from fees, as well as chasing overdue money from fees.

The Treasurer should support the committee in completing grant applications by giving financial advice and by providing necessary documentation such as interim accounts and audited accounts.

Financial Planning and Budgeting

The Treasurer's role includes the preparation of budgets and cash flows in consultation with the committee or with staff. These must then be presented to the board or committee for approval and once approved they should be stuck to as closely as possible. A close check needs to be kept on the actual income and expenditure so that changes and adjustments can be made where necessary and cash flow problems can be seen well in advance.

The budget is prepared annually and sets out what the group expects to receive and pay out for the year. A balanced budget means that income is the same as the expenditure – everything balances. If you expect to have money left over then this is a surplus and can be transferred as reserves into the budget for next year or into a reserves account. If there is going to be no money left and money will be owed then this is a deficit and you will need to find ways of paying it off.

Bookkeeping and Records

The Treasurer is generally a signatory on the bank account for the organisation and in order to change this the board or committee need to be notified. In order to set up a bank account you need a form of mandate from the bank and a copy of the group's constitution. The bank will want to know who can sign cheques and up to how much in value. It is good practise to ensure that for all payments require two signatories.

The Treasurer needs to ensure a check is kept on all cheques received and paid out, and all petty cash payments. Also, the Treasurer needs to ensure that money due to the organisation is collected, payments are made to staff when necessary and anyone else who makes payments needs to keep records and documentation.

Always issue receipts for money received and obtain receipts for money spent for your records. The records and receipts you keep will be used to draw up account reports. If your organisation is not a company but is a charity you are legally required to keep six years worth of historic financial records.

If you are a small organisation it is generally enough to keep two types of records:

- A Cashbook - recording all payments into and out of the bank (i.e. All cheques, standing orders, direct debits and cash). Analysing the cashbook is the most important financial record and the records should be regularly updated. You need to record what the money was for, for example if it was coming into the account from fundraising, a grant or fees. Remember that some money your organisation receives may be for specific projects and have to be accounted for separately to the funder. These restricted funds need to be analysed separately and you can refer to WYCAS Guide to Accounting for Restricted Funds.
- A Petty Cash Book - recording small cash payments, who made the payment, what for and a receipt. The most common method of dealing with small amounts of petty cash is to keep a float of say £50, which is topped up from the bank once the majority of the money has been spent. Remember to include petty cash in the organisation's account reports.

Bank Reconciliation

Bank statements should be checked with the cashbook as soon as they are received. However, recent credits and debits might not appear on the bank statement in which case the figures will differ from that in the cashbook. If the figures don't agree, then a bank reconciliation statement should be prepared which will itemise the credits and debits that appear in the cashbook but not on the bank statement.

Reporting

The Treasurer needs to be sure the board or committee is kept up to date with the organisation's finances so that it can make informed decisions. A summary of the accounts should be prepared for the committee as and when required, generally for every committee meeting, as well as presenting the accounts at the end of each year to the AGM.

The report should include;

- What has come in and what has been spent, and how much money is left in the account.
- How much money is owed by or owing to the organisation.
- How the figures presented compare with the budget and whether any potential problems have been identified, and how they might be overcome.

Sample Treasurer's Report accompanies this guide.

If the organisation has a financial crisis and no obvious way of solving it you need to seek advice immediately. Remember that if you are not incorporated (a company or CIO) then the members themselves could be held personally liable for the organisations debts.

Looking After Property and Stock

The Treasurer has responsibility for anything owned or supplied by the organisation and this includes overseeing stock checks and keeping a register of all equipment owned by the group.

It is essential that the organisation is sufficiently insured, and whilst the committee assumes overall responsibility for this, the Treasurer is usually responsible for reviewing the group's insurance needs on a regular basis to ensure adequate cover and paying the annual premium.

Independent Examination / Auditing the Accounts

Most organisations state in their constitution that the accounts must be audited or independently examined and presented to the AGM. Limited companies are legally required to circulate their accounts 21 days before the AGM and ideally those who are not incorporated should do the same so that members have the chance to spot any problems.

All accounts should be independently examined on an annual basis to reduce the risk of fraud. Also,

- Members can feel confident that the finances have been managed properly, honestly and in accordance with the constitution.
- Charities are often unable to apply for grants if their accounts have not been audited or independently examined.

It is the auditors' job to check that the money is spent in accordance with the constitution of the organisation, that all money coming in or out of the organisation has been recorded in its books and to check that the Treasurer has done their job according to the wishes of the organisation. Whether your accounts are audited or independently examined, you will need to supply the auditors with all the organisation's financial records, so make sure you get a list of exactly what they need, which may include some or all of the following:

- Copy of the organisation's constitution.
- List of all members for the year.
- Copy of previous years accounts.
- Budget for the year.
- Draft end of year accounts.
- Copies of all minutes authorising financial transactions.
- Cash Book and Petty Cash Book.
- Fees book (if a separate one is kept).
- Receipts and invoices.
- Used cheque book counterfoils and current cheque book.
- Bank paying in book.
- Bank statements.
- Bank reconciliation statements.
- Details of staff wages paid during the financial year.
- Copies of correspondence to and from the Inland Revenue.
- Rent Book.
- Grant application forms / terms and conditions of grants.

The responsibilities and actual tasks allocated to the Treasurer will vary from organisation to organisation, depending upon the size and type of the organisation, whether there is any paid staff with specific financial responsibilities, and for example if the organisation is a charity or a limited company.

So it follows from this that no one Treasurer's job will be the same; the important thing is to have a complete list of all the financial tasks that need doing in your organisation, and to be absolutely clear about who does what. There is a Checklist of Financial Tasks in The Role of the Treasurer Good Practice Guide No 9 available from WYCAS.

WYCAS currently have a number of Good Practice Guides available free of charge on their website www.wycas.org.uk. The current titles available are:

- Dealing with cash.
- Financial Procedures.

- How to do a bank reconciliation.
- Book-keeping.
- Insurance for Voluntary and Community Groups.
- QuickBooks (accounting package) – A starter guide.
- Why should your organisation register as a charity.
- Beginner's Start-up Guide to spreadsheets for Finance.
- The Role of the Treasurer.
- Getting ready for having your annual accounts checked.
- Gift Aid.
- Becoming a Company – the accounting requirements for small charitable companies.
- Reserves.
- Expenses.
- Restricted Fund Accounting.
- Sage Line 50.
- Cloud Computing & Accounting.
- Full Cost Recovery.
- Budgeting.
- Money Management.
- Financial Difficulties & Insolvency.
- VAT.

8) What does a Secretary do?

The role of the Secretary is to support the Chair by ensuring efficient and effective administration of the committee.

The tasks of the Secretary for voluntary management committee meetings can include;

- Convening meetings
- Booking rooms
- Dealing with correspondence
- Preparing agendas for meetings (in consultation with the Chair)
- Taking the minutes of meetings (although some committees may wish to appoint a minute secretary for this purpose)
- Ensuring that all necessary paperwork (i.e. copy of previous minutes and any other relevant papers / information where topics to be discussed require it) is available to all members prior to or at meetings.

Taking Minutes

The secretary should take minutes at all committee and general meetings, unless a minute secretary has been delegated for that task. Minutes are essential for both those who attend the meeting (to remind them of what happened and of any actions they may have to take) and for those who were absent. They provide the main record of a meeting and so must be sufficiently detailed to give a clear indication of what happened.

It is very important that:

- All decisions are recorded accurately.
- If action needs to be taken, then the name of the person who has agreed to undertake the action must also be recorded.
- If a motion is proposed, the name of the proposer and seconder must be recorded.
- The number of votes for and against any motion must also be recorded, where the motion isn't carried unanimously.

Dealing with Correspondence

The Secretary must make sure that all correspondence is dealt with appropriately, either by handing it on to the relevant person if it needs dealing with urgently, or bringing it to the attention of the committee at the next committee meeting.

The Secretary will also be required to write on behalf of the organisation, although sometimes the committee may decide that it is more appropriate for somebody else to write.

9) Template of an agenda for an Annual General Meeting

Name of Organisation	
Notice of the Annual General Meeting to be held at (time) on the (date) at (the venue)	
Agenda	
1)	Welcome and Apologies
2)	Minutes of the Last Meeting
3)	Matters Arising (not covered elsewhere on the agenda)
4)	Chair's Report (including a review of the groups governing document)
5)	Treasurer's Report
6)	Presentation of Examined Annual Accounts
7)	Reserves Policy
8)	Appointment of Auditors
9)	Staff Report
10)	Election of Officers and Committee Members
11)	Any Other Business

a) What happens at an Annual General Meeting

- 1) The Chair welcomes everybody and asks for apologies for absence.
- 2) Minutes of the last AGM are read. If there are any inaccuracies, these are recorded in both the official copy of the minutes and in the minutes of the present meeting. The Chair then signs the official minutes and a note is made in the present minutes to the effect of "the minutes of the previous AGM were accepted as a true record". Minutes of any Special General Meeting held since the last AGM are also read, and inaccuracies are recorded in the official and the present minutes. Acceptance of the minutes as a true record is recorded in the same way.
- 3) Any matters arising from the previous AGM minutes (that are not covered elsewhere on the agenda) are discussed if necessary, and members can ask questions.
- 4) The Chairperson presents the annual report by giving a brief description of the group's activities over the past year.
- 5) The manager, supervisor or co-ordinator may present a short report.
- 6) The Treasurer presents the examined annual accounts and gives a brief resume of the current financial position. Members may also take this opportunity to ask questions and to look at the accounts if they wish. Once the accounts are agreed, a statement should

be recorded in the minutes to the effect of “the accounts were formally accepted by the membership”. Level of reserves should also be discussed.

- 7) Special items are discussed, the nature of which should be clearly identified on the agenda.
- 8) The new management committee and its officers are elected. The constitution should set out the procedures for electing officers. In the case of committee members, some constitutions do not set out the details of election procedures, instead they allow the committee to make rules on how elections must be held.
- 9) Any other business not specified on the agenda, but of interest to the general membership can be discussed. However, no decisions can be taken under ‘any other business’.

10) Template nominations form for an Annual General Meeting

Name of Organisation				
Nominations Form for the Election of Officers and Members at the Annual General Meeting to be held at (time) on the (date) at (the venue)				
Nominations				
Unless there is a fixed term to posts, all posts are eligible for re-election.				
Post	Current Holder / Name of nominee	Willing to stand / Retiring	Proposer	Seconder

11) Template minutes for an Annual General Meeting

Name of Organisation			
Minutes of the Annual General Meeting held at (time) on the (date) at (the venue)			
Membership	Present	Apologies	Not attended
Name	✓		
Name	✓	✓	
Name	✓		
Name			✓
Welcome and Apologies			Actions (responsible person)

Minutes of the Last Meeting Matters Arising (not covered elsewhere on the agenda) Chair's Report (including a review of the groups governing document) Treasurer's Report Presentation of Examined Annual Accounts Reserves Policy Appointment of Auditors Staff Report Election of Officers and Committee Members Any Other Business	
--	--

a) What the minutes should record

The Minutes should record:

- 1) Date, Time ,Venue and Type of Meeting
- 2) Attendance -a list of all those present, including voting members (i.e. Committee members) and non-voting members (e.g. staff and invited guests).
- 3) Apologies for Absence -a list of those who have sent their apologies.
- 4) Minutes of the Last Meeting - any amendments to the previous minutes are recorded, after which they are agreed as correct. This is also recorded and could be minuted as follows:- "the minutes of the previous meeting were accepted as a true record".
- 5) Matters Arising - a brief account of any discussion.
- 6) Treasurer's Report -the Treasurer should always submit a written report. This can then be copied and attached to the final minutes. All the Secretary needs then do is refer to the report in the minutes by writing, for example, "Treasurer's report attached".
- 7) Other Reports - reports (e.g. Chair, Sub-group, Co-ordinator) that are written can be referred to in the same way. If a report is given verbally, then a brief summary should be recorded.
- 8) Correspondence - a brief summary of any letter or other correspondence received since the last meeting.
- 9) Any Other Business - a brief summary.
- 10) Date, Time and Venue of Next Meeting.

Where the meeting agrees any action to be taken then a named person should be noted alongside that action indicating that they are responsible for its completion.

After the meeting, the minutes should be written up as soon as possible, and submitted to the Chair for approval before being sent out to all members. At the next meeting, the Chair will sign the minutes (after any amendments and once they have been accepted by the committee as being an accurate record of the meeting). All signed minutes should be kept together, and it is good practise to keep a "Minute File" specifically for this process.

12)Template agenda for a Management Committee Meeting

Name of Organisation
Management Committee Meeting to be held at (time) on the (date) at (the venue)
Agenda

Welcome and Apologies
 Minutes of the Last Meeting
 Matters Arising (not covered elsewhere on the agenda)
 Treasurer's Report
 Staff Report
 Activities or Issues Specific to the Group or Meeting
 Training
 Correspondence
 Any Other Business
 Date, Time and Venue of Next Meeting

a) What happens at a Management Committee Meeting

- 1) The Chair welcomes everybody and asks for apologies for absence.
- 2) Minutes of the previous meeting are read. If there are any inaccuracies, these are recorded in both the official copy of the minutes and in the minutes of the present meeting. The Chair then signs the official minutes and a note is made in the present minutes to the effect of "the minutes of the previous meeting were accepted as a true record".
- 3) Any matters arising from the previous minutes (that are not covered elsewhere on the agenda) are discussed. This gives the committee the opportunity to find out if agreed actions were carried out and to ask any other questions.
- 4) The Treasurer presents a report and answers any questions regarding the finances.
- 5) If present, the Leader or Co-ordinator will usually present a short report.
- 6) Special items are discussed, the nature of which should be clearly identified on the agenda.
- 7) Any correspondence received since the last meeting is shared with the members.
- 8) Any other business is discussed. This should relate to issues that have arisen since the agenda was drawn up that cannot wait until the next meeting. No decisions should be taken under 'any other business', unless it is an emergency.
- 9) The date, time and venue of the next meeting are agreed.

13) Template Treasurer's Report

Name of Organisation
Management Committee Meeting at (time) on the (date) at (the venue)
Treasurer's Report
Report Author Period covered in the report Analysis of Income & Expenditure <ul style="list-style-type: none"> • For current period • For year to date

- Compared to budget

Large Expenditure Items / Significant Expenditure

- Available Funds
- Cash at hand
- Cash at bank
- Reconciled bank balance

Reserves

- Target / Current level

Fundraising

- General
- Specific

Bad Debtors

Occupancy

Issues for the forthcoming Term

- Large expenditure items / Significant Expenditure
- Fundraising income

14) Glossary

Explanations for key terms that you may come across:

ACAS	Advisory, Conciliation and Arbitration Service
Aims	Specific tasks or things that you want to achieve
Agenda	A list of things to be dealt with at a meeting
Annual General Meeting (AGM)	A meeting held once a year, at which the committee can explain to the members of the group how it is managed. The governing document will establish the nature of the AGM
Association	A group run as an Association is not required by law to seek approval of any kind before forming its organisational structure, nor does it have to register its legal status with any regulatory body
Business Plan	A written plan setting out what an organisation intends to do over the coming period of time, say 1 to 3 years, and what money and other resources it will need in order to do it
Casting Vote	The deciding vote used by the chairperson to make a decision when the votes on each side are equal
Charitable Incorporated Organisation	A new form of legal entity designed for non-profit organisations. It has a legal personality, reduces liability on members and reduces bureaucracy
Charitable Trustees	The people responsible under the charity's governing document for controlling and managing the charity, regardless of what they are called, are the trustees of the charity, e.g. if a charity is an unincorporated association the members of the executive or management committee are the charity trustees. The charity trustees are personally accountable for the proper management of the charity and its assets, and are required to act prudently at all times in the best interests of the charity and its beneficiaries

Committee	A group of people chosen or appointed to perform a specific service or function
Compact	A new term being used by Government meaning reaching an agreement with the voluntary sector on a broad set of principles, which will underpin the way, every government department or agency will work with voluntary organisations
Company Limited by Guarantee	<p>A company where instead of buying shares each member provides a guarantee to provide a pre-determines amount is needed when the organisation is wound up, which may be a nominal amount such as £1</p> <p>Charities, development trusts, social enterprises and community businesses frequently use this form of incorporation</p>
Conciliation	Pre-tribunal service offered by ACAS
Conflict of interests	Where, for example, somebody is not able to be impartial when dealing with a matter concerning the group because of something they are involved with outside of the group
Constitution	A written document that sets out how an organisation or group works
Co-opted Member	Someone who is added to the group by the existing members, usually because of their expertise. They have no voting rights
Dissolution	Occurs when the group closes down
Elected Member	A person chosen to become a member of the group
Elected Officer	A person chosen to become an officer on the committee (normally Chairperson, Treasurer or Secretary).
Governance	Way in which an organisation is managed and governed
Governing Body	Term used to describe the group of members who are responsible for governance in a charity or school
Governing Document	Document, which sets out the details of the governance of an organisation. This may be a constitution, trust deed, registered rules, etc
Incorporated	Group that is formed into a legal organisation, such as a Company Limited by Guarantee
Inquorate	When there are not enough people to make a quorum
Minutes of the Meeting	A written record of the meeting and the decisions taken at the meeting
NBF	North Bank Forum
Not-for-profit	Term commonly used to describe organisations that do not distribute profits, although they seek to make an operating surplus
Objective	The means by which you will achieve your aims
PSLA	Pre-School Learning Alliance
Propose	Put forward a matter for consideration
Quorum	The minimum number of people required to be present at a meeting before any voting can take place to make a decision on a matter
Second	To express formal support for a matter proposed for consideration
Special General Meeting (SGM)	A meeting that may be called at any time at the request of the committee or a number of the group's members (the number of members required should be stated in the constitution)
Resolution	A matter to be decided by vote of the members
Social Enterprise	An enterprise whose primary aim is to meet some social rather than business need. Examples include charities, co-operatives

	and communities businesses. Although generally run as not-for-profit enterprises, their success usually depends upon the application of sound business practices
Trustee	A person who deals with property, money etc. on behalf of another (e.g. on behalf of the group)
Working Group / Sub Group	A group of members of the committee chosen to work on a given topic i.e. fundraising
WYCAS	West Yorkshire Community Accounting Service
VAC	Voluntary Action for Calderdale
Vote	A choice made by a member on a matter that is to be a shared decision

15)Contacts

Directory of Social Change

24 Stephenson Way, London, NW1 2DP Tel. 020 7391 4800, www.dsc.org.uk

National Council for Voluntary Organisations

8 All saints Street, London, N1 9RL Tel. 020 7713 6161, www.ncvo.org.uk

Voluntary Action Calderdale

Resource Centre, Hall Street, Halifax, HX1 5AY, Tel. 01422 348777, www.cvac.org.uk

West Yorkshire Community Accounting Service

PO Box 722, Halifax, HX1 9AB Tel. 01422 208875, www.wycas.org.uk

Charities Commission

Harmsworth House, 13-15 Bouverie Street, London, EC4Y 8DP, Tel. 0845 3000218, www.charitycommission.gov.uk

Charities Information Bureau / Fit 4 Funding

Lightwaves, Lower York Street, Wakefield, WF1 3LJ, Tel. 01924 239063, www.fit4funding.org.uk

HM Revenue & Customs

Charities Correspondence S0708, PO Box 205, Bootle, L69 9AZ, Tel. 0300 1231073, www.hmrc.gov.uk/charities

4 Children

City Reach, 5 Greenwich View Place, London, E14 9NN, Tel. 020 75122112, www.4children.org.uk

Disclosure and Barring Service (CRB)

PO Box 110, Liverpool, L3 6ZZ, Tel. 0870 9090811, www.gov.uk/disclosure-barring-service-check

National Day Nurseries Association

National Early Years Enterprise Centre, Longbow Close, Huddersfield, HD2 1GQ, Tel. 01484 407070, www.ndna.org.uk

Pre-School Learning Alliance

Environment and Business Centre, Merlyn Rees Avenue, Morley, Leeds, LS27 9SL, Tel. 0113 2522848, www.pre-school.org.uk

ACAS

The Cube, 123 Albion Street, Leeds, LS2 8ER, Tel. 08457 383736, www.acas.org.uk

Community Foundation for Calderdale

The 1855 Building, First Floor, Discovery Road, Halifax, HX1 2NG, Tel. 01422 349700, www.cffc.co.uk

Companies House

Crown Way, Cardiff, CF14 3UZ, Tel. 0303 1234500, www.companieshouse.gov.uk

Co-Operatives UK

Holyoake House, Hanover Street, Manchester, M60 0AS, Tel. 0161 2462900, www.uk.coop

Health & Safety Executive

The Lateral, 8 City Walk, Leeds, LS11 9AT, Tel. 0300 0031747, www.hse.gov.uk

National Association of Voluntary & Community Associations

The Tower, 2 Furnival Square, Sheffield, S1 4QL, Tel. 0114 2786636, www.navca.org.uk

Professional Association for Childcare & Early Years

Royal Court, 81 Tweedy Road, Bromley, BR1 1TG, Tel. 0845 8800044, www.pacey.org.uk

North Bank Forum for Voluntary Organisations

Goodwin Community College, 63-71 Anlaby Road, Hull, HU3 2LL, Tel. 01482 472458, www.northbankforum.org.uk

Pay & Employment Rights Service (Yorkshire)

Unit 14, Batley Enterprise Centre, 513 Bradford Road, Batley, WF17 8LL, Tel. 01924 428033, www.pers.org.uk

Skills Third Sector

CAN Mezzanine, 49 – 51 East Road, London, N1 6AH, Tel. 020 72508387, www.skills-thirdsector.org.uk