



Module Four

Branch/Band Finances

2024

Training
Resources

Understanding Financial Management

Financial Management is one of the core principles of good governance of any voluntary organisation including a branch/band. Good financial management is a mixture of four things as follows:



The following table sets out appropriate practice in respect of the four elements of good financial management in a branch/band:

Element	Best Practice in a Good Branch/Band
Plans	<p>The Branch or band should seek to have the following plans in place:</p> <ul style="list-style-type: none"> • Three Year Branch/Band Development Plan ... setting out at a high level the funding required annually to sustain the branch and projecting any 'one off' capital investment (e.g. facilities, instruments, sound equipment) • Annual Financial Plan
Policies	<p>The branch/band should have up to date policies which govern its financial management activities. Typically these will include:</p> <ul style="list-style-type: none"> • Anti-Fraud • Bank Signatories • Counting and handling cash
Processes	<p>The branch or band should put in place the following financial management processes in order to ensure that branch/band monies are effectively managed:</p> <ul style="list-style-type: none"> • Appoint a Treasurer and Assistant Treasurer (opportunity to engage and train new volunteers) • Ensure that the Treasurer and Assistant Treasurer are offered and undertake training • Set budgets for ongoing operational costs • Develop targets for the main incomes • Have a standardised monthly financial report which is consistent with and linked to the Branch's Annual Financial Plan; highlighting any concerns

Element	Best Practice in a Good Branch/Band
	<ul style="list-style-type: none"> Where the Branch/band has a significant 'one off' investment in facilities or equipment have a Fundraising Plan setting out how the additional capital will be generated
People	<p>Typically a well governed standard branch or band will have the following people in place:</p> <ul style="list-style-type: none"> Treasurer Assistant Treasurer Fundraising Sub Committee/Finance Sub Committee <p>Where possible these people will have financial management experience and have a track record in raising funds (for the branch or other voluntary organisations); recognising that this is not always possible it is good practice for branches or bands to offer training to volunteers involved in financial management</p>

Well governed branches or bands can demonstrate the following:

- They have an Annual Financial Plan
- They have a Treasurer with ultimate responsibility for the financial governance and management of the branch or band (usually supported by an Assistant Treasurer; part of the branch's Executive Committee and reporting directly back to the full Committee)
- The Treasurer and Assistant Treasurer will have experience in financial management (through their work or through their years' experience as a branch/band volunteer with responsibility for financial management) and will have been offered and undertaken training

- They will have appropriate Finance Policies (including those relating to bank signatories, anti-fraud and handling cash)
- There will be regular reporting back on the performance of the branch or band against its Financial Plans i.e. its income in relation to targets for branch/band membership, weekly tuition fees, event/session receipts, sponsorship and its outgoings
- The branch or band will have appropriate bank accounts for its ongoing operational expenditure and its medium to longer term capital and development expenditure
- Annual accounts statements will be (verbally and in writing) presented at the branch's AGM and made available to members and appropriate external stakeholder



Applying it to Your Branch/ Band...

By and large it is recognised that the majority of clubs have robust, practical and appropriate approaches to their financial management. However, in line with the ethos underpinning good governance it is important that branches/bands continually review their practices, compare them against other peer branches and seek to improve where possible. Branches/bands can ensure that there is robust and best practice financial management in place by:

- Ensuring that an Annual Financial Plan is in place
- Providing a clear emphasis on financial management within the branch/band structure. Initially this is through the appointment of a Treasurer and Assistant Treasurer but might also take the form of a Finance and Fundraising Sub-Committee (this might be a time bound sub-committee for a high profile event e.g. Fleadh/band competition or to raise significant capital for facilities or equipment) which is charged with responsibility of taking a lead in generating the incomes required in order to fund the branch/bands operations on an annual basis whilst also taking a medium to long term view in relation to raising the funds (grants and branch fundraising) required in order to fulfil the branch/bands aspirations
- Developing new volunteers with an interest in the branch/bands financial management through seeking younger volunteers to shadow the branch/bands Treasurer and Assistant Treasurer
- Ensuring that people with a role in financial management are aware of the branch/bands Financial Management Policies (particularly around Bank Accounts, cash and fraud)