

How to set up a Group Bank Account



A simple guide for organisations in the voluntary and community sector

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Guide to opening a group bank account

The guide is aimed towards those involved with the financial affairs of smaller charities or voluntary organisation. Whether you are a local sports club or an organisation that supports the elderly – or something else entirely – this guide aims to help you ask the right questions to establish your charity's banking needs and answers many frequently asked questions.¹

General guidelines on opening a group bank account

It can take weeks, or even months to open a group bank account. To make the process as quick as possible, be careful to fill the application form fully and send all the information that is requested.

Before applying for a community account, you should:

- Consider your charity's overall financial position and what you are looking for from a bank before deciding which bank/s to approach.
- Check whether the account is specifically for community groups, or charities, if your group is a charity. Banks usually refer to community groups as "Clubs and Societies". **Note that some banks only offer accounts to registered charities.**
- Check that the account is **NOT** for businesses. Banks usually charge for business accounts. **Note that community accounts are usually managed by the same team as business accounts and may be listed on bank websites under "Business" rather than "Personal".**
- Check that the account offers "free banking". This will make sure you are not charged simply for having the account. **Note you will still have to pay for things like going overdrawn, stopping cheques, or requesting extra statements.**

¹ Information and copy used in this guide has been with the permission of www.resourcecentre.org.uk



Opening a Club or Society account will require proof that your group is a voluntary, non-profit-making organisation and not a private business.

This may be one of the below documents:

- A copy of your group's Constitution
- Memorandum and Articles of Association (if for a limited company group)
- Confirmation of Charity Registration / Trust deeds (if for a charity group)

Some banks may require other information about your group, such as the minutes of a meeting which records agreement about the specific choice of bank.

Further information on Governing Documents can be found on the Community Impact Bucks website: <https://communityimpactbucks.org.uk/charities-groups/running-your-organisation/governing-documents/>

Why it's important to have a Bank Account?

- Banking records are external and accurately monitored thus ensuring any claims of fraud can be legitimately investigated.
- Banks offer the chance of compensation when funds have been fraudulently removed.
- If your organisation requires a grant or loan, then a bank account is essential to successfully apply for and receive the funds.



Choosing your bank

Community group accounts are offered at most high street banks. One option may be to use the bank you personally have an account with, or one with a branch close to you. However, consider future treasurers for whom this may not be an easy option.

Ensure the account meets your group's particular needs. Are the banking methods you want provided, e.g., cheque book, internet banking, debit card and phone banking?

For further information visit the CFG guide to bank accounts for charities, [BBA_CFG_Banking_for_Charities-1.pdf \(smallcharityfinance.org.uk\)](https://smallcharityfinance.org.uk/BBA_CFG_Banking_for_Charities-1.pdf)

Setting up your account

Cheques

Set your account up to have at least two people required to sign each cheque or approve withdrawals.

Signatories should be people with a good credit rating as the banks will run credit checks on all the signatories.

Unless they already have an account with that bank they will need to go to the branch in person with:

- Proof of identification, e.g., driving license
- Proof of address, e.g., utilities bill

Note: these documents will need to be originals and not copies

- In some cases, proof of their financial situation e.g., bank statements



Internet banking and debit cards

Banks now offer internet banking and debit cards. Although convenient these do not give the security of a cheque payment that needs two signatories. Your group should set up an internal system ensuring the account is checked regularly and that all internet and card payments are approved by two people.

For more information on how to safeguard the charity's assets and reduce the risk of loss, The Charity Commission has produced a guide called Internal Financial Controls for Charities, which outlines several basic banking controls that charities should consider. The full guide can be read via this link:

www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities



Useful links and further support

Charity Commission - Guide to Managing Charity Finances
www.gov.uk/guidance/managing-charity-finances

Charity Commission - Guide to Internal Financial Controls
www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities

Charity Digital - Guide to writing the perfect financial management policy
<https://charitydigital.org.uk/topics/topics/how-to-build-financial-management-policies-and-procedures-8797>

NCVO - Financial Procedures Manual
<https://knowhow.ncvo.org.uk/tools-resources/financial-procedures-manual>
Note: NCVO is free to organisation with income under £30,000, membership after that is on a sliding scale.

BBA & CFG - Charity Banking Guide
[BBA CFG Banking for Charities-1.pdf \(smallcharityfinance.org.uk\)](#)

For further information and support with financial management for your group visit our website

<https://communityimpactbucks.org.uk/charities-groups/running-your-organisation/key-resources-for-other-areas-of-your-business/#get-help-with-financial-management> or email info@communityimpactbucks.org.uk or call 0300 111 1250 and one of our team will call you back within one working day.



For further information about any issues raised in this guide please contact:

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Registered Charity No. 1070267

