



**A GUIDE FOR
AIR TRAINING CORPS
HONORARY TREASURERS**



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WELCOME!

The aim of this document is to provide an introductory guide to newly appointed or prospective squadron treasurers. The straight forward procedures and advice set out in this document will clarify the responsibilities and outcomes required of Squadron Honorary Treasurers.

SO WHAT EXACTLY IS THE AIR TRAINING CORPS?

The Air Training Corps (ATC) is a youth organisation, which was founded in 1941, with particular emphasis on training in aviation subjects. It is not an RAF recruiting organisation but it nevertheless enjoys a special relationship with the RAF. Government funding and RAF support are mainly directed towards aviation orientated activities and towards other activities which will be of particular value to those cadets who elect to pursue a career in the RAF or indeed one of the other Armed Forces. Of course such funding and support does not, and is not intended to, exclude help for youngsters whose careers may follow other avenues.

The aims of the ATC are to promote and encourage among young people a practical interest in aviation and the RAF, to provide training that will be useful both in the Services and Civilian life, to foster the spirit of adventure and to develop the qualities of leadership and good citizenship. The ATC offers the opportunity to do lots of exciting activities including Flying, Gliding, Adventure Training, Duke of Edinburgh Awards, Shooting and many more, and to develop personal skills and talents in a safe environment with trained instructors.

The ATC has a Headquarters at RAF Cranwell, 6 Regional Headquarters, 35 Wing Headquarters, over 900 Squadrons along with 200 Combined Cadet Force (RAF) sections in state and private schools looking after in the region of 40,000 air cadets. The ATC and the CCF(RAF) are jointly called the Air Cadet Organisation (ACO).

Please visit the excellent Air Cadet website at www.raf.mod.uk/aircadets for detailed information about locations of squadrons and current events.

WHAT DOES AN HONORARY TREASURER DO?

The following is a brief summary of your main activities as an Honorary Treasurer:

- Recording Income and Expenditure
- Banking cash and cheques
- Balancing the cash book
- Paying invoices



1. GENERAL FINANCE ASPECTS

If you are a newcomer to the Corps and probably the military environment, it can seem very alien at first. But don't fear help is always at hand, there are approximately 1,000 treasurers up and down the country and 1 at each wing and region, so there are plenty of places to seek help from. Also all the policy documents that cover financial matters are easily available online.

See the paragraph headed 'Recommended Further Reading' on the last page of this document.

It is important to firstly understand the distinction between "public" and "non-public" money. The term public money or funding covers the money allocated from government sources i.e. tax payers' money. The term non-public money is provided through cadet subscriptions, donations, grants, fundraising etc in fact any money that is not provided by the government – this makes up the funding for the squadron welfare fund.

If you are ever uncertain about financial matters please contact your Wing Treasurer in the first instance who will be able to guide and advise you on your query. Please don't sit on a problem and suffer in silence, advice and support is always on hand.

With all transactions there should be an 'audit trail' so all relevant paperwork (invoices, vouchers, tickets etc) should be filed to back up why a payment was made from the fund. Similarly receipts should be issued and copies thereof filed for all money paid to the fund. This will support your actions.

A Committee is the body that controls the squadron non-publicly funded requirements and in doing so plays a vital role. The Committee works together with the uniformed members of the squadron to ensure that the cadet experience is safeguarded and properly funded.

2. YOUR ROLE AS AN HONORARY TREASURER

As an Honorary Treasurer you will monitor the financial matters of the fund and report to the civilian committee at regular intervals as to the current situation of the fund.

The main duties are:

- Maintaining income and expenditure accounts and ensuring that all entries in the account books are in ink and cross-referenced to invoices and receipts.
- Issuing cash handling instructions to staff at the squadron who are authorised to receive cash on behalf of the fund.
- Ensuring that any cash/cheques are banked as soon as possible and the cash holding limit (as agreed by the Committee) is not exceeded.
- Ensuring that any cash boxes or safes are appropriately secured and duplicate keys are lodged with a nominated member of the Committee or the bank.



- Ensuring that the cash book is balanced at the end of each month. Cash and bank balances are reconciled. A reconciliation statement is to be entered into the Cash Book and signed.
- Investigating any discrepancies in accounting and, if unresolved reporting the matter to the squadron Chairperson.
- Ensuring that any invoices for goods and services are paid without delay.
- At the end of each financial year (31 March) preparing the Summary of Receipts and payments Accounts Form 60 for submission to the Chairperson and inspection by an independent examiner no later than 6 months after the end of the financial year.

COMMITMENT AND TIME FOR THE ROLE

This will vary depending on the size of the squadron and indeed how active it is, but will include attendance at Squadron Committee meetings, and ongoing budget and financial responsibilities which can be undertaken at home.

BENEFITS OF THE ROLE

There are many benefits from being involved with the local community and the Air Training Corps, which include contributing to a well-managed and governed squadron, the potential to grow and develop the squadron's finances, to know that you are directly positively contributing to the development of young people in your area and helping society generally.

3. THE STATUS OF SQUADRON WELFARE FUNDS

The majority of squadron Welfare Funds in England and Wales are registered with the Charity Commission as 'Excepted Charities' and as such must be administered in accordance with the Charities Act 2006. The Charity Commission except the charity from the duty to be registered for Non-public Sports and Welfare Funds of the squadrons of the Air Training Corps in line with regulations made under the Royal Warrant dated 5 Feb 1941.

Excepted charities with an annual income of over £100,000 (this threshold maybe reduced in 2012) are required to register with the Charity Commission in their own right.

The Charity Commission issue an excepted charity order certificate for each recorded charity at the time of recording, one copy is to be held by the squadron and one at Headquarters Air Cadets with the Corps Finance Officer. In some cases the same number is shared with several squadrons or across the whole wing.

The excepted charity must produce an annual summary of receipts and payments form (Form 60) which must be sent to the relevant wing HQ by September of each year. The Treasurer must ensure this is completed.

Each squadron welfare fund is classed as an excepted charity and the Committee Members are the Trustees of the fund.



Excepted charities have no requirement to produce an Annual Report but it is best practice to do so. Details can be found in ACP 10, page 4-E-1.

All of this should not be taken out of context, Committees have sound back up from Wing/Regional Chairpersons and Treasurers and support from HQ Air Cadets through the Air Cadet Finance Officer, who is the sponsor of Air Training Corps Financial policy and forms.

4. SQUADRON COMMITTEE PLANNING AND BUDGETS

Some form of financial planning is essential, and each committee should seek an annual budget or spending 'wish list' from the Squadron Commander to cover all of their cadet and staff activities over the coming 12 month period. The Committee will need to discuss and agree the level of support it would like to give to these objectives.

With this pre-planning and agreed budget, the Honorary Treasurer will be able to estimate the cash-flow through the year, including the income from the cadet subscriptions and the outgoings to Headquarters Air Cadets and Wing Funds, and the expected purchases by the committee of those items previously agreed. This also helps the Committee to plan their fundraising activities and, with the cooperation of the squadron members, avoids any clashes of interest with other activities on the squadron.

5. SAFEGUARDING THE MONEY

The Committee must ensure that funds are at all times safeguarded against loss or misappropriation and the following guidelines utilised by the Treasurer will provide basic protection:

- Cash payments (in particular through the post) should be discouraged.
- Receipts are to be banked as soon as is practicable and at least weekly.
- Where cash or cheques cannot be banked on the day of receipt, they are either to be placed in a safe or locked in a cash box.
- Access to the cash is to be restricted to the Treasurer or nominated person (who holds a cash handling certificate) and only the Treasurer or nominated officer is to hold the keys.
- It is important that the welfare fund money is kept and recorded separately from an individual's personal money.

INCOME CONTROLS

The Committee must ensure that a cash handling instruction is issued to all members (including the Treasurer) who are authorised to handle cash or cheques. All income received must be kept in a secure location with restricted access until it can be banked and they must oversee that the Treasurer is keeping appropriate income records and conduct random checks to ensure that this is completed. The following is an example of a basic cash handling certificate (this can be expanded as necessary):



EXAMPLE CASH HANDLING CERTIFICATE

1. The following instructions are to be carried out when cash or cheques are received at Squadron Headquarters for credit to the No: _____ (Name) Sqn ATC Welfare Fund.
 - a. Only the following staff are authorised to receive cash or cheques.
members to be specified by name and position.
 - b. A numbered receipt is to be issued and the total amount of cash/cheques received, together with the purpose for which the payment has been made, is to be entered onto the receipt.
 - c. Any underpayment or overpayment is to be adjusted on a separate receipt/ payment voucher.
 - d. Only one receipt book is to be used at any one given time (unless the current receipt book is being examined by the auditor).
 - e. In the event of the receipt being cancelled, the original receipt is to be crossed through and the receipt is to be left in the receipt book. If the receipt has been attached, it is to be stapled to the duplicate and retained in the receipt book.
 - f. The cash is to be secured in a locked cash box in a secure location (within the limit set by the Committee) and handed to the treasurer at the earliest opportunity. It should not be left in Squadron premises.
 - g. I understand that I am not authorised to use monies received for the purposes of making any payments unless I have received specific written instructions from the Civilian Committee.

Signature: _____

Full Name: _____

Position: _____

Authorisation by the Civilian Committee - Countersignature of the Chairperson/Treasurer

Signature: _____

Full Name: _____

Position: _____

Distribution:

1. Signatory – for retention.
2. Civilian Committee.
3. Nominated member for audit purposes.



EXPENDITURE CONTROLS

The Committee are responsible for the correctness of purpose of all payments from funds and must ensure that all payments made from the fund are authorised by the Committee and recorded in the meeting minutes or financial plan. They must ensure that access to all instruments of payment, are restricted to the Treasurer or a correctly nominated person.

INVESTMENTS

Where a Committee holds investments the following safeguards are to be implemented:

- The Committee is to ensure that all certificates and legal documents pertaining to the investments are kept in a secure location.
- The Committee is responsible for the formulation of an investment policy.
- To ensure that their policy is being implanted they should be presented with appropriate reports.
- The Committee is to agree all purchase and sales in advance.
- Controls are to be put in place to ensure all dividends are received and accounted for properly through the squadron Treasurer.
- High risk investments should not be used for charitable funds.

6. EXAMPLE CASHBOOK AND BANK RECONCILIATION

CASHBOOK

The cashbook records every payment and receipt that is made from the Squadron fund. It needs to be kept up to date and reconciled on a monthly basis with the bank statements. If an electronic cashbook is used it must be backed up regularly. Any cheques or cash received should be banked as soon as possible but at least weekly. It is good practice to update the cashbook once a week rather than leave it until the end of each month.

The following is only an example of what a cashbook can look like, other types or electronic cashbooks can be used.

Date	Description	Receipts	Payments	Total	Notes
1st April 10	Bank Balance From previous page	967.35		967.35	
3rd April 10	Cadets Subs Income	31.00		998.35	
10 April 10	Camp Fees	200.00		1198.35	Johnson, Miles, Carter
16 April 10	Sqn Contents Insurance		84.00	1114.35	Cheque No 007658
20 April 10	BT Phone Bill		34.35	1080.00	Cheque No 007659
23 April 10	Camp Fees		200.00	880.00	Pay RAF ?? See 10 April
25 April 10	Printer Cartridge		17.56	862.44	Cheque No 007660



BANK RECONCILIATION

This is to show that the bank statement reflects the Squadron cashbook and is essential for audit purposes. The bank reconciliation shows the balance of the bank account at a given date and then balances it against the cashbook by taking into account any outstanding payments or receipts. If there are any errors or omissions on the account they will be highlighted by the bank reconciliation, which can then be investigated and rectified. The bank reconciliation is used by the committee as a monthly check on the account and all supporting documentation must be presented before it is signed off by the committee chairperson.

This following is an example of a bank reconciliation:

<div style="border: 1px solid black; padding: 5px; display: inline-block;">Balance from your statement</div>		
Balance as per Bank Statement dated 30 Apr 10	£813.73	
Plus outstanding cheques/cash	£51.91	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Payments in your cashbook that haven't appeared on the statement yet</div>
Plus payments shown on bank statement but not in cashbook	£0.00	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Payments out of the Squadron Account</div>
Less receipts shown on bank statement but not in cashbook	£3.20	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Receipts directly into Squadron Account</div>
Total	£862.44	
Balance as per cashbook	£862.44	<div style="border: 1px solid black; padding: 5px; display: inline-block;">These 2 figures must be the same</div>

Signature of Committee Chairperson _____

7. ANNUAL ACCOUNTS (AS AT 31 MARCH)

For squadrons in England and Wales - The Committee must ensure that an Accounts Form 60 – Summary of Receipts and Payments is completed at the end of each financial year. The form can be found on the Corps computer system (Bader) and each year a form will be sent either electronically or in paper form to each squadron for completion. This form should be completed within 6 months of the end of the financial year (by September) and forwarded to the appropriate wing headquarters for review and safe custody for 7 years.

For squadrons in Scotland – Regional Commandant Scotland and Northern Ireland will issue guidance and local accounting instructions to his/her squadrons.



Please do not leave the preparation of the annual accounts until the end of the year. Do it monthly so that when the time comes you are not trying to remember what took place many months ago.

8. SOURCES OF INCOME

CADET SUBSCRIPTIONS

The main source of income to a squadron is from cadet subscriptions. There is no standard charge for cadet subscriptions at squadron level. There is however, a minimum charge levied per cadet as decided by the wing Welfare Committee.

Each squadron committee is permitted to set the cost of subscriptions at a level that it believes it needs and the local community can afford. Circumstances around the country differ, and it is deemed unfair to impose a standard charge that may not be appropriate to all localities. Where subscriptions are deliberately set at a low level to encourage young people to join the squadron, the committee accepts that more fund raising will be required to meet the costs of subscription charges levied on it by Headquarters Air Cadets. Subscriptions are not an attendance fee and are charged whether the cadet attends a parade night or not. Subscriptions are due until the point when the cadet resigns or leaves permanently for any other reason.

Funding received from subscriptions usually forms the basis from which all squadron planning is generated. So it is important for the Treasurer to collect the money in by what ever means is judged by the Committee to be most effective (cash, cheque, direct debit etc) to be able to ensure suitable cash flow for the programme of events the squadron wishes to undertake.

You are strongly encouraged to arrange for cadet subscriptions to be paid by direct debit or standing order either of which is more effective, efficient and secure compared to cash. Receipts should always be given for cash or cheques paid into the squadron by a cadet or their parent for subscriptions, camp payments etc. This applies to all who hold a cash handling instruction.

FUNDRAISING ACTIVITIES

The Committee has a responsibility to ensure that it is in control of funds raised on its behalf and that all money to which the fund is entitled is received. The agreement of the Squadron Commander will be necessary before any arrangements are made for cadets to participate in fund-raising activities. Also, the squadron will have to apply to the Regional HQ, via the Wing HQ for permission to Participate in a Public Event (PPE). This is to ensure the relevant insurance is in place, so please give plenty of notice. All fundraising activities must be of a non-hazardous nature and the squadron must 'advertise' by means of banners, badges, stickers on the bucket etc what exactly the money is being raised for. It is important that the public are left in no doubt what is being collected for even if is the squadron welfare fund. Cadets in uniform must not collect for non military charities.



GIFT AID

Under the Gift Aid scheme, charities can reclaim the basic rate of tax already paid on all donations made by individuals. If Committees are interested in this scheme and feel it would be of benefit to their squadron please check the latest information from HM Revenue and Customs for more detail.

Gift Aid is a valuable source of revenue and committees are encouraged to invite all payees of cadet subscriptions to sign registration forms accordingly.

LOTTERY FUNDING

Funding from the National Lottery can enable cadets to take part in heritage and community activities as well as projects to promote education. If applying for a lottery grant the website is a good place to start.

www.lotterygoodcauses.org.uk

The Committee is responsible for fundraising and therefore are to be the instigators of the bid. Squadrons are not permitted to apply for lottery funding to meet public commitments including the provision of accommodation. This helps separate public and non-public funding and the related activities.

9. TIPS FOR NEW HONORARY TREASURERS

The first task on taking on the new role is probably a little 'housekeeping'. The following three activities are easy, so will help you settle into your new role and build your confidence at the same time.

Arrange a handover

If it is at all possible arrange a handover with the out going Treasurer – a chance to swap important documents and chat about the role. This may include:

- Handing over the accounts, cheque books, receipt books, invoices/receipts for purchases, bank statements, budgets, reports, the property book and any other relevant documents.
- If your squadron uses accounting software, get a tutorial on how to use it – including the passwords.
- Use a notepad to write down any useful information that you may need to look at later.
- Discuss any unfinished business, such as due bills or income, and any spending commitments or expected income that isn't in the latest budget.
- Ask questions – this is your chance to discuss any concerns and get trouble-shooting advice. If at all possible note down contact details for any questions you think of later.



Change bank signatories

Your squadron should have two or three committee members including yourself as Treasurer, who can sign, and thus authorise cheques and bank withdrawal slips. These are the bank authorised signatories. Each cheque or bank withdrawal slip should be signed by at least two of the bank authorised signatures. A new mandate for the bank will need to be signed to update the records and allow you to sign the cheques. All new signatories will need to go to the bank and show some form of identification, unless they are existing customers.

While you are at the bank, make sure your bank statements are issued monthly and cover the entire month. This will make doing your monthly reconciliations easier.

Try to get organised from the beginning

Get the Committees authority for every payment made from the fund – ideally this will be recorded in the squadron's meeting minutes.

Start as you plan to continue – getting organised now and setting a routine will pay off later. It is important to keep on top of recording transactions and filing the related invoices, receipts etc as things can soon get out of control and you may find yourself with a muddle of paperwork to sort out in one go – which is time consuming.

Some do's and don'ts

A good Treasurer will:	A good Treasurer will NOT:
Be trustworthy.	Commit fraud – i.e. 'borrow' funds for his/her own use.
Be impartial.	Make him/herself indispensable.
Feel comfortable working with figures.	Carry funds around for weeks before banking it.
Be willing to explain figures if asked.	Neglect to pay bills.
Be methodical.	Ignore the law.
Bank money as quickly as possible.	Overdraw funds without committee agreement.
Make it easy for others to take over by keeping clear and accurate records.	Pay or receive money without making a note of it.



10. FREQUENTLY ASKED QUESTIONS

What support will I get if things go wrong? Being a Treasurer with an Air Training Corps Squadron must be one of the most supported roles for volunteers. Because of the structure of the organisation you have access to other Treasurers (over 1000) and financial policy makers for advice whenever you need it. Initially there is direct support within your own squadron but if further advice is required the Wing Chairperson or Treasurer is always on hand to help.

What if I think a payment from the fund is inappropriate? If the Committee should vote to spend squadron welfare fund money on an item or venture that you feel is inappropriate you must make your feeling known at the meeting. If the Committee after listening to your thoughts still believe the purchase to be valid you can seek advice up the chain of command and chat it over with maybe your Wing Treasurer who will either put your mind at rest or seek further advice to direct the Committee.

Where can I get further policy information regarding accounts? Headquarters Air Cadets publish a manual for all financial matters. The main policy document is the AP 1919 – Regulations for the Air Training Corps – this document gives details of where to find greater detail on specific subjects, ACP 300 Air Cadet Organisation Finance Manual – this mainly covers the pay and allowances for adult volunteers but FI 301 covers the payment of subscriptions to the ATC General Purposes Fund. ACP 10 Administration of ATC Public and Non-public Funds – is your main source of financial detail regarding accounts and what is required, ACP 11 - Administration for ATC Civilian Committees – gives details of the structure and running of Civilian Committees.

What is the difference between Excepted and Registered Charity Status? In truth there is very little difference – just a case of which overseeing body the annual returns are reported to. A registered charity is registered with the Charity Commission the regulator for England and Wales. From concept it will have some form of governing document, it will have a registered number and depending on its income mandated to complete an Annual Return, Trustees Report and Public Benefit Statement.

An excepted charity is a charity that has been given the authority/order by the Charity Commission excepting the Charity from the duty to be registered and from the duty to transmit accounts to them. The status of the Trustees and scrutiny is no different from a registered charity except the formal returns are sent to wing HQ's for scrutiny rather than the Charity Commission but, of course, can be called for at any time by the Charity Commission. Detailed guidance can be found in ACP 10.

Am I personally liable for any financial losses to the fund?

If you have acted as the committee have voted and have the recommended best working practices in place then there are unlikely to be any losses. You are liable for ensuring the money is banked and correctly accounted for. You can not be held liable for losses on investments affected by the current market. You will be held personally liable if you misappropriate the funds or commit fraud.



RECOMMENDED FURTHER READING

The main policy documents that cover financial matters are:

AP 1919 – Regulations for the ATC.

ACP 300 – Air Cadet Organisation - Finance Manual.

ACP 10 – Administration of ATC Public and Non-Public Funds.

ACP 11 – Administration of Civilian Committees in the ATC.

Copies are held at your Squadron HQ.