**Factsheet**

**Banking for the VCFS**

Introduction

Each and every member of your governing body (trustees / directors / committee members) are responsible for your organisation’s finances.

It is essential to keep accurate records of money coming in, money going out and who is authorised to spend money. It is also important that you have the correct bank account set up, and that you do not keep cash at peoples’ homes or on the premises.

Types of accounts

Community Accounts

Charity Accounts

Treasurers Accounts

Business Accounts

Your bank needs to be accessible for cash payments in and out, and so somewhere that has a high street branch is useful. All signatories will also need to go in in person to set up the account.

Try and get a suitable bank account that does not have charges or fees. Most banks offer a ‘community’ or charity account. A business account often includes some sort of charge.

Security

VCFS organisations are required to have 2 signatories for each transaction. This is to prevent fraud and to safeguard the organisation. Certain funders ask for organisations to confirm this before granting funding. It is advisable to have 3 trustees that are authorised to sign for transactions in case one person is not available.

Petty cash should be withdrawn via cheque and kept securely in a locked tin. Any transactions through petty cash need a corresponding receipt.

Online banking is often set up with only 1 authorisation required. Talk to your bank about setting it up with dual authorisation. This is the norm for business accounts.

**Banks offering dual authorisation through online banking:**

Barclays – for business accounts

Nat West – for business accounts

HSBC – for business accounts

Lloyds (Online Payment control)

TSB (online payment control)

RBS – business accounts

CAF Bank

(this list is not exhaustive)

Financial Controls

It is advisable to have a financial controls policy to ensure that payments are authorised by the correct people in the correct process. See the CVS website for a sample financial controls policy.