

## Appendix 4: MS Society financial rules for groups

The **Board of Trustees** is responsible for keeping adequate accounting records, and the maintenance and integrity of financial information, including the financial transactions of MS Society groups.

To ensure they fulfil their responsibilities, they have set out in this document the boundaries which MS Society groups must operate within when managing their finances.

These rules apply to any part of the MS Society that raises funds in the MS Society name, has an MS Society bank account and/or makes payments on behalf of the MS Society.

Items in these rules where the word '**must**' is used must be followed without exception.

Items in these rules where the word '**should**' is used should normally be followed. Groups will need to justify why they are not following these rules each year.

Each year the whole of the Coordinating Team **must** review these rules to ensure their group is following them.

If a group doesn't comply with the rules then:

- Volunteers may be suspended, asked to stand down or removed as a group signatory to their bank account
- The group's bank account may be temporarily closed with funds frozen

General principles		Comply	Don't comply	Justify if don't comply
1	Groups <b>must</b> conduct their affairs for the wider good of the MS Society. This may involve helping other MS Society groups, supporting national projects and sharing resources where required.			
2	Groups <b>must</b> adhere to MS Society policies.			

3	Coordinating Team members <b>must</b> have read the Group Handbook and be aware of their responsibilities, including these rules.			
<b>Reporting and accounting responsibilities</b>		Comply	Don't comply	Justify if don't comply
4	Groups <b>must</b> keep supporting documentation for all accounting transactions, including for Gift Aid and for fundraising events, for six years.			
5	Groups <b>must</b> keep accounting records securely.			
6	Accounting records <b>must</b> be made available to Finance Team staff or auditors upon request, along with any additional information required to meet audit or tax obligations.			
7	Groups <b>must</b> use and keep Online Accounting up to date (at least monthly) in accordance with the user guide on Online Accounting.			
8	<p>The Coordinating Team <b>must</b> review group finances on a regular basis:</p> <ul style="list-style-type: none"> <li>• <b>This should</b> be done monthly but <b>must</b> be done at least quarterly and include reviewing the Online Accounting receipts and payments report and latest bank statement.</li> <li>• Another Coordinating Team member <b>should</b> review income and expenditure transactions on Online Accounting on a regular basis and ensure no third party use of the bank account.</li> </ul>			

9	<p>Each year groups <b>must</b> submit to the MSNC Finance Team, by 31 January, the following documents which must have been reviewed by the Coordinating Team:</p> <ul style="list-style-type: none"> <li>• MS Society financial rules for groups, signed by the Finance Volunteer and Group Coordinator (this document)</li> <li>• a receipts and payments report for the year from Online Accounting</li> </ul>			
10	The Coordinating Team <b>should</b> prepare annual plans and budgets each year and measure themselves against those plans.			
11	The Coordinating Team <b>must</b> be aware of typical examples of financial crime (e.g. theft, fraud), have processes in place to minimise the risk of financial crime and report immediately any suspected financial crime to the Finance Team.			
<b>Fundraising and cash handling</b>		Comply	Don't comply	Justify if don't comply
12	All incoming cheques and cash <b>must</b> be recorded on the day they are received.			
13	All incoming monies <b>must</b> be banked promptly and regularly and paid into the group's bank account (at least weekly).			
14	All incoming monies <b>must</b> be banked in full and not used to pay costs or feed petty cash.			
15	Any restrictions placed on the use of donations <b>must</b> be recorded and adhered to.			

16	Monies received for research <b>must</b> be forwarded to the MSNC immediately.			
17	At least two unrelated people <b>must</b> count cash received at fundraising events or from collection boxes. Monies <b>should</b> be counted in the presence of the collector and a receipt given to them.			
18	You <b>should</b> receipt or send out thank you letters for all donations.			
19	Public collections <b>must</b> be undertaken within legal requirements.			
20	Collection boxes <b>must</b> be sealed, numbered, a record kept of where they are, emptied regularly and the takings received recorded from each collection box.			
21	For ticketed fundraising events, tickets <b>must</b> be pre-numbered, and a record kept of all persons issued with tickets to sell along with the ticket numbers they have been allocated.			
22	A record <b>must</b> be kept of all tickets sold and reconciled to money received.			
23	Groups <b>must</b> not raise their own invoices.			
24	Groups <b>should</b> claim Gift Aid.			
25	If a group claims Gift Aid then it <b>must</b> : <ul style="list-style-type: none"> <li>• Have Gift Aid declarations and confirmation letters for all Gift Aid claimed</li> </ul>			

	<ul style="list-style-type: none"> <li>Be able to trace all Gift Aid claimed back to individuals and bank statements</li> </ul>			
26	The Coordinating Team <b>must</b> obtain approval to engage in trading activity unless it's for activity where approval is not required as per the Group Handbook.			
<b>Expenditure</b>		<b>Comply</b>	<b>Don't comply</b>	<b>Justify if don't comply</b>
27	The Coordinating Team <b>should</b> approve all expenditure.			
28	Cheque stubs <b>must</b> be completed at time of payment.			
29	Documentary evidence <b>must</b> be provided and retained before a payment is authorised, including cash payments.			
30	Support grants <b>should</b> be approved by three non-conflicted people.			
31	Support grants <b>should</b> be paid to the supplier and not the beneficiary.			
32	<p>Groups <b>must</b> not:</p> <ul style="list-style-type: none"> <li>Pay for anything which is outside the MS Society's objects</li> <li>Pay for research except to the MSNC or MS Society national offices</li> <li>Give out loans</li> <li>Give out gifts</li> <li>Offer member related financial benefits</li> <li>Pay VAT where a group can claim a VAT exemption (as per the Group Handbook)</li> <li>Give donations to other organisations unless in lieu of</li> </ul>			

	<p>payment for services received</p> <ul style="list-style-type: none"> <li>• Pay money to the NHS for equipment or resources</li> <li>• Enter into lease or hire purchase agreements</li> <li>• Employ staff directly</li> </ul>			
33	<p>Any property transaction, whether it is a recurring rental, lease, purchase, or sale of land and/or buildings, <b>must</b> be arranged through the Property Administrator and approved by the Executive Director of Finance, Strategy and Impact.</p>			
34	<p>The Coordinating Team <b>must</b> obtain approval for expenditure:</p> <ul style="list-style-type: none"> <li>• For amounts between £10,000 and £25,000, approval is required from the Local Networks Manager, Head of Local Networks (in England), Head of Services and Support (Scotland) or Country Director.</li> <li>• For expenditure between £25,000 and £50,000 approval is required from the Executive Director of Services and Support.</li> <li>• For over £50,000 special arrangements will apply – contact the Head of Finance.</li> </ul>			
35	<p>Expenses <b>must</b> be authorised by someone other than the payee.</p>			
36	<p>Where expenses are reimbursed, only actual costs incurred <b>must</b> be reimbursed excluding mileage where HMRC's mileage rate <b>must</b> be used. The cost of topping up a travel card (e.g. an oyster card) <b>must</b> not be reimbursed, only the actual cost of an individual journey.</p>			

37	The MS Society expense claim form <b>must</b> be used to claim expenses.			
38	Payments made by cash <b>must</b> be made from a petty cash float and <b>should</b> be kept to a minimum.			
<b>Holding funds</b>		Comply	Don't comply	Justify if don't comply
39	Groups <b>must</b> only hold funds in MS Society approved cash pooling accounts.			
40	Groups <b>must</b> only use a MS Society cash pooling account for MS Society transactions, except for joint events.			
41	Groups <b>must</b> not hold investments including in stocks, shares, property, etc.			
42	Funds (unrestricted and restricted) <b>must</b> be used within a reasonable period of time.			
43	Funds received by groups belong to the MS Society. Groups <b>should</b> not build up reserves so that they have more than 12 months planned expenditure as reserves. If a group has more than 12 months reserves then it <b>should</b> look to reduce these reserves within a three year time period but <b>must</b> do so within five years.			
44	Restricted funds <b>must</b> be fully utilised before unrestricted funds are used. Restricted funds can be utilised by a group once the MS Society receives those funds – this may be before the funds are transferred to the group.			

45	Groups <b>must</b> only use payment cards authorised by the Finance Team.			
46	There should be three signatories on the bank mandate who <b>must</b> be Coordinating Team members and <b>must</b> not be related.			
47	Blank cheques <b>must</b> not be signed.			
48	Those with access to online banking (Barclays.net) <b>must</b> comply with Barclays security obligations.			
49	Groups <b>must</b> review, at least yearly, that any assets held are in good repair and being put to best use by the group.			
<b>Additional rules for shops and groups with buildings</b>		Comply	Don't comply	Justify if don't comply
50	Takings <b>must</b> be recorded on a daily basis and reconciled against till receipts and banking.			
51	Shops <b>must</b> have insurance cover.			
52	There <b>must</b> be an up to date list of assets held.			
53	Unless exempt from rates, a shop <b>must</b> obtain the 80% mandatory rates relief and <b>should</b> attempt to claim the remaining 20%.			
54	There <b>must</b> be adequate segregation of duties to ensure there is a double check on shop transactions.			
55	There <b>must</b> be a written statement of banking and custody procedures held for staff and volunteers.			

56	Incoming post <b>must</b> be opened in the presence of two responsible people and kept secure until opened.			
57	Valuable items <b>must</b> be stored securely.			
58	Safe or cash box keys <b>must</b> be signed for.			
59	A regular stock take <b>should</b> be undertaken.			

## Declaration

We confirm that the \_\_\_\_\_ Group Coordinating Team has reviewed the MS Society financial rules for groups and provided details of any non-compliance.

Signed by:

**Finance Volunteer** \_\_\_\_\_

Print name \_\_\_\_\_

**Group Coordinator** \_\_\_\_\_

Print name \_\_\_\_\_

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