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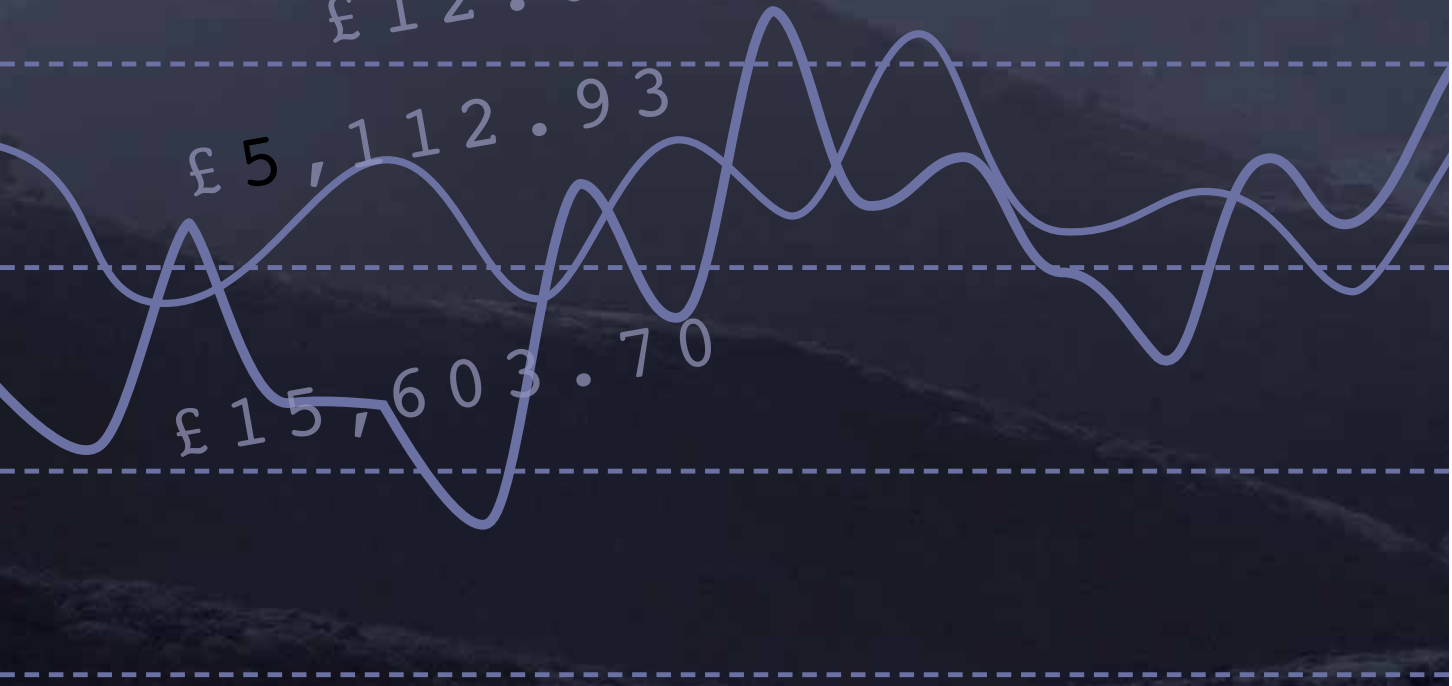
£12.00

£5,112.93

£15,603.70



Treasurers' Handbook



www.ramblers.org.uk

Contents

Introduction: Finding your way

Section 1: The Ramblers' Association – a charitable company

In this section you can find guidance on the objectives of the charity, types of funds, acceptable use of funds, supporting other organisations, accumulation of funds and displaying charity details. There is also guidance on our financial year, the Area and Group set-up and budgets.

Section 2: Records and systems

This section has guidance on the records you need to keep and the procedures you need to have in place; there is also information on particular activities like coach rambles and social events.

Section 3: The committee

Here you can find information on what reports your committee will find useful. There is also guidance on conflicts of interest and budgeting.

Section 4: Accounts and treasurer's report

This section has information on how to prepare the accounts and treasurer's report.

Section 5: The annual return

This is where you'll find the information on the annual return.

Section 6: The independent examination (formerly the audit)

Guidance for the independent examiner is in this section.

Finding your way

Thank you for volunteering as an Area or Group treasurer with the Ramblers' Association. The regulatory requirements facing charities are many and rigorous. They are in place to help ensure good governance and the proper use of charitable funds in the delivery of the objects. In a complex organisation like the Ramblers' Association, the treasurer plays a valuable role in helping us meet these demands. The Association recognises that your time is a valuable contribution to its work and it is grateful for this important resource.

This guidance is intended to make the role as straightforward as possible while ensuring that the role of stewardship is fulfilled to a high level. Since the last version of the guidance, we received comments and inquiries from numerous treasurers and other volunteers on matters affecting volunteers. We have tried to deal as far as possible with these issues in preparing this revision. We acknowledge this input and also wish to thank the members of the Area Treasurers Sounding Board for reviewing the draft and for their valuable comments. Our thanks go to staff colleagues for their comments and proof-reading and to Jancy for her hours of work in preparing this document.

We hope that you will find this guidance of great assistance in your role as treasurer.

David Joseph
Director of Resources

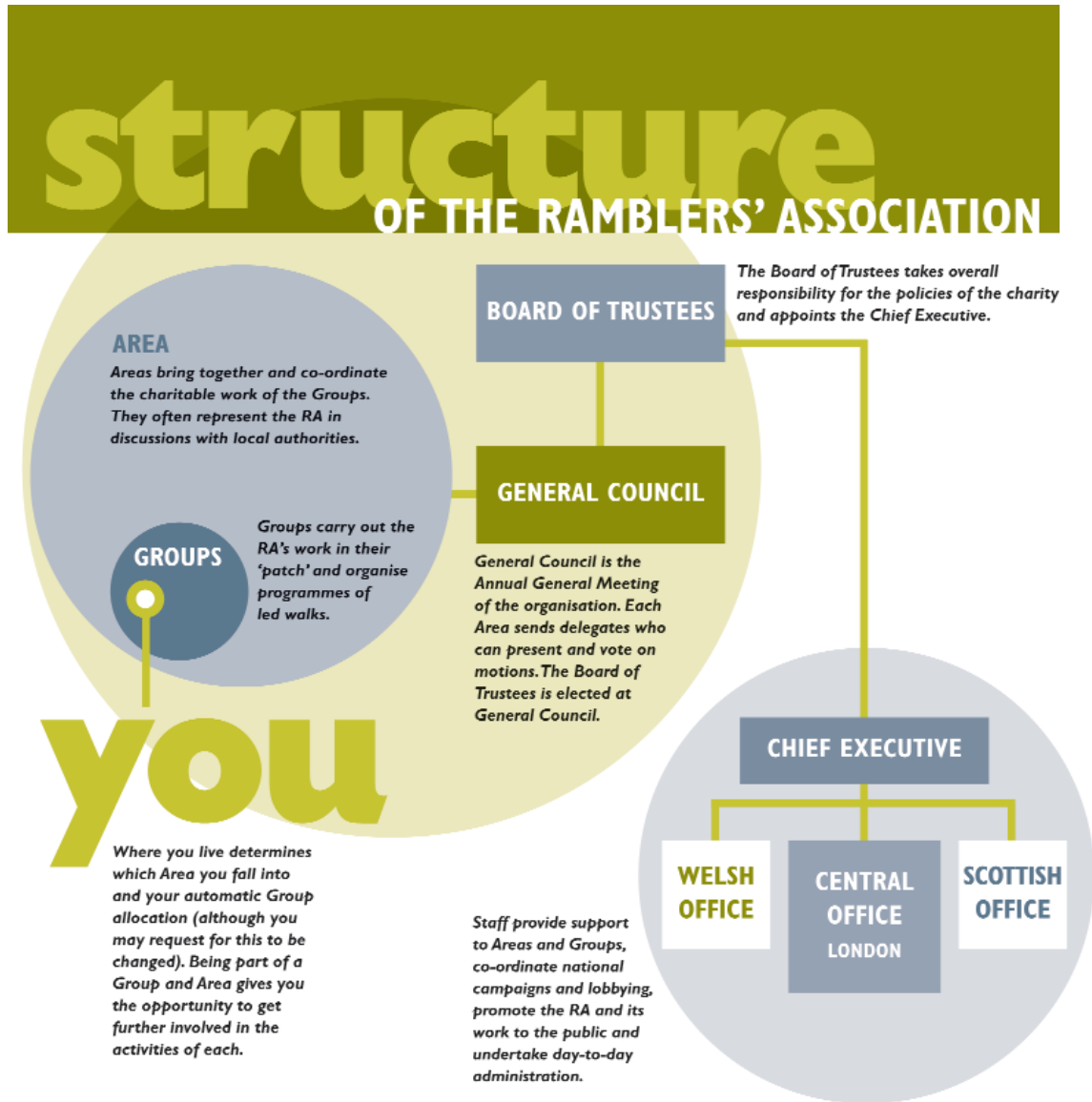
A handwritten signature in black ink that reads "David Joseph" followed by a long horizontal flourish.

Treasurers' Handbook, 4th edition – issued April 2007

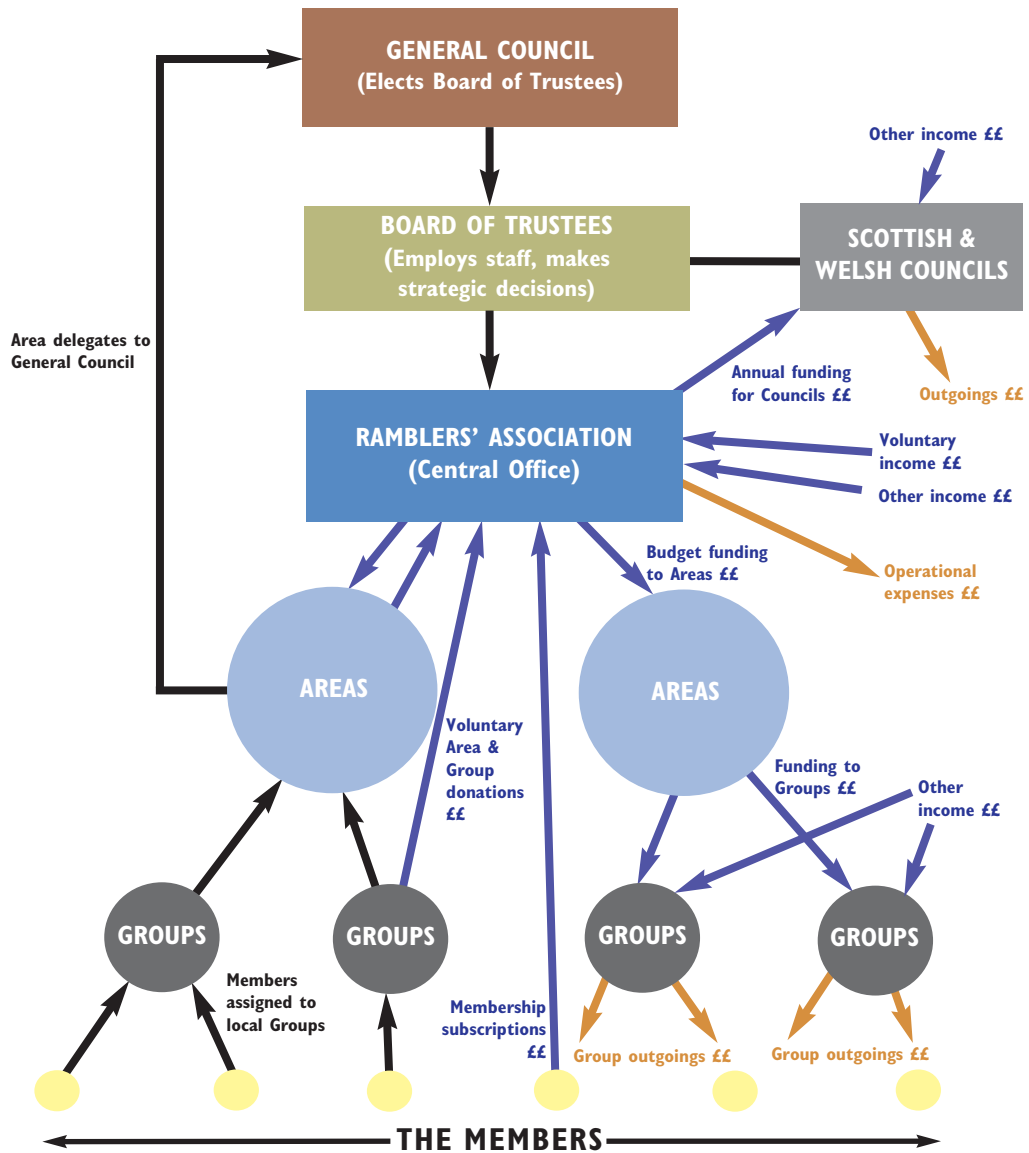
This document is also available in large print

Please contact Jancy Davies at Central Office on 020 7339 8587 or email jancyd@ramblers.org.uk

Your role within the Ramblers' Association



Movement of Funds within the Ramblers' Association



You as a treasurer

As a treasurer, your role is to ensure that:

1. The committee are fully advised of their charity financial responsibilities.
2. Proper records and systems are maintained for the Area/Group finances, including for social events and other ancillary activities.
3. Regular financial reports are made to the Area or Group committee.
4. The treasurer's report and accounts are properly prepared, independently examined, and passed to the secretary to incorporate into the annual report and submit to Central Office.
5. The annual return is properly completed, in accordance with this guidance and any other guidance issued by Central Office, and submitted to Central Office within the required time.
6. You are familiar with the independent examination guidelines set out in the section "The Independent examination".

For details of activities this may involve, see Appendix 1.

Support Available

Support for treasurers is available from Central Office in the following ways:

- The Finance Team can be contacted with specific queries on budgeting, use of funds, completion of the annual return, how to account for entries etc.



Please contact Jancy Davies on 020 7339 8587 or email jancyd@ramblers.org.uk

- Guidance is also available from the Volunteer Support Team on general issues concerning volunteering



Please contact Andrew Chadwick on 020 7339 8520 or email andrewc@ramblers.org.uk

- Regional training events are arranged for treasurers; please contact the Finance Team or view the website for details of planned events.

New treasurers

If you are starting as a new treasurer, there is specific help and guidance for you in Appendix 2.

Finding your way


How the guidance works

The following guidance sets out how the role works in practice, taking each of the points from the treasurer's role in turn.

The guidance is intended to be used as and when it is needed; it is not necessary to sit and read the whole document in one sitting.

Before you prepare the annual return, you may wish to read the relevant section. If you have any specific queries, these can be looked up in the index.

Some of the procedures may seem a little onerous but they are not in place for the sake of it – we are a charity, and as such, our accounts must be transparent and we need to be accountable to those who donate money.

 Where you see this symbol you will find practical ways of putting the guidance to use

 **This guidance (and the forms within the forms section) is also available on our website www.ramblers.org.uk**

Chapter layout:

Charity and company law – page 1

RA Setup – page 9

Charitable and company status

We are a registered charity and also a company limited by guarantee and as a result are subject to both charity and company law. As branches of the Ramblers' Association, all Groups and Areas are also subject to company and charity law. The key elements of charity law affecting Areas and Groups are:

- Charitable objectives
- Funds
- The use of funds
- Supporting other organisations
- Accumulation of funds
- Displaying charity details

Charitable objectives

1. The provision and protection of foot paths and other ways over which the public have a right of way or access on foot, including the prevention of obstruction of public rights of way
2. The protection and enhancement for the benefit of the public of the beauty of the countryside and other areas by such lawful means as the trustees think fit, including by encouraging the provision, preservation and extension of public access to land on foot **(Please see Appendix 3 which gives green ideas for you as a treasurer)**
3. The provision of facilities for the organising of open-air recreational activities and in particular rambling and mountaineering with the object of improving the conditions of life for the persons for whom the facilities are intended, namely the public at large, and in the interests of social welfare (including health)
4. Advancing the education of the public in subjects relating to access to, and the preservation and conservation of, the countryside and of the health benefits of outdoor recreational pursuits

A charitable company

A charity may only carry out activities which are in support of its objectives. Activities may support the objectives by:

- Directly fulfilling the objectives (for example the publication of walk guides, which clearly fulfils objective 1) or
- Indirectly supporting the objectives (for example fundraising activities, which do not directly support the objects but do so indirectly by raising funds to be used in carrying out the objectives).

The Areas and Groups are also covered by these requirements. Each Area and Group is charged with helping achieve these objectives in its own territory.

i How does it affect us and how can we meet the objectives?

This means an Area/Group cannot carry out activities that do not either directly or indirectly fulfil the objectives of the charity.

Some things that your Group/Area can do to meet our objectives:

- Why not have an open day to show the public what we do and the benefits they could enjoy with membership?
- Consider having some postcards made up; these can then be given to members to send to friends/colleagues, and it may encourage them to join.
- If there are any issues that you feel strongly about (perhaps your Group/Area objects to a local supermarket being built) then consider lobbying your MP.
- Encourage others to walk/join.
- Improve access for all. Try to think of others who may have disabilities or financial issues and ensure they too have opportunities to walk. This may mean considering issues such as path surfaces, kissing gates and arranging walks with public transport links.
- Ensure footpaths are properly maintained by collecting litter and cutting back overgrowth. Also consider contacting those responsible for footpath maintenance (often the County Council or Unitary Authority) if there are issues volunteers cannot deal with.

Funds

Restricted funds

Restricted funds are funds that are given to us to achieve particular purposes; these purposes will be stipulated by the donor. For example a grant that is given to produce a walks guide cannot be used for any other purpose, even when that purpose falls within our charitable objectives. Restricted funds are held legally on trust to be spent as specified and failure to fulfil the conditions will be a breach of trust. Typical sources of restricted funds are:

- Grants from charitable trusts and statutory bodies: there is often a funding agreement which sets out what the funds may be spent on
- Individual donations and legacies: the donor may specify that their donation is to be spent for a particular purpose. With legacies, information is in the will or from the executors of the will.
- Appeals: if the appeal states that the funds will be used for particular activities rather than for our general objectives, then the appeal income will be restricted.

For each restricted fund, the treasurer needs to show the income, expenditure and fund balance carried forward separately.

If a balance remains on a restricted fund after the end of the related activity then you should either:

- Obtain permission from the donor(s) to spend the remaining balance on some other activity;

OR

- Return the unspent balance to the donor(s).

Investment income arising on a restricted fund (for example bank interest) is itself restricted to the fund. In most cases bank accounts will contain a mixture of funds, and it will be necessary to apportion the investment income between the funds on a reasonable basis.

Designated funds

You should not treat unrestricted funds as restricted funds. As explained above, once funds have been restricted it is very difficult to de-restrict them. Unrestricted funds that the Area/Group committee has earmarked for a particular purpose are called designated funds. The designation has an

A charitable company

administrative purpose and does not legally restrict the Area or Group's ability to apply the fund as it sees fit.

When the committee is deciding to designate funds, they should place a time limit on the designation and have a plan in place as to how the funds are to be spent.

Designated funds should be shown in the unrestricted column on the annual return form.

Unrestricted funds

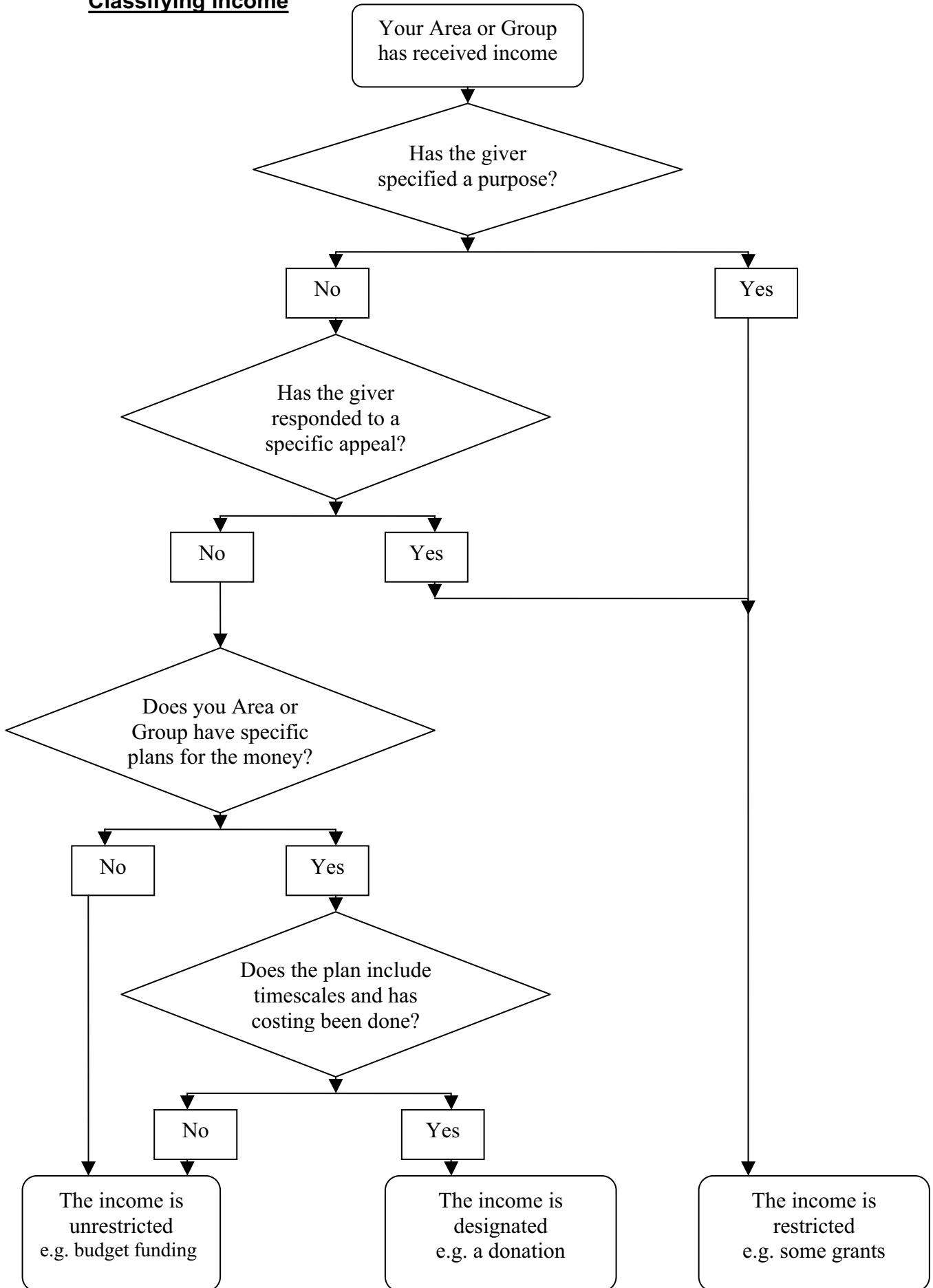
Funds which aren't restricted are called unrestricted funds. Common sources of unrestricted funds include:

- Book sales
- Coach rambles
- Funds received under the budgeting system (these are to be used for achieving the overall charitable objectives and so are unrestricted)
- Grants, donations and legacies which contain no conditions as to how they should be spent

For a simple summary on how to classify income, please see the flowchart overleaf.

A charitable company

Classifying income



Acceptable use of funds

Restricted funds may only be used for the specified purposes within our objectives.

Unrestricted funds can be used for any purpose within our objectives.

If non-charitable activities (activities which don't fit in with one or other of the objectives) are undertaken to support the charitable activities, then it is important that these activities are not loss-making. Common types of non-charity activity undertaken by Areas and Groups are fund-raising events, coach rambles and social events for members.

If significant losses are made consistently this will jeopardise our charitable status.

i In practice this means that the following non-charitable activities should not be loss-making:

- Coach rambles
- Social events
- Holidays

See the specific guidance on these activities in Section 2.

Supporting other organisations

We are a charity and therefore our resources can only be used to fulfil our charitable objectives. Areas and Groups should generally not assist other organisations to approach our members for money or recruitment purposes or help other organisations raise money by assisting them to run fundraising events and activities.

Exceptions to this principle should occur **only** when there is a clear substantial and preferably financial benefit to us at either national or local level. At all times, fundraising and recruitment efforts should be directed towards the benefit of the Ramblers' Association.

Due to the legal obligations placed upon us by the Charity Commission Areas and Groups may only donate funds to other organisations when it will help achieve our charitable objectives. In all cases donations should be made only to other charities or non-profit making organisations. Where donations are

A charitable company

made to another organisation, it should be clear that the organisation's objectives are similar to ours. It is not acceptable to make donations to individuals, though this does not preclude making a payment to an individual to carry out some activity which will help achieve our objectives.

Where a donation has been made to another organisation, evidence should be obtained that the donation has been spent as intended. Suitable evidence may be a report explaining how the money has been spent.

This does not preclude Areas and Groups working alongside other organisations or in joint campaigns where such work will clearly help to achieve our aims.

Each donation needs to be considered separately – they should not be made on a regular basis out of habit.

i How does this affect us and when would supporting another organisation be seen as beneficial?

Generally Areas and Groups should not give donations to other organisations, unless the donation is relatively small and there is a clear benefit. Donations would be reasonable if, for example:

- The Mountain Rescue Team (or similar) has helped out with a specific incident and the committee wish to give a small donation. This will help foster good relationships.
- An Area/Group, which does family walks, is approached by a local school for a contribution to their fete and they give a small donation as the Ramblers is to receive publicity.

If you wish to make a more substantial donation that meets our charitable objectives, please contact Central Office for advice.

Accumulation of funds

Charities are required to apply their resources towards their charitable purposes. As such, the Areas and Groups should not accumulate funds they cannot justify as being needed to fulfil their objectives.

A charitable company

The treasurer needs to be happy with the level of funds held; the level will depend on the Area or Groups:

- Forecast income and expenditure for the future period; and
- Analysis of the likely future needs and assessment of the likelihood of those needs arising.

Areas or Groups that accumulate funds by retaining, as a matter of habit alone, any annual surpluses will find it difficult to justify their budget requests.



What should we do if we have surplus funds?

- Consider projects which the Area/Group may wish to undertake which fulfil the charitable objectives
- Donate the funds to Central Office in order that other Areas and Groups may make use of them.

Displaying charity details

Charity law requires all Areas and Groups to state that they are part of a registered charity, in English, on:

- Any written notice, advertisement or other document which is intended to solicit any form of benefit for the charity; and
- All cheques, invoices, receipts, bills and orders for goods issued on the behalf of the charity.

The first category above will include materials such as walks programmes, newsletters and books of walks. This statement should also be included in Area and Group annual reports.

In addition, the Business Names Act 1985 requires all limited companies to display the company name and registration details on their letterheads, purchase and sales invoices, and receipts.

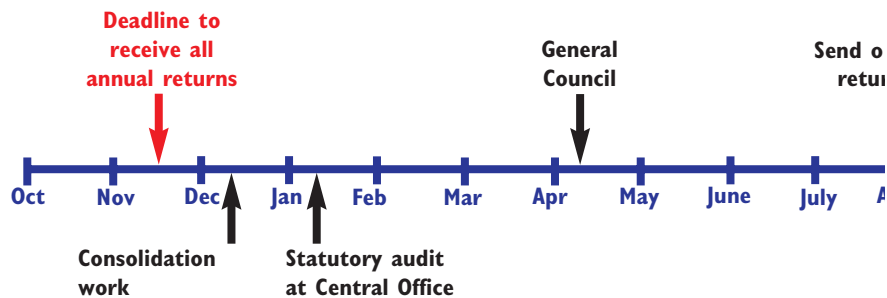
The suggested wording for Areas and Groups is:

<name of Area/Group> part of the Ramblers' Association, registered charity 1093577, company limited by guarantee 4458492

Ramblers' Association Setup

The Ramblers' Association accounting year

The Ramblers' Association financial year runs from 1 October to 30 September the following year. The following diagram shows the major events in the financial year:



Areas and Groups – the setup

Each Group is part of an Area; the Area treasurers support Group treasurers and are their first port of call if they have a problem.

Central Office funds each Area, who in turn fund the Groups. Areas are funded by way of a budget submitted to Central Office. Budget forms for the following year are submitted to Central Office along with the accounts and annual returns at the year-end. Groups and Areas will need to work together when submitting budgeting forms.

Once the budget has been approved, payments are made to the Areas on an agreed timescale, often once a quarter.

National differences in Areas and Groups

There is a great deal of variation in Areas and Groups.

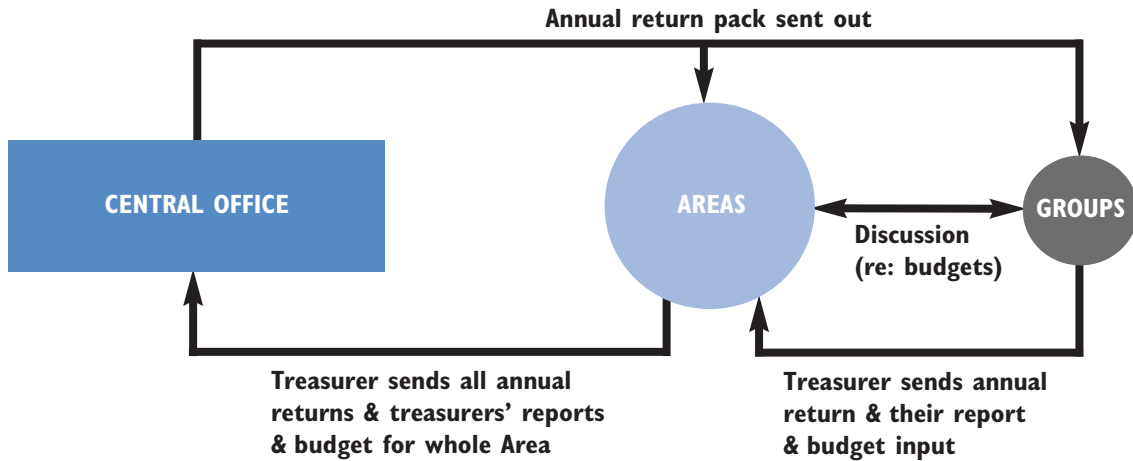
Areas and Groups differ not only in size but also in the level and nature of activities they take part in. Some Areas/Groups are heavily involved in particular activities, such as, producing publications, organising coach rambles/holidays or footpath work.

This level of diversity and special skills needs to be embraced, but it is also important that we offer a base-level of activities to members across all parts of the country.

A charitable company

Document flows between Areas and Groups

The following diagram shows the financial documentation sent between most Areas and Groups:



Cash flows between Areas and Groups

The diagram below illustrates the cash flows:



Budgets

What do Central Office look for when they receive budget forms?

When considering the budget Central Office look at a number of things including:

- Charitable spending in previous years.
- Losses incurred on social events, coach rambles and holidays.
- Planned activities for the next year, particularly those meeting the charitable objectives.
- How much the Area plans to pay to its Groups, including the reserve levels of Groups and any budget information received from the Groups.

What do we need to be aware of when setting our budget?

- Submit your budget in plenty of time, so that if we need further information we can contact you for explanations.
- Make sure you fill in the forms as completely as possible.
- Ensure your planned projects meet the objectives of the Ramblers' Association.
- If your Area has sufficient reserves, ensure the spending for next year is at least partially financed by them.
- Ensure your Area has not incurred losses on social events, coach rambles or holidays. If there are any provide explanations.
- Include a narrative explanation to clarify any unusual items or plans for the future.

Records and systems

Chapter layout:

Records – page 1

General systems – page 3

Specific systems – page 9



Records – what do we need to keep?

Books and records that need to be maintained by the Area/Group committee include:

- minutes of meetings
- items relating to bank accounts
- details of investments
- records of stock
- documentation relating to income and payments
- cashbook
- newsletters
- programmes of coach rambles and holidays

Please see Appendix 4 for a full list of books and records.

Bookkeeping

Treasurers are responsible for maintaining records of Area/Group finances.

Company law requires that records maintained must include:

- A record of all income and expenditure;
- A record of the assets and liabilities of the Area/Group; and
- Statements of stock and stocktaking records.

Charity law requires that these records are kept for a period of **six years** from the end of the financial year to which they relate. If this is a problem, then Group treasurers should first see whether their committee can help and, if not, contact their Area treasurer and/or the Finance Team at Central Office. If the records are stored in a variety of locations, the treasurer must keep a record of these locations and the documents stored in each.

Records and systems

To make bookkeeping as easy as possible and to ensure that our requirements are met, Central Office provides a standardised cashbook format. This pack is available in both paper and computer-based versions and includes full guidance on how to use the system. As well as maintaining the cashbook, if the activities warrant it, treasurers may also need to keep:

- A simple stock book
- A schedule of assets held (e.g. computer) – a record sheet is provided in the forms section
- Details of amounts owed to/by the Area/Group

The cashbook format is laid out in charitable objectives because our accounts need to be produced in charitable objectives, and therefore Area/Groups should record expenditure based in charitable objectives. Appendix 5 shows how expenditure falls under the charitable objectives.

The spreadsheet system

A spreadsheet based bookkeeping system is available from Central Office. The system is compatible with most Windows, Mac and Unix operating systems provided the correct programmes are installed. The spreadsheet is available on our website, by email or on disk.

All bank payments and bankings are to be entered on to the spreadsheet.

The spreadsheet produces quarterly and year-end accounts in two formats – natural classification and our charitable objectives.

The manual system

If you wish to use the manual system, pre-headed A3 analysis sheets are available from Central Office – these can then be photocopied or re-ordered as necessary.

The system is made up of two sheets – one for income and one for expenditure.

Each separate bank account should have its own income and expenditure sheet. Therefore, if your Area/Group has three bank accounts, you will need to maintain three sets of analysis sheets.

If your Area/Group has only one bank account but keeps separate funds, you may wish to keep a set of analysis sheets for each fund.

How often you need to fill in the sheets will depend on the level of activity of your Area/Group. You may find it best to fill them in weekly, monthly or quarterly.

Records and systems



If you wish to use the manual system please contact Jancy Davies at Central Office on 020 7339 8587 or jancyd@ramblers.org.uk
The spreadsheet system is available for download on our website or please contact Jancy to be emailed a copy or sent a disk.

Computerised accounting records

If the accounting records are kept on computer, you should ensure that the relevant files are regularly backed up and a copy of the backup is held by another Area/Group member. For example, if the treasurer keeps the accounting records, they could be backed up every month and a copy e-mailed or sent on floppy disk or CD to the chair, a secretary or independent examiner.

General systems

Unified Bank

The Board of Trustees has approved a unified banking scheme with Unity Trust Bank. It will help provide better management of the Ramblers' Association's reserves and improved returns on the funds of the Association. All Areas and Groups must hold accounts with Unity Trust Bank.

Internet banking

Unity Trust Bank allows you to access account details over the Internet. If your Area/Group has not yet signed up for Internet banking this can be done by requesting a form from Unity Trust.

Internet banking is done through the Unity Trust website, www.unity.uk.com - you then need to use the link to Internet/Online banking.

Once you have logged into the service, you can access details of the bank balance and print statements. This can be done at any time.

Records and systems

Paying in cheques

Unity Trust operates a postal banking service and cheques should always be paid in using this method. Prepaid envelopes for this purpose are provided by Unity Trust and further envelopes should be requested directly from the bank.

Paying in cash

Cash should be paid in locally at your nominated bank/post office; it should never be paid in using the postal service. Cash can also be withdrawn from this bank/post office.

Number of bank signatories

We recommend all bank accounts have a minimum of three signatories. This is so when people take holidays there are still enough people able to sign cheques. Most cheques will be signed by two people.

Changing signatories

Forms can be requested from the bank for a change of signatory.

Expense payments

Expense claims should be accompanied by suitable documentary evidence. It is recognised that for some small expenses (up to £3) and mileage claims receipts will not be available – common sense should be exercised.

Nobody should ever authorise or pay their own expenses claim, ensure that another committee approves the claim. Payments for expenses should ideally be made by cheque.

The current maximum expenses claims for common items are set at:

Mileage rate	25p per mile
Printing rate	5p per sheet

These rates are subject to change and if there is any doubt you should contact Central Office.

The printing rate is for the printing of documents at home that are necessary for the Area/Group committee.

When printing and using cars, committee members should refer to Appendix 3 on Green Ideas.

VAT on photocopying

As a charity we do not have to pay VAT on the printing of brochures, pamphlets and leaflets unless they have Areas for completion, detachment or return exceeding 25% of the total Area of the publication.

Discretionary discounts

If members of your Area/Group receive a discount from a third party it is important that this is communicated to members in a certain way. You should not enter into an agreement or contract with a local trader to provide discounts – any discounts offered should be at the sole discretion of the trader.

Any advertisements in the walk programme offering discounts must make it clear that discounts are discretionary.

Failure to do so may affect the Ramblers' Association Gift Aid position.



If you need to further guidance on VAT on photocopying or discretionary discounts, please contact the Finance Team at Central Office, or see the guidance available on the Ramblers' Association website.

What controls should be in place for authorising purchases?

It is important that all purchases are properly authorised. To ensure this:

- Area and Group committees should agree written procedures. These should be circulated to all committee members.
- Wherever possible, payments should be made by cheque. Payments made via the Unity Trust on-line transfer system should be set up by the treasurer and then another committee member should log in to authorise the payments. This ensures that no one person can individually incur expenditure.
- The committee should keep a written record of who is authorised to place orders; large expenses should be discussed at committee meetings and approved by more than one committee member.
- The committee should formally approve all cheque signatories. If signatories change the bank will need to be informed. The Area/Group will need to have sufficient signatories that cheques can still be signed, whilst people are on holiday etc.

Records and systems

- **Small cheques (say up to £50) can be signed by just one person, but larger cheques should have two signatories. This policy should be agreed by the committee and communicated to the bank in writing.**
- Committee members other than the treasurer should order goods and services; they should then forward invoices to the treasurer to check and arrange for payment to be made. This ensures that no one person alone can incur and authorise expenditure.
- Wherever possible, original invoices should be sent to the treasurer. The person who incurred the expenditure should sign the invoice to show the goods or services have been received and payment should be made.
- There should be a policy that blank cheques are never signed.
- If a cheque is being paid to a signatory, then the person being paid should not be the only person to sign the cheque.

How do we deal with cash floats?

The preferred system for managing a cash float is as follows:

The individual is given a float to cover their expected costs. The individual signs a voucher acknowledging receipt of the float. In the cashbook, the treasurer records the float as a balance sheet amount owing to the Area/Group (under petty cash floats held).

The individual incurs costs and obtains receipts.

Every so often the individual submits a claim, together with the receipts, to the treasurer (or whoever authorises expenditure).

The treasurer reviews the claim and receipts, signs and dates it as evidence of review and approval. The treasurer sends a cheque for the total value of the receipts claimed to the individual. The individual's float is thus topped back up to its agreed level.

In the cashbook, the treasurer analyses the cheque payment in accordance with the receipts submitted. The petty cash payment is thus "impressed" into the main cashbook and there is no need to keep a separate petty cashbook.

When the individual ceases their role, they send any remaining receipts and the balance of the float to the treasurer. The treasurer does not reimburse these final receipts as they represent the return of the spent part of the float. Instead, in the cashbook, the treasurer sets off the original float against the receipts and return float.

Records and systems

What systems are needed for stock?

Stock is made up of goods produced or purchased for sale. For example: walk guides, maps and souvenirs such as badges, key rings and T-shirts.

If an Area/Group has stock it will need to be included in the year-end accounts and annual return.

A stock take sheet is included in the forms section.

Value of stock

The value to include in the accounts can be calculated by counting the number of each line of stock held then multiplying by, either:

- the unit cost of the stock, if it is still in a good condition and it is expected to be sold at full price

OR

- if it is likely the stock will not be sold at a value to cover its cost, then the expected proceeds should be used

Stock sales records

During the year, income from the sale of stock should be recorded as normal in the cashbook. The details and number of stock sold should also be recorded. At the year-end, this can then be compared to the actual stock held and any differences investigated.

Stock taken for events

If stock is taken for events then a record of this needs to be kept.

What do we need to do if we have investments?

If your Area/Group has funds to invest they should contact Central Office for advice. Areas and Groups currently hold a wide range of investments.

Valuing investments

Charities are required to revalue their investments in their accounts at their market value at the balance sheet date. In order to do this it will be necessary to obtain year-end valuation information from:

- Investment managers for common investment funds, unit trusts etc
- Published share and stock prices for quoted stocks and shares (for example in the Financial Times)
- Bank statements for high interest accounts, money market accounts etc.

Please send copies of these documents in with the annual return.

Donated investments

Areas and Groups occasionally receive donations of investments, most often via wills. In many circumstances the donated investments may not be suitable. Therefore please contact Central Office as the investment may need to be sold and reinvested.



Records and systems relating to specific activities

It may simplify matters for Areas and Groups to hold a separate activity bank account for holidays, social events and coach rambles.

This is purely for admin purposes; transferring the money to a separate account does not make it restricted nor change who the money belongs to. The funds are still part of the Ramblers' Association and must be included in the accounts and on the annual return.

Coach rambles

Coach Rambles organised as a Ramblers' Association activity must be accessible and promoted to the general public. This is consistent with our charitable objectives. We will not be meeting our objectives if those attending coach rambles are a “mere fluctuating body of private individuals”.



To ensure coach rambles are open to the public and are promoted as such:

Distribute walk programme to local libraries, shops, family centres, schools, youth clubs, nursing homes, doctors' surgeries, village halls, etc.

Ensure there is a contact number as the public may be less likely to turn up on walks if they are unsure of details.

Give specific details about meeting places and try to ensure there is easy access for those who don't have a car.

Have a variety of walks so that there is one suitable for everyone.

Make new people feel welcome and offer advice where appropriate.

Ensure leaflets give details of equipment needed, and whether it would be appropriate to take dogs and/or children on the walk.

Consider placing adverts/articles in newsletters or local newspapers.

Records and systems

If coach rambles are not open to the public, they may not be considered as charitable and the Area/Group committee will need to carefully consider why they are undertaking this activity.

Coach rambles should be a cost neutral activity – Areas and Groups must not set out to make a loss on such activities. Those participating in the rambles must bear the cost and charitable funds must not be used to subsidise them.

Controls

You should first draw up a realistic budget, setting out the expected costs and attendance to enable you to set appropriate charges. As coach rambles need to break even, a degree of planning is needed to ensure this is the case. It is especially important that your expectations of attendance levels are realistic, as an over-optimistic forecast may lead you to set charges too low and to book too large a coach. Many Areas and Groups run very successful programmes of coach rambles and, if you are unsure about setting budgets or predicting attendance levels, do contact other Areas and Groups for advice.

To make sure everyone pays the correct amount, the following system may be used:

- either issue tickets with a duplicate book or use a register
- send the duplicate book or register to the treasurer/coach secretary with the income


A register and budget form are provided in the forms section.

Social events

To be charitable, or in support of charitable activities, social events need to be:

- Open to the general public, well publicised so as to be genuinely open to the public, and designed to promote our charitable objectives or
- Designed and promoted as a fundraising event

A level of social activity amongst members is to be encouraged as it is good for members to get together and it's fun! However, socials should not dominate the programme of activities.

 To ensure social events are considered to be open to the public, follow the same principles as detailed for coach rambles about being open to the public.

To ensure social events are considered to be fund-raising events:

- Consider having a raffle/lucky dip/game.
- Ensure Ramblers' Association literature is available. Please contact Central Office.
- Have a stall selling homemade items donated by members, such as cakes or cards.
- Have a walking quiz.

If any of the events are loss-making, charitable resources should not be used to prop up non-charitable activities, though an occasional small and unanticipated loss on a particular event may be accepted.


If a decision is made to cease managing social events through the Area or Group, but carry them on through other avenues, then any social club funds or amounts held in social club bank accounts remain the property of the Area or Group and must not be transferred.

Holidays

The considerations for holidays are very similar to the considerations for coach rambles. Holidays are charitable if they:

- Are open to the general public and are promoted so as to encourage public participation
- Involve rambling, mountaineering or similar activities

Areas or Groups considering putting on challenge event type holidays should seek advice from the finance department at Central Office before arranging them.

 To ensure holidays are seen to be open to the public:

- Distribute leaflets/advertise in good time to allow people to book.
- Display contact details, so people can ask queries.
- Make the destination and price appealing.

Chapter layout:

Reporting to the committee – page 1

Other committee matters – page 2

Reporting to the committee

What to report

Area and Group treasurers should report to the Area/Group committee on the finances as determined by the Area's/Group's own rules. Preferably the treasurer should provide a finance update at each meeting. Financial aspects that the committee need to be aware of and discuss are:

- Results for the period (including comparisons)
- Cost of future projects and quotes obtained
- Stock
- Specific project results
- Social, holiday and coach ramble results
- Any guidance or policy changes from Central Office
- Budget requests

The frequency and detail of reports will depend on the level of the Area's/Group's activities and reserves. The cashbook should be produced at each meeting.

How to report

Treasurers should consider the format of their reports, aiming to make matters as clear as possible for the committee. Useful tips are:

- Visual aids are often very useful; consider producing graphs and charts or using a flip chart, so the committee has something to focus on during the report.
- Spreadsheet programmes can be very useful for producing handouts showing figures; they can also produce graphs and charts.
- Concentrate on key figures, highlight to the Group the effect they will have on budget funding and future planned projects.
- Try to keep presentations short and simple, that way you are likely to maintain the committee's interest.
- If you are using PowerPoint to produce presentations ensure that slides are clear – they are less effective if they are cluttered or the text size is too small.

Other committee matters

Committee meetings

Committee meetings will take place periodically. When deciding upon the venue cost should be considered.

It is reasonable to provide refreshments at meetings. The cost of these does not cause a problem providing they are sensible and proportional – this of course includes tea, coffee and biscuits. At certain times of the year, for special occasions, your committee may feel it is appropriate to provide "special refreshments". This must not be excessive but should recognize the time and commitment of the volunteers. This is a decision for your committee to take and you all need to be happy with the decision.

Incurring expenditure

Make sure every committee member who is authorised to incur expenditure is aware of the need to allocate it to the charitable objectives. Ask them to write as much detail as possible on the invoices and expense claims so it is easier to allocate to the correct charitable objective.

Change in committee members

When long-standing committee members resign, some Groups and Areas buy a small token gift as a thank you for their time over the years. If your committee wishes to buy a gift for a leaving committee member, ensure the value is not excessive – if your Group or Area wishes to buy a more substantial gift you could have a collection.



If there is to be a change in treasurer Central Office should be notified, with full details, as soon as possible.

Please contact Jancy Davies with details on 020 7339 8587 or email jancyd@ramblers.org.uk or by post at Central Office.

Please pass these guidance notes on to the new treasurer.

Conflicts of interest

Each Area and Group committee should put in place policies and procedures to ensure that potential conflicts of interest are identified and avoided. A conflict of interest can arise when a transaction is undertaken with an individual or business in which a member has a significant personal interest or stands to make personal gain, either directly or through close family members such as a spouse. For example:

- A decision to print the newsletter with a printer where the husband of a committee member is a director of the print business
- A decision to make a grant to a non-Ramblers' Association Group in which a committee member takes a leading role

There is nothing inherently wrong in such transactions; however steps should be taken to ensure that the transaction is undertaken with our best interests in mind and with full transparency. To this end it is recommended that a policy is put in place whereby all members with an interest in a decision should declare that interest at the start of any meeting and absent themselves from that part of the meeting. They should not take part in any discussion or decision on the matter.

Budgets

All Area treasurers will need to provide a budget for the following financial year and submit it to Central Office in accordance with instructions received. Group treasurers should submit budgets, when required, to the Area Treasurer.

Treasurers will need to work with the committee to set the budget for the following year.

When setting the budget for the following year, the committee will need to consider the following:

- Planned projects/activities the Group has in the following year and the expected costs.
- Any expected changes in income/expenditure from last year.
- The expected timings of inflows and outflows of cash.

The committee

Area treasurers will need to communicate with Group treasurers to ensure their needs are met. The level of communication required will vary from Area to Area due to differing levels of activity and complexity. It may be appropriate to ask Group treasurers to prepare budgets or an Area may have their own system. A Group budgeting input form will be issued with the annual return forms in August each year for those Areas that wish to use it.

If the group budgeting input form is required before August it can be requested from Central Office or downloaded from the website.



Phone Jancy Davies on 020 7339 8587 or email
jancyd@ramblers.org.uk or www.ramblers.org.uk

The accounts and treasurer's report

Chapter layout:

The accounts – page 1

Treasurer's report – page 5

The accounts

Our articles of association require each Area/Group **committee** to produce, for each financial year:

- an annual report
- an income and expenditure account
- a balance sheet showing the assets and liabilities of the Area or Group

The income and expenditure account and balance sheet will be combined together to form the accounts. **As a treasurer, you will produce the accounts and your treasurer's report to be included in the annual report.**

Producing the accounts may be as simple as the annual return being independently examined and signed by the committee. Alternatively, the treasurer and committee may decide to produce their accounts in a different format.

Basis of preparation

Our Articles of Association suggest that all Areas and Groups should prepare their accounts on an accruals basis.

All Groups are strongly advised to prepare their accounts on an accruals basis; however, it is acceptable for Groups with receipts of less than £5,000 to prepare their accounts on a cash basis.

All Areas are required to produce their accounts on an accruals basis. This is because Areas will generally have a higher level of income and expenditure.

Cash-based accounting

With cash-based accounting, the figures in the annual accounts represent amounts received or paid in the year. No adjustments will have been made for amounts owing or owed or prepaid at the year-end.

The accounts and treasurer's report

Accruals based accounting

The accruals basis of preparation means that income and expenditure are included in the period to which the income and expenditure relate rather than in the period in which the actual cash transaction takes place. This gives a truer view of the Area/Group's finances as under the cash basis, the result could be easily distorted by simply accelerating or delaying payments.

To make accruals based accounting simpler, avoid having adjustments at the year-end.

Examples of adjustments under the accruals system are:

- Prepaid expenses: these would occur when the Group/Area made a payment in the year which related to the next year. For example the Group/Area may pay for the October 2007-December 2007 walk programme in September 2007. This expense relates to the year ended 30 September 2008, and therefore it needs to be adjusted for as a prepaid expense.
- Creditors: these would occur when the Group/Area receives goods or services during the year, but does not pay for them until the following year. For example, the Group/Area may pay the coach company in October 2007, for coaches provided during August and September 2007. This expense relates to the year ended 30 September 2007 and should be included in those accounts.
- Prepaid income: this would occur when the Group/Area receives income in the year, which relates to the next year. For example, the Group may receive holiday deposits from members in the 2006/2007 financial year, but the holiday may not take place until the following financial year. Whilst the money was received during the year 2006/2007, it relates to the following year and needs to be shown as prepaid income.
- Debtors: these would occur when the Group/Area is due income, but does not receive it until the following year.

The balance sheet

The balance sheet is a list of all the assets and liabilities at the year-end. The balance sheet should, as a minimum and where relevant, include the following analysis:

- **Investments:** (asset) in accordance with charity rules, these should be valued at market value, unless no reliable valuation information is available, in which case they should be valued at cost
- **Cash:** (asset) detailing cashbook balances and floats held. This needs to be reconciled to bank balances at the year-end
- **Stock:** (asset) the value of stock at the year-end, each stock line being valued at the lower of cost and net realisable value (net realisable value is the net value the stock can be sold for)

If the accounts have been prepared on an accruals basis, the following analysis should be provided:

- **Debtors:** (asset) income due in the year but not yet received
- **Prepaid expenses:** (asset) expenditure paid in the year which relates to the next year
- **Loans made:** (asset) loans made by the Area/Group which have not been fully repaid at the year-end
- **Creditors:** (liability) expenses due in the year but not yet paid
- **Prepaid income:** (liability) received in the year, but which relates to the next
- **Loans received:** (liability) loans received by the Area/Group which have not been fully repaid at the year-end

The Ramblers' Association's policy is to only capitalise tangible fixed assets (e.g. computers) costing over **£5,000**. Capitalising means recording the cost of the asset in the balance sheet rather than treating it as an expense against income received in the year.

Hence most Areas and Groups will not possess any tangible fixed assets and should write off smaller asset purchases in the year of purchase. If any tangible fixed assets costing over £5,000 are held, they should be included as follows:

- **Tangible fixed assets:** (asset) net book value using an appropriate depreciation policy

If the Area/Group holds a mixture of restricted, designated and general funds at the year-end, the balance sheet should analyse the net assets (total assets less total liabilities) between the different sorts of fund:

- **Funds:** split between restricted, unrestricted and designated (see Section 1)

The accounts and treasurer's report

Income and expenditure account page

The income and expenditure account (or Statement of Financial Activities) should separately identify income and expenditure for restricted and unrestricted purposes.

The total fund balances carried forward at the foot of the income and expenditure account should equal the fund balances on the balance sheet.

The brought forward funds in the income and expenditure account should equal the brought forward funds from the previous year.

The minimum categories for income and expenditure are shown below; more categories can be added as relevant to your Area/Group.

Income	Expenditure
Area/Group budget funding received and other income from within The Ramblers' Association	Group budget funding paid and other payments to within The Ramblers' Association
Legacies, donations and grants	Costs of goods sold
Income from the sale of goods	Expenditure on coach rambles
Income from coach rambles	Expenditure on social events
Income from social events	Expenditure on holidays
Income from holidays	Other costs split between:
Bank interest and other investment income receivable	<ul style="list-style-type: none">• Footpaths expenditure• Countryside protection• Access• Promoting walking• Governance
Gains (and losses) on investments	

The accounts and treasurer's report

The treasurer's report

The treasurer's report should contain details of financial activity during the year. Items you may wish to mention are:

- Amount of budget received
- Details of restricted or designated funds
- Explanations for any large changes in amounts compared to the previous year
- Details of any large amounts owing to or from the Group/Area at the year-end
- Details of stock held, especially if it is unlikely to be sold for its full value and therefore valued lower than its cost

Your treasurer's report should be sent to Central Office with the annual return and also passed to your Group/Area secretary to include in the full annual report.

The annual report

Chapter layout:

The annual return

The annual return

Each Group/Area also needs to complete an annual return. The annual return must include details of all funds and bank accounts held by the Group/Area.

Annual returns are required since the results of all Areas and Groups must be consolidated with Central Office and council results each year in the Ramblers' Association statutory accounts.

The annual return pack will be sent to all Areas and Groups each year in August. The pack will include full guidance on completing the annual return.

So that the overall Ramblers' Association accounts can be produced in a timely manner, and to enable them to be presented to General Council, all Groups/Areas must submit an annual return to head office by the deadline given in the annual return pack.

The process

The annual return form is completed from the bookkeeping records and adjusted, as the accounts are, for debtors and creditors if necessary.

Groups should complete their annual return and forward a copy to their Area treasurer along with their treasurer's report and input for the budget, if appropriate. Area treasurers will check that the Group annual returns are consistent with the Area return and will then forward all of them to Central Office.

If there is sufficient time before the deadline, treasurers should have the accounts independently examined and approved by the committee. If time is limited, this should be done after submission.

The annual report

The format

Whilst each Area/Group, within the limitations of the guidance set out in

Section 4, may determine the appropriate form for its annual accounts, the format for the annual return is determined by Central Office.

The format has been standardised for the following reasons:

- The sheer number of annual returns received (approximately 530!) means that it would be impractical for them to be in different formats
- The annual return is designed to obtain all the information the Ramblers' Association requires in order to carry out its statutory responsibilities.

The statutory responsibilities of the Ramblers' Association include:

- Ensuring that the accounts are correctly adjusted for transactions occurring between different parts of the Ramblers' Association. To achieve this, all Areas and Groups are required to provide details of any income, expenditure and loans between the Area/Group and other parts of the Ramblers' Association
- Ensuring that information in the overall Ramblers' Association accounts is presented correctly and consistently. To achieve this, the annual returns specify how income, expenditure and balance sheet figures should be determined and analysed
- Ensuring that the Ramblers' Association's tax affairs are in order. To achieve this, the annual returns require disclosure of potentially taxable items

Accounting and tax rules change from year to year, as do the Ramblers' Association's activities. The annual return is accordingly revised each year to take account of these changing circumstances. Whilst this is not desirable, it is sometimes unavoidable. Each annual return is issued with guidance notes explaining how to complete the return and explaining any changes to the return.

The independent examination

Chapter layout:

The independent examination

Why do we need an independent examination?

All Areas and Groups are required by the Ramblers' Association's articles of association to prepare annual accounts and to have them independently examined. This guidance sets out guidelines for the independent examination of the Group's/Area's annual accounts.

What is the purpose and scope of the independent examination?

The purpose of the examination is for the examiner to express an opinion to:

1. In the case of a Group, it's members and the Area Treasurer
2. In the case of an Area, it's members and the Board of Trustees.

The examiner needs to form an opinion on whether the Area/Group accounts give a true and fair view. Accounts can be said to give a true and fair view if they are:

- **Free from bias** (the information has not been selected or presented in such a way as to influence the making of a decision or in order to achieve a predetermined result) *and*
- **Free of material misstatement** (see Appendix 6: Materiality) *and*
- **The information presented is**
 - **Relevant** (it helps evaluate past, present or future events) *and*
 - **Reliable** (it faithfully represents what it purports to represent) *and*
 - **Understandable** (it is straightforward to perceive its significance)
 -

The Area/Group accounts should include all activities and balances under the control of the Area/Group. If separate funds are held which are managed by separate committees, but these committees are controlled by the Area/Group committee, then these separate funds should be included in the annual accounts and fall within the scope of the independent examination.

The independent examination

Who can be an independent examiner?

The examiner should be an independent person who has no day-to-day involvement with the running of the Area or Group, and who is reasonably believed by the committee to have the requisite ability and practical experience to carry out the examination. If possible, appoint as your examiner someone with professional expertise in examining financial records.

The external auditor of the Ramblers' Association may wish to place reliance on the work of the Area or Group examiner. For this reason it is important that the examiner meets the above criteria and that a consistent examination approach is taken throughout the Areas and Groups.

The examiner should be appointed each year at the AGM.

What should be in the examiner's statement?

If, having carried out the tests, the examiner concludes that the accounts do present a true and fair view, the following statement should be attached to the accounts and signed and dated by the examiner as indicated:

Independent examiner's Statement	
Having carried out procedures in accordance with the Area and Group independent examination Guidelines, I consider the <name of Area/Group> accounts to have been properly prepared and give a true and fair view of the Area's/Group's* finances for the year to 30 September xxxx.	
Signed	<i>Signature of the independent examiner</i>
Date	<i>Date the examiner's report was signed</i>
Name and address	<i>Print name and address of the examiner</i>
* Delete as appropriate	

The independent examination

An original signed copy of the examiner's statement must accompany the accounts when they are sent to Central Office. The examiners' statement should also be reproduced in any document in which the accounts are presented.

If the examiner is not happy with the Area's/Group's accounts, they should first try to resolve the problem with the treasurer and, failing that, the Area/Group committee. If no resolution can be reached, the examiner should contact the finance department at Central Office for further advice.

What should the independent examiner be doing?

See Appendix 7: Independent Examination Tests

What support is available for the examiner?



If the examiner has any comments, queries or problems they can contact Jancy Davies at Central office on 020 7339 8587 or email jancyd@ramblers.org.uk

What info will they need?

All books and records should be made available to the examiner, together with an explanation of any calculated figures in the accounts. See section 2 for a list of books and records that should be maintained.

Forms

Coach rambles budget form

Date of coach ramble

Numbers of rambles on previous
three similar events

Numbers who have indicated:

- interest in the coach ramble
- dis-interest in the coach ramble

Projected number on the coach ramble

--

Coach quotes from three companies

Quotes obtained by:

Coach cost - quote decided upon

--

Cost to break even = coach cost / projected number
per person

--

Costs to be charged per person
(including margin of safety)

--

Forms

Stock take form

for the year ended 30 September

Location	Item	No.	Cost	Net realisable value	Total value
			per item		

B/F					
C/F or Total					

Stock should be valued at the lower of cost and net realisable value

Net realisable value is the net value the stock can be sold for

Glossary

Accruals

Accruals are expenses for which invoices have not been received at the end of an accounting period. These outstanding amounts are not strictly creditors as the invoices have not been received. However, in order for the accounts to be consistent with the accruals concept, these costs need to be included in the income and expenditure account.

Area

Areas are part of the structure of the Ramblers' Association. England, Wales and Scotland are divided into 56 Ramblers' Areas. The territory of many Areas previously corresponded with that of local government counties. However, the Area structure is now based on postcodes.

Area entitlement

This method was used to fund Areas until 30 September 2005. Some Areas still used this method in the year to 30 September 2006, whereas other Areas took part in the pilot of the budgeting scheme. Area entitlement payments were based on the number of members in the Area that had paid their membership subscriptions in that quarter.

Area/Group committee

These are the volunteers who are responsible for Area/Group matters. Members on the committee may include:

- Chair
- Secretary
- Treasurer
- Membership secretary
- Area news editor
- Publicity Officer
- Footpath secretary
- Countryside secretary
- Access Officer

Auditor

This was the term previously used to describe the persons who examined the Area and Group annual accounts. This term has now been changed to independent examiner as it was felt the term "auditor" implied that the Areas/Groups needed to use a qualified accountant. Qualified auditors audit the consolidated accounts annually.

Budgets

This is the method of funding, for Areas and Groups, used by the Ramblers' Association. The budget sets out the income and expenditure the Area expects to receive/incur in the coming year.

Glossary

Capital

In the context of charity law, capital means resources which become available to a charity and which the trustees are legally required to invest or retain and use for its purposes.

Central Office

This is The Ramblers' Association Office based in Vauxhall.

2ndFloor
Camelford House
89 Albert Embankment
London
SE1 7TW

Tel: 020 7339 8500

Fax: 020 7339 8501

Charity

A Charity is an institution established for purposes which are exclusively charitable. When the institution is involved in more than one activity, operates more than one fund, or is not centralised into one unit of operation, the term is used in this guidance to include all those activities, units and funds which fall within the scope of a single governing instrument of which the trustees are otherwise legally liable to account.

Creditors

Creditors are people or firms the charity owes money to. This usually happens when the charity has received goods or services and has been invoiced for them, but has not yet paid for them. Creditors are considered a liability, as when the charity has to pay their debts, cash in the bank will be reduced.

Debtors

Debtors are people who owe money to the charity. This will usually happen where people have received goods or services but not paid money to the charity. If the charity has debtors, these are considered an asset because when the debtors pay, the charity will have converted the debt to cash in the bank. Because most debts are relatively short-term, they are considered current assets.

Designated funds

The trustees may exercise their discretion to set aside part of an unrestricted fund for designated purposes. Designated funds may also be used where donors have expressed a preference without imposing a trust. The funds so designated remain **unrestricted** since the trustees can remove the designation at any time.

Fixed assets

Assets used within the charity and not acquired for the purposes of resale.

Glossary

General Council

General Council is the Annual General Meeting of the organisation. Each Area sends delegates who can present and vote on motions. The Board of Trustees is elected at General Council.

Group

The Rambler's Association has approximately 470 Groups. Each Group is part of an Area.

Independent examiner

This is the person who examines the annual accounts for an Area or Group, previously known as an auditor. The independent examiner must not be on the committee for the Area or Group and needs to feel confident dealing with numbers.

Legacy

A gift made by a donor in their will.

Restricted funds

Restricted funds are funds subject to specific trusts which may be declared by the donor(s) or with their authority (e.g. in a public appeal), but still within the objectives of the charity. Restricted funds may be restricted income funds, which are expendable at the discretion of the trustees in furtherance of some particular aspect of the charity's objectives, or they may be capital funds, where the assets are required to be invested, or retained for actual use, rather than expended.

Treasurer

This is the volunteer who is responsible for Group/Area financial matters.

Trustees

Charity trustees has the same meaning as in s97 (1) of the Charities Act 1993. That is, the persons having the general control and management of the administration of a charity regardless of what they are called.

Unrestricted/General fund

Unrestricted or general funds are funds which, as the name suggests, are not subject to any externally imposed restrictions. Provided that they are used in furtherance of the charity's objectives, and in a way which is consistent with their charitable status, their use is at the complete discretion of the trustees. They are generally used for day-to-day operations.

Year-end

The Ramblers' financial year runs from 1 October to the following 30 September. Therefore for the year 2006/2007 the year-end will be 30 September 2007.

Appendices:

Appendix 1:

The new financial year procedures are:

- start a new cashbook page (manual or spreadsheet)
- make any adjustments received from Central Office
- look to see how expenditure from the year ahead is going to tie in with the budget received from the Area or Central Office.
- if an Area, make distributions to Groups
- attend the AGM to present the previous year's accounts

During the year, things to do may include:

- collecting money for coach rambles
- paying in money
- writing cheques
- updating cashbook (manual or on PC)
- attending committee meetings
- advising on cash flow
- presenting figures
- collecting money for holidays/social events
- helping with fundraising
- budget
- filing of documents/bank statements/invoices
- and, of course, going on walks!

Towards the year-end, you will need to do the following:

- make sure all records are obtained and up-to-date
- organise the independent examination
- fill in the annual return
- if you are an Area treasurer you will need to complete the budgeting section
- if you are a Group treasurer, you will need to feedback to your Area on your funding needs for the next year to help them with their Area budget and maximise the help they can offer you

Appendix 2:

As a new treasurer, you will need to confer with the outgoing treasurer. Things to discuss include:

- **what records are kept**
are records kept manually or on the PC?
is there a separate bank account for coach rambles?
how are fixed assets (e.g. computers) kept track of?
what record is kept of amounts owing to or from the Area or Group?
- **the changing of bank signatories and address details**
a form will need to be requested from Unity Trust Bank
- **filing systems**
are invoices and receipts filled in date order or by cheque number?
does the treasurer keep all the records or are some kept by other committee members?
- **planned projects**
who is in charge of the project?
have any major costs been incurred?
- **restricted funds**
are there any restricted funds?
do restricted funds have a separate bank account?
how are separate records kept?
- **the setup for any coach rambles/holidays**
is there a separate coach rambles secretary?
who is in charge of taking deposits for holidays?

As a new treasurer the most important thing to focus on is making sure records are maintained and invoices/receipts are kept. It is important to record payments and receipts at the time they happen whilst they are still fresh in people's minds.

Help is always available – either contact the outgoing treasurer or the Finance Team at Central Office.

Appendices

Appendix 3: Green ideas for treasurers

- Consider having a Group/Area policy that committee members must car share or use public transport where possible
- Where possible use recycled paper
- Print on scrap paper
- Obtain e-mail addresses from committee members so that correspondence can be done by e-mail
- If possible, hold meetings locally, so that it is not necessary to use a car and the local community is supported
- Recycle printer cartridges
- Look at the environmental credentials of printers when choosing where to have publications printed
- Consider purchasing address labels so that envelopes can be reused

Appendices

Appendix 4: Books and records

The following list details the books and records that should be maintained and made available to the independent examiner. Some of these records will be maintained by the treasurer, others by the rest of the committee. The extent of documentation required in each Area should be guided by the materiality of the Area. For example if the level of stock held is not material, a simple record of stock held at the year end should be sufficient.

Minutes

Minutes of all Area or Group committee meetings. If important financial decisions are taken by a sub-committee, then these minutes should also be maintained.

Bank accounts

- Copies of all bank statements for all accounts, including available bank statements for the period after the financial year-end
- For each bank account held, a bank reconciliation reconciling the cashbook to the bank statements

Income

- For grants, donations, legacies and contracts: documentation such as the grant agreement, will or contract
- For coach rambles and holidays: a record of attendance on each ramble/holiday showing individuals attending and amounts payable. Copy invoices, receipts or receipts stubs
- For stocks sales: a record of the movement on each stock line, showing stock held at the start of the financial year, stock purchased and sold, stock written off and disposed of, and stock held at the end of the financial year. Details of the year-end stock check (and any intervening stock checks). Copy invoices, receipts or receipt stubs for sales
- For advertising sales: copy invoices, advertising rate cards and copies of all publications with adverts placed in the year

Payments

- Original invoices for all cheque purchases. Paid invoices should show evidence of appropriate authorisation
- Vouchers and receipts for all petty cash expenses with evidence of authorisation

Appendices

Cash books and accounting records

- Cashbook for each bank that records all income and expenditure transactions in the year. If this is on the computer or a disc, ensure that the independent examiner can access it

Stock

- A record of stock held at the year-end

Investments

- Common investment funds or unit trusts: copy of investment manager report at the financial year-end. Correspondence relating to the purchase & sale of investments and investment income
- Stocks and shares: original or copies of share/stock certificates. Correspondence relating to purchase or sale of stocks & shares and dividends

Appendix 5: Charitable Objectives/Allocation of expenditure

The following show how expenditure should be allocated to our charitable objectives:

Footpaths

Travel to clear footpaths and site visits
Meetings about footpaths
Stamps/photocopying for items concerning footpaths
Phone relating to footpath matters
Footpath secretary expenses
Copies of maps for footpath issues

Countryside protection

Mileage for site visits
Planning/consultation documents from the council
Stamps/phone/photocopying/meeting expenses relating to countryside protection issues
Countryside secretary expenses

Access/freedom to roam

Leaflets about access to open countryside
Organising rallies
Stamps/phone/photocopying/meeting expenses relating to access issues
Access officer expenses

Promoting walking

Leaflets
Open day/stands
Membership drives
Walk programme cost and postage costs
Walk leaders expenses
Recce
Stamps/phone/photocopying/meeting expenses relating to promoting walking issues

The following items should be allocated to governance:

AGM costs
Meeting expenses that can't be allocated elsewhere

Appendix 6: Materiality

In preparing and examining the Area/Group accounts, it is necessary to bear in mind that absolute accuracy is often neither desirable nor achievable. It is not usually desirable because the time and effort required to achieve absolute accuracy would be out of proportion to the benefit gained. It is often not achievable because the accounts contain estimations and judgements, such as the value of stock held or the recoverability of a debt.

However, it is also not acceptable if the accounts contain significant inaccuracies or contain unjustifiable estimates.

The middle way is achieved by applying the concept of materiality. Materiality is formally defined as an expression of the relative significance or importance of a particular matter in the context of the accounts as a whole. A matter is material if its omission would reasonably influence the decisions of a user of the annual accounts. When the examiner reports that the accounts provide a true and fair view, they are saying (amongst other things) that the accounts do not contain any material discrepancies.

For example, most people looking at a set of accounts would not be too concerned if the coach ramble income in a Group's accounts was stated as £10,053 but this figure was in fact £10,060. The error of £7 is not material considering the level of coach ramble income. However most people would be concerned if it was in fact £15,530. An error of almost £5,500 or over 35% would be of concern – it is clearly material.

Materiality calculation

The treasurer and examiner should use their own judgement when determining an acceptable materiality level. If you require assistance please contact the Finance Team at Central Office.

The level of materiality used by the examiner should be communicated to the Area or Group treasurer and this should be documented for review by the Ramblers' Association central auditor if required.

Once a level of materiality is determined, then:

- If an error or discrepancy is identified which exceeds the materiality level, the error or discrepancy should be corrected
- If an error or discrepancy is identified which doesn't exceed the materiality level, then it is recorded but no immediate adjustment is made to the accounts. However if the cumulative effect of all immaterial discrepancies is itself material then the discrepancies should be corrected

Appendix 7: Independent Examination Tests

Suggested independent examination tests are set out below. Some tests are only relevant to particular Areas or Groups (for example the tests of stock or investments). In all cases, the materiality level (see Appendix 2: Materiality) for the Area or Group should inform the extent of work to be undertaken.

The following are the key tests the independent examiner should carry out:

Review minutes

The Area or Group committee should record details of all committee meetings in minutes. The examiner should review these minutes and ensure that information contained in them is consistent with the annual accounts. In particular, identify decisions made and any likely cost implications or potential income.

Bank balances

The examiner should check that:

- All accounts under the control of the Area or Group have been included in the accounts. If any bank accounts were included last year but not this year, the examiner should establish why and if their exclusion is appropriate
- All accounts under the control of the Area or Group are held in the name of the Area or Group. If this is not the case, the examiner should note this in the independent examination report but should not exclude the account for this reason alone
- A full set of bank statements for each account is held
- Proper bank reconciliations, if appropriate, have been prepared for all accounts held. The examiner should check the bank reconciliations, making sure that all items within the bank reconciliation are genuine reconciling items, that the bank balance in the reconciliation agrees to bank statements, and the reconciled balance agrees to the cashbook of the Area or Group

Appendices

Investments

Investments include amounts held in long term deposit accounts, common investment funds, unit trusts and stocks and shares. Charities are required to record investments at their market value at each year-end, unless the market value is difficult to establish, in which case they can be recorded at cost. If investments are held in common investment funds, unit trusts etc. the Area/Group should obtain a valuation report from the investment manager as at the year-end. The examiner should check that:

- All investments under the control of the Area/Group have been included in the accounts
- All investments are held in the name of the Area/Group. If this is not the case, the examiner should note this in the independent examination report but should not exclude the investment for this reason alone
- Investments have been correctly valued at the year-end. The examiner should agree the investment valuation to investment manager reports, listed share prices etc. For RAS shares, it is acceptable to value at cost
- Any purchases or sale of investments in the year should be agreed to documentation

Stock

Stock represents the value of stock held by the Area/Group at the financial year-end. Stock should be valued at the lower of cost and net realisable value. If stock is old or slow moving, it is likely that the cost will never be recovered and so the net realisable value (likely sale proceeds less further costs incurred in selling the stock) is less than the cost. If the Area/Group holds a material level of stock the examiner should:

- Check that a stock take was carried at or close to the year-end
- Review the stock take and agree the stock valuation in the accounts
- Check that the valuation of stock in the balance sheet is at the lower of cost and net realisable value. The examiner should review the changes in levels of each stock line from the previous year end to assess whether the stock is likely to be sold or has become obsolete. An estimation of the number of years taken to sell the remaining stock, based on the sales level in the year, is often a good indicator. The examiner should consider the need to write down the stock value to allow for any damaged or potentially unsaleable stock

Expenditure

The examiner should agree a sample of transactions recorded in the cashbook to original invoices, ensuring that they are properly authorised and that the allocation of the expenditure to cashbook headings has been done on a reasonable basis. This testing should include a sample of petty cash transactions.

Appendices

Debtors

Debtors represent amounts owed to the Area/Group at the end of the financial year. Examples include: Area entitlement not yet received. The accounts should have been adjusted to include material debtors. The examiner should:

- Review income received after the year-end to identify any amounts which relate to the year being examined
- Review any significant change in the level of debtors compared to the previous year to see if this indicates an understatement or overstatement

Prepaid expenses

Prepaid expenses are amounts paid in the financial year but which relate to the following financial year. Examples include: deposits paid for outings taking place after the year-end. Material prepaid expenses should be removed from expenditure. The examiner should:

- Review significant expenses in the 2 months before the year-end to establish if any relate to the following financial year
- Compare the level of prepaid expenses to the previous year to see if any significant change in the level suggests an understatement or overstatement

Creditors

Creditors represent amounts owed by the Area/Group at the end of the financial year. Examples include bills for goods or services delivered before the financial year-end. The accounts should have been adjusted to include material creditors. The examiner should:

- Review expenses paid after the year-end and any unpaid invoices or disputed bills to identify any amounts that relate to the year being examined
- Review any significant change in the level of creditors compared to the previous year to see if this indicates an understatement or overstatement

Appendices

Income

The examiner should undertake testing on each of the individually material income streams of the Area or Group. This will include:

Grants, donations, legacies and contracts: you should agree these to documentation from the funder. Ensure that any restrictions have been correctly identified. If there are a large number then it may be appropriate to test a sample.

Area/Group budget funding: this should be agreed to correspondence from Central Office/the Area treasurer. If necessary you should contact Central Office/the Area treasurer to establish the correct figure.

Coach rambles, holidays and other events: the examiner should review whether the procedures and controls in place are sufficient to ensure that all income receivable has been recorded. Generally the people running such events should keep an attendance register recording attendees and amounts paid by each attendee. They should also issue receipts in respect of all payments received and keep details of the receipts issued (for example by using a duplicate receipt book or annotating the receipt stubs). If attendance registers are kept, the examiner may be able to compare the level of income to the attendance registers. If this is not possible, then the examiner should consider whether they need to recommend an improvement to the systems – within the limits of practicality. The examiner should check that receipts are issued for all payments received and examine a sample of receipts in the receipt books to check they have been properly included in the cashbook.

Stock sales income: it may be possible to agree the income to the sum of the movements in each stock line multiplied by the item price. As with coach rambles and events, the examiner should consider if the systems and controls are adequate for recording income receivable. The examiner should check that receipts are issued for all payments received and sample test from the receipt books to the cashbook to check that all income received has been included in the cashbook.

Advertising sales income: review publications produced during the year and agree adverts placed to the set advertising rates and cashbook.

Bank interest and other investment income can be agreed directly to bank statements and investment manager's reports or other notifications of dividend income.

In addition, the examiner should compare the income analysis to the same analysis for the previous year and check if any significant variances are reasonable.

Appendices

Prepaid income

Prepaid income represents income received in the financial year but which relate to the following financial year. Examples include: customer payments paid for outings taking place after the year-end. Material prepaid income should be removed from income. The examiner should:

- Review income in the 2 months before the year-end to establish if any relate to the following financial year
- Compare the level of prepaid income to the previous year to see if any significant change in the level suggests an understatement or overstatement

Overall

The examiner should undertake an overview review of the annual accounts to ensure that they are consistent with their expectations. They should also ensure that they agree to the underlying financial records of the Area or Group. The examiner should read the annual report that accompanies the annual accounts and ensure that the information contained in it is consistent with the annual accounts.

Having satisfied themselves that:

- Cost allocation is correct
- Expenses are properly authorised
- And that there are no material inaccuracies

The independent examiner may then form an opinion as to the truth and fairness of the accounts. If the independent examiner is satisfied with the accounts then they should sign the independent examination certificate as shown in section 6.