

# Chapter 7 Finance

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## **The Scout Group**

### **Rule 7.1 Finance and the Scout Group**

- a. Every Scout Group is under a statutory obligation to keep proper books of account.
- b. The Voluntary Organisation Act regulates the operations of all locally registered voluntary organisations including The Scout Association of Malta, which is bound to submit required financial information on an annual basis. This includes aggregate reporting of each Scout Group's financial accounts.
- c. The Group Treasurer in consultation with the Group Scout Leader and the Group Council must ensure that proper financial planning and budgetary control is operated within the Group.
- d. The Group Scouters' Meeting must be consulted on the financial planning of the Group's activities.
- e. All expenditure not specifically delegated to the Group Scouters' Meeting or Section Leaders must be approved by the Group Scout Council (or in absence of GSC replace with 'Group Treasurer in consultation with the Group Scout Leader') to ensure that the Group can meet any liability so incurred.
- f. When entering into any financial or contractual obligation or commitment with another party, the persons concerned should make it clear to the other party that they are acting on behalf of the Group and not in a personal capacity.
- g. A statement of account must be prepared annually and be scrutinised, independently examined or audited as appropriate in accordance with these Rules.
- h. The Group must ensure that signed copies of the annual accounts are sent to the Association's Treasurer within the stipulated timeframe and following the Group's Annual General Meeting at which the annual report and accounts were received and considered.
- i. The annual Statement of Accounts must account for all monies received or paid on behalf of the Group, including all Sections, Committees and the Group Scout Council.
- j. No monies, funds or any other financial instruments belonging to a Group are to be held in bank accounts or with financial institutions in the personal names of any Leader, Council member or other third parties, whether individually or jointly.
- k. The Association Treasurer will provide and regulate the format in which annual accounts are to be presented. This is to be communicated to Districts and Groups at least 2 months before the year end.
- l. The annual census must include all assets, permanent endowments and particulars of any property which the Group occupies.
- m. A permanent endowment is an asset, e.g. a property held by the Group, which may not be sold or disposed of.
- n. Scout Groups are to occupy premises with a proper legal title acquired from the appropriate owner/Government Authority and should not use premises/land without the proper permissions.
- o. The record of accounts and all equipment (Asset Register) must be inspected at least once a year by the District Commissioner.

- p. The Association Treasurer may in liaison with the District Commissioner and/or G.S.L. also inspect the books of a Group, if the Hon. Treasurer and the Chief Commissioner deem it necessary to do so.
- q. The Group Treasurer is to be appointed by the Annual General Meeting for a fixed term and may seek re-election.

#### **Rule 7.2 Funds administered by Sections**

- a. Each Section must itself administer sums allocated to it by the Group Scout Council (or in the absence of a GSC replace with 'Group Treasurer in consultation with the Group Scout Leader').
- b. Subscriptions paid by or on behalf of members must be handed to the Group Treasurer or their nominee as soon as possible after receipt.
- c. The Group Treasurer should keep the necessary records and pay the money into the Group bank account(s) as soon as practicable.
- d. Each Section must keep a proper Cash Account which must be produced, together with supporting vouchers and the cash balance, to the Group Treasurer at least once in each period of three months.

#### **Rule 7.3 Bank Accounts**

- a. All monies received by or on behalf of the Group either directly or via supporters, must be paid into a bank account held in the name of the Group whilst also including the full name of the Association e.g. 'The Scout Association of Malta – Fifta Scout Group'
- b. The account(s) will be operated by the Group Treasurer and two (2) other persons authorised by the Group Scout Council (or in the absence of the GSC by the Scouters Meeting).
- c. A minimum of two signatories must be required for any withdrawals.
- d. Under no circumstances must any monies received by a Section or supporter on behalf of the Group be paid into a private bank account.
- e. Cash received at a specific activity may only be used to defray expenses of that same specific activity if the Group Scout Council (or Group Treasurer) has so authorised beforehand and if a proper account of the receipts and payments is kept.
- f. Funds not immediately required must be transferred into a suitable investment account held in the name of the Group as described in (Rule 7.3a) above.

#### **Rule 7.4 Disposal of Group Assets at Amalgamation**

If two or more Scout Groups wish to amalgamate:

- a. The Chief Commissioner, the Association Treasurer and the District Commissioner must be advised of the intention to amalgamate and kept informed of the full process at all stages.
- b. The retiring Treasurers must prepare a Statement of Account as at the date of the amalgamation.
- c. The Statement, together with all Group Assets, supported by all books of account and vouchers, must be handed to the Treasurer of the Group formed by the amalgamation.
- d. If, after consultation with the Group Scout Leader, the Group Treasurer considers it necessary, he may request the Association Treasurer to appoint an appropriate person to examine the accounts.

#### **Rule 7.5 Disposal of Group Assets at Closure**

- a. If a Group ceases to exist, the Group Treasurer must prepare a Statement of Account as at the effective date of closure.

- b. The Statement, together with all Group Assets, must be handed to the District Commissioner and the Association's Commissioner of Finance as soon as possible after the closure date and must be supported by all books of accounts and vouchers.
- c. The District Commissioner and the Commissioner of Finance will ensure that the Statement of Account is properly scrutinised, independently examined or audited as appropriate.
- d. Subject to Rule 7.31, any assets remaining after the closure of a Group will automatically pass to the Chief Commissioner (who in turn will inform the National Scout Executive) who shall use or dispose of these Assets at its absolute discretion.
- e. The Chief Commissioner may delay the disposal of these Assets for such a period as may be deemed proper with a view to returning them to the revived Group if there is any reasonable prospect of the Group being revived
- f. In the absence of a pre-existing agreement, if the Chief Commissioner wishes the Assets to pass to some other beneficiary he must forward a copy of the financial statement with the proposals to the National Scout Executive requesting instructions.
- g. The Commissioner of Finance and the District Commissioner is responsible for preserving the Statement of Account and all accounting and inventory records of the Group. A copy of these records must be held by the Administration Department at Island Headquarters.

#### **Rule 7.6 Preservation of Books of Account**

- a. Statements of Account and all existing accounting records must be preserved for at least six years from the end of the financial year in which they are made, or for a much longer period as may be required by law.

#### **Rule 7.7 Payment of the Membership Subscription**

- a. In order for Island Headquarters to meet the costs of services to the Association, the costs of organising and administering the Association, and meeting the Association's obligations to World Scouting, the Association requires that Groups pay a National Membership Subscription.
- b. The amount of the Membership Subscription is decided annually by the National Scout Executive.
- c. In addition to meeting local costs, the local Scout District may charge a membership subscription.
- d. Every Scout Group is responsible for the collection and payment of the National, Membership Subscriptions and any District Subscriptions in accordance with the numbers returned on the annual census return.
- e. Payments should be remitted to the Association Treasurer by not later than the end of January of the financial year
- f. Membership subscriptions may be collected from youth members or their parents by a method decided by the Group Scouters Meeting.
- g. A penalty fee is to be incurred by Groups who settle the full National Membership Subscriptions after the established notified date.

#### **Rule 7.8 Fundraising**

- a. In order to maintain its work and to generate all that is needed to implement its training programme, The Scout Association of Malta has to support itself financially.
- b. Scout Groups are expected to generate sufficient funds to carry out their own programme of activities.
- c. Fundraising carried out on behalf of Scouting must be conducted in accordance with the principles embodied in the Scout Promise and Law.
- d. Within the provisions of this policy the methods of fundraising may be chosen so long as they are consistent with the Movement's reputation and good standing.

- e. Fundraising conducted on behalf of Scouting may be by any means not forbidden by law, and which is acceptable to the local community, provided that:
  - the proceeds of the activity go wholly to the work of the Group or, in the case of joint activities with other organisations, that part of the proceeds allotted to the Group is wholly applied to the work of the Group;
  - it does not encourage the habit of gambling.
- f. Public collections of money are allowed provided that the legislation regarding age, action and location of collectors is complied with.
- g. Collections may take place even though there is no visible reciprocal effort for the donation. It is considered that value for the donation has already been given to society by the work of the Scout Movement in and for the community.

#### **Rule 7.9 Joint Fundraising Projects**

- a. Joint fundraising projects with other charitable organisations are permitted provided that the part of the proceeds allotted to the other organisation is used wholly for purposes other than those of private gain.
- b. The Honorary Secretary of the Association should be consulted if there is the slightest doubt as to the bona fide nature of the other organisation in respect of the purposes of the fundraising activity.

#### **Rule 7.10 Fundraising and the Law**

- a. All fundraising undertaken on behalf of The Scout Association of Malta must be carried out as prescribed by the law. This will include those regulations governing house to house collections, street collections, lotteries, gaming, children and young persons.

#### **Rule 7.11 Lotteries and Gaming**

- a. If a Group considers raising funds by means governed by any legislation, the proposed activity must have the recorded approval of the Group Scout Council, in agreement with the Group Scouters Meeting (and Sponsoring Authority if applicable) and of the District Commissioner.
- b. Regard must be paid to the views of parents and to local public opinion. Activities affected by this legislation include raffles, and similar methods of fundraising involving participation on payment of stakes.
- c. The promoter of any fundraising activity governed by legislation should be a member of the Group Council Meeting or a Scouter.
- d. Any advertising material used must conform to the requirements of local legislation and must not contain any matter which is not in strict conformity with the standards of the Movement.

#### **Rule 7.12 Appeals for Funds**

- a. Groups may not issue general appeals for funds.

#### **Rule 7.13 Professional Fundraisers**

- a. Groups may not appoint a professional fundraiser without the approval of the District Commissioner who will ensure that the requirements of the legislation are fully complied with.

#### **Rule 7.14 Grant Aid and Loans**

- a. Provided that a Group raises a proportion of its own funds, it may accept financial assistance in the form of grant aid or funds.

- b. Application for grants from local government authorities, corporate funds or other sources must be approved by the District Commissioner, Commissioner for Finance and Chief Commissioner before submission.
- c. It is forbidden for Groups to purchase any property or movable assets on credit, or by means of loans made by individual Scouters or individual Group Council members. All purchase of Group property should therefore be made by direct payment from available Group Funds.
- d. No property of any sort belonging to a Scout Group is to be held in the personal name of any Leader, Council Member or other third parties, whether individually or jointly.

## **The Scout District**

### **Rule 7.15 Finance and the Scout District**

- a. Every Scout District is under a statutory obligation to keep proper books of account.
- b. The District Scouters' Meeting must ensure that proper financial planning and budgetary control is operated within the District.
- c. All expenditure not specifically delegated to the District Venture Scout Unit or District Rover Scout Crew must be approved by the District Scouters' Meeting to ensure that the District can meet any liability incurred.
- e. When entering into any financial or contractual obligation or commitment with another party, the persons concerned should make it clear to the other party that they are acting on behalf of the District and not in a personal capacity.
- f. A statement of account must be prepared annually and be scrutinised, independently examined or audited as appropriate in accordance with these Rules.
- g. The District must ensure that signed copies of the annual report and accounts (in appropriate format) are sent to the Commissioner for Finance within one week following the District's Annual General Meeting at which the annual report and accounts are received and considered.
- h. The annual statement of account must account for all monies received or paid on behalf of the District, including all District Venture Scout Units and District Rover Scout Crews.
- i. At each Annual General Meeting of the District, a scrutineer, independent examiner or auditor as appropriate must be appointed.
- j. The auditor, independent examiner, or scrutineer must carry out an external examination of the accounts in accordance with the requirements.

### **Rule 7.16 Bank Accounts**

- a. All monies received by or on behalf of the District either directly or via supporters, must be paid into bank account(s) held in the name of the District clearly indicating that the District forms part of The Scout Association of Malta eg. 'The Scout Association of Malta – Communo District'.
- b. The account(s) will be operated by the District Treasurer and other persons authorised by the District Scouters' Meeting.
- c. A minimum of two signatures must be required for withdrawals.
- d. Under no circumstances must any monies received by any one on behalf of the District be paid into a private bank account.
- e. Cash received at a specific activity may only be used to defray expenses of that same specific activity if the District Scouters' Meeting has so authorised beforehand and if a proper account of the receipts and payments is kept.
- f. Funds not immediately required must be transferred into a suitable interest bearing account held in the name of the District.

- g. District funds must be invested with a prudent outlook and minimum risk with no element of speculation.
- h. The bank(s) at which the District account(s) are held must be instructed to certify the balance(s) at the end of the financial period direct to the scrutineer, independent examiner or auditor as appropriate.

#### **Rule 7.17 Disposal of District Assets at Amalgamation**

- a. If two or more Scout Districts amalgamate, the retiring Treasurers must prepare a statement of account dated as at the date of the amalgamation.
- b. This statement, together with all District assets, supported by all books of account and vouchers, must be handed to the Treasurer of the District formed by the amalgamation.
- c. If the District Treasurer considers it necessary after consultation with the District Scouters Meeting, he may ask the National Executive Committee to appoint an appropriate person to examine the accounts.

#### **Rule 7.18 Disposal of District Assets at Splitting**

- a. If a Scout District is split into two or more separate Districts, or into parts which will be amalgamated with other Districts, the assets of the District should be divided into proportions approximately represented by the Scouting populations of each part after splitting.
- b. These proportions of the District assets should then be transferred to the Districts which will in future be responsible for those parts of the old District.
- c. This will normally be done under the supervision of National Executive Committee, but in case of difficulties consultation with the National Scout Council should be sought.

#### **Rule 7.19 Disposal of District Assets at Closure**

- a. If a District ceases to exist, the District Treasurer must prepare a statement of account dated at the effective date of closure.
- b. This statement, together with all District assets, must be handed to the Commissioner of Finance as soon as possible following the date of closure and must be supported by all books of accounts and vouchers.
- c. The Commissioner of Finance will ensure that the statement of account is properly scrutinised, independently examined or audited as appropriate.
- d. Any assets remaining after the closure of a District will automatically pass to the National Scout Executive which shall use or dispose of these assets at its absolute discretion.
- e. If there is any reasonable prospect of the District being revived the National Scout Executive may delay the disposal of these assets for such a period as it thinks proper with a view to returning them to the revived District.
- f. If the National Scout Executive wishes to pass on the assets to some other beneficiary, in the absence of some pre-existing agreement, the Commissioner of Finance must forward a copy of the financial statement/s.
- g. The National Scout Executive through the Commissioner of Finance is responsible for preserving the statements of account and all accounting records of the District.

#### **Rule 7.20 Preservation of Books of Account**

- a. Statements of account and all existing accounting records must be preserved for at least six years from the end of the financial year in which they are made, or for such longer period as may be required by the national body regulating NGOs.

### **Rule 7.21 Payment of the Membership Subscription**

- a. In order to meet the costs of Island Headquarters and to meet the Association's obligations to World Scouting, the National Scout Council requires that Members pay an annual Membership Subscription.
- b. The amount of the Membership Subscription is decided annually by the National Scout Executive.
- c. The local Scout District may also charge a separate membership subscription to meet local costs.
- d. Payments should be remitted to the Administration Department not later than the date notified annually.

### **Rule 7.22 Fundraising**

- a. In order to maintain its work and to generate all that is needed to implement its training programme, The Scout Association of Malta has to support itself financially.
- b. Scout Districts are expected to generate sufficient funds to carry out their own programme of activities.
- c. Fundraising carried out on behalf of Scouting must be conducted in accordance with the principles embodied in the Scout Promise and Law.
- d. The methods of fundraising may be chosen from within the provisions of this policy as long as they are consistent with the Association's reputation and good standing.
- e. Fundraising conducted on behalf of Scouting may be by any means not forbidden by law, and which is acceptable to the local community, provided that:
  - the proceeds of the activity go wholly to the work of the District or, in the case of joint activities with other organisations, that part of the proceeds allotted to the District is wholly applied to the work of the District;
  - it does not encourage the habit of gambling.

### **Rule 7.23 Joint Fundraising Projects**

- a. Joint fundraising projects with other charitable organisations are permitted provided that the part of the proceeds allotted to the other organisation is used wholly for purposes other than those of private gain.
- b. Island Headquarters should be consulted if there is the slightest doubt as to the bona fide nature of the other organisation in respect of the purposes of the fundraising activity.

### **Rule 7.24 Fundraising and the Law**

- a. All fundraising undertaken on behalf of the Association must be carried out as prescribed by the law for the time being in force. This will include those regulations governing house to house collections, street collections, lotteries, gaming, children and young persons.

### **Rule 7.25 Lotteries and Gaming**

- a. If a District considers raising funds by means governed by the legislation detailed at 7.24, the proposed activity must have the approval of the District Scouters Meeting.
- b. Regard must be paid to the views of parents and to local public opinion. Activities affected by this legislation include raffles and similar methods of fundraising involving participation on payment of stakes.
- c. The promoter of any fundraising activity governed by legislation should be a member of the District Scouter's Meeting.
- d. Any advertising material used must conform to the requirements of the legislation and must not contain any matter which is not in strict conformity with the standards of the Association.



### **Rule 7.26 Funding from Grants**

- a. Provided that a District raises a proportion of its own funds, it may accept financial assistance in the form of grants.
- b. Application for all grants from Local Authorities or other funding bodies must be approved by the District Commissioner and Chief Commissioner before submission.

### **Property and Equipment**

#### **Rule 7.27 Property and Equipment**

- a. Scout Groups must be properly accommodated and equipped in order to carry out their training programmes.
- b. The administrators of the Group must concern themselves with all legal requirements relevant to the ownership of all property and equipment or to the hiring of premises.
- c. All freehold and leasehold land, with or without buildings, and premises used under a formal Licence Agreement, must be held as specified by the Constitution of the Scout Association of Malta.

#### **Rule 7.28 Land**

- a. The Group or District should at least obtain a formal written contract/agreement or lease of any land, preferably with buildings, which they do not own and which are to be occupied for a substantial period.
- b. Any Group or District who is requesting Land/Building through any Government Department or private entity, must inform the Chief Commissioner in writing of their intentions. Any Deed must be in the name of – The Scout Association of Malta – Filfla Scout Group and counter signed by the Honorary Secretary and the Chief Commissioner as specified in the Constitution of the Scout Association of Malta.
- c. In any event no large amount of capital should be expended on buildings or other improvements unless the Group or District has at least seven years uninterrupted interest remaining in the said land.
- d. The Group or District must ensure that all possible relief from rates is obtained.

#### **Rule 7.29 Property - Sponsored Groups**

- a. Agreements with Sponsoring Authorities must identify property belonging to the Sponsoring Organisation and that belonging to the Group.
- b. Property owned by the Group as recorded in such agreements must be administered as required by these Rules.

#### **Rule 7.30 Disposal of Property at Amalgamation**

- a. The Model 'Declaration of Trust' referred to contain certain provisions for the amalgamation of Groups and Districts.
- b. At amalgamation, the retiring Group Scout Leader or District Commissioner must hand all documents of title and the keys to any buildings which the former had to the Secretary of the new Group or District

#### **Rule 7.31 Disposal of Property at Closure**

- a. The property of a Group or District which ceases to exist will automatically pass to Island Headquarters as appropriate.

- b. Any liabilities of a Group or District, e.g. an outstanding utility bills etc. will also become the responsibility of Island Headquarters as appropriate.
- c. Such property must be treated in the same way as other assets.

#### **Rule 7.32 Joint Occupation of Premises by Scout Groups and Guide Units**

- a. A special Agreement/Declaration, which must provide for the formation of a joint management committee, must be drawn up if the premises are to be owned/occupied jointly by Scout Groups and Guide units.
- b. This does not apply if the premises are used jointly under licence or if the premises are occupied by other similar arrangements.
- c. A copy of an appropriate agreement must be sent to Island Headquarters.

#### **Rule 7.33 Motor Vehicles and Vessels**

- a. The Group, District and Commissioner for Finance must ensure that motor vehicles, and vessels owned by the Group, District or the Association are properly registered, licensed and insured as necessary and that all requirements as to their condition, testing or any other matters are fulfilled.
- b. Motor vehicles must be registered either in the name of the Association, Association and Group or Association and District.

#### **Rule 7.34 Equipment**

- a. The Group, District and the Commissioner for Finance must maintain proper inventories of all equipment owned, including furniture, training equipment, musical instruments or equivalent of any other kind.

#### **Rule 7.35 Safe Custody of Documents**

- a. The Group Scout leader together with the all the Section Leaders, Group Council Secretary, District Commissioner/s, the Secretary of the Association and the Chief Commissioner and all Commissioners and Assistant Commissioners must ensure that all related documents relating to the ownership of property and equipment and all other legal and official documents, together with any documents of historical importance or interest are kept in a safe place. A true copy must be kept at Island Headquarters.
- b. Specific documents that must be safeguarded are:
  - declarations of trust;
  - title deeds to land or buildings;
  - registration documents issued by the Association;
  - documents relating to motor vehicles, and vessels
  - insurance policies;
- c. The Group, the District and IHQ must keep a register of such documents with details of their location.