



What do you have to do to raise and manage money for the group?

As much as you may try to keep managing money to a minimum, there will be a need to have systems and processes in place to make sure you manage money effectively and safely. The basic building blocks were highlighted in the Essential Governance section and this section will go into some of these areas in more detail.

- Handling cash (petty cash & subs)
- Income generation
- Grant management





Handling Cash - what are you going to do with all those £1 coins?

Summary

It is a fact of life when running youth groups that you will inevitably end up dealing with lots of change. It is really important that you have systems in place to make sure that this is handled correctly and can all be accounted for. You will need to have systems in place that deals with petty cash and the collection of subscriptions (subs).

Things to do/consider

- Who will take responsibility for the cash if the Treasurer is not present?
- Think about how often you may need to visit the bank, how will you fit this in with your daily life?
- Getting the young people to help you manage the finances, although you should never burden them with looking after the cash, this must be an adult's role.
- Not just what you will need to spend your money on but what might be useful as the group gets established - include this in your budget.
- Being realistic, you won't be able to buy all that you want, so think about what is necessary and what is actually just a 'nice to have'. Budget accordingly.

Useful links



- The Resource Centre has a good page on financial rules you need for your group - <http://www.resourcecentre.org.uk/information/financial-rules/>
- CVA Blyth Valley have produced a great factsheet to help with the finance basics - <http://cvabv.org.uk/docs/20.pdf>

Principles

- Simple but robust procedures will make your life easier when balancing the bank account.
- Treat petty cash separately from subscriptions - do not just take money out of the subs without recording the income first and have two signatories to confirm the income.
- Collect and record the money as you register young people.
- Have a cash book (either paper or computer based) in which you record all money that goes out and all money that comes in.
- Get receipts for everything you spend money on - keep all invoices and receipts in a file.
- Balance the account at least once a month, this will prevent any problems when it comes to compiling your annual accounts.
- Keep petty cash to a minimum - no more than £30 in the tin.
- Make sure all cash is collected and stored in a locked tin; these are very easy to find at stationery shops. Restrict who has access to this, balance this at the end of the session and have two signatories to confirm this.
- Prepare annual budgets so you know approximately how much money you will need - this means thinking about what you want to do in the next year, what it will cost and how you will raise it.
- Try and keep some monies in reserve, should you need it for an emergency or if you want to pay for something not included in the budget.

"Youth clubs need to make sure they don't run out of money and that the money is going towards the youth club, not spent on other things."

Alivia, 15



Income Generation - are all those £1 coins going to be enough?

Summary

The sustainability of the group will always depend on having enough funds to allow it to continue. Unfortunately, there are not many generous benefactors that come along to pay for everything, so it will be up to the Committee to ensure there is enough income to cover the expenditure. There are a number of ways to generate income for a small group:

- apply for grants e.g. District Councils, national charities
- fundraising events e.g. sponsored walks, discos, car washing etc
- donations
- direct payments e.g. subscriptions

As a Committee, you will need to plan as to what is the best fundraising method for what you want, as some methods may be restricted in what you can spend the money on. For example: Momentum has a small grants pot that you can apply for that will pay for DBS checks and basic training. The grant will only be allowed to pay for the items you define in the application. However, you can use subscriptions to pay for anything relevant to the running of the group.

“A youth club that is financially healthy guarantees it will be around for a long time and will be able to cater for the amount of interest it gets. If the youth workers and volunteers are stressed about money, then the young people will be less likely to enjoy themselves.”

Liv, 14

Principles

- Good budgeting and record keeping are the basics for effective income generation.
- Talk about finances at each committee meeting; that way you will know where you are and can spot problems long before they happen.
- Applying for grants requires time and planning - you need a good idea, good financial projections and evidence of how you spend your existing monies - don't hope that funders will just like what you do and give you money. And even if you think your idea is brilliant, it doesn't necessarily mean that a grant giver will.
- If you're applying for external funding, find out how much reporting the funder will expect and in what format. Some funders will want you to send in regular written reports, which can be quite time-consuming, so you will need to make sure you plan for this.
- What you spend your money on is important - only spend it on items for your group and be aware of expenditure that could cause questions e.g. excessive spending on committee expenses.
- If you are successful in a grant application, the monies will only be allowed to be spent on what is stated in the application - it is restricted income. You must be thorough in accounting for this as you will be required to present evidence.
- This may seem obvious but remember the income is not yours - it belongs to the group, therefore you have to be thorough in accounting for it.

Things to do/consider

- Who will be responsible for fundraising within the committee?
- Start to monitor and evaluate what benefits your group brings to the young people accessing it; this provides a good evidence base should you wish to apply for money or encourage donations.
- Getting young people involved in the fundraising efforts.
- Who you will target for fundraising as different groups or organisations may consider different things as worthwhile.
- What is unique about your group, even location can be the thing that makes you different.
- Your aspirations for the group and the young people and how you will write this.
- In addition, don't just apply to everyone in your first year, this may affect who you can target in subsequent years - some funders will only fund each group once, others will allow you to apply again after a certain time.
- Getting help for setting up appropriate systems for managing restricted income such as grants. By doing this, you will be less likely to make mistakes and therefore cause problems for your group.

Useful links

The NCVO KnowHowNonProfit has a useful guide to fundraising -

<https://knowhownonprofit.org/funding/fundraising/individual-giving/local-community-fundraising-1>

