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Bank Accounts

For voluntary and community organisations

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Guidelines on opening an account

Most banks and building societies offer special accounts for small voluntary and community organisations and give free banking as long as your account is in credit. The conditions and benefits vary slightly from bank to bank - the details for each are listed in this fact sheet.

Opening a bank account can take several weeks, or even a few months. Be careful to fill the application form in thoroughly, and send all the information that is requested. This should be sufficient, but the bank may still write to ask for further details before opening the account.

You will be asked for proof that your group is a voluntary, non-profit-making organisation and not a private business. Ensure that you make this clear or you will be treated as a small business and have to pay charges.

This could be one of the following:

- H Copy of your group's Constitution
- H Letter from the chair and secretary of your group
- H Copy of resolution passed at AGM authorising your group to open an account with the bank
- H Charity Registration confirmation/Trust deeds (if group is a charity)

At least two people should sign each cheque that your group writes. You can have a pool of people who are named as 'signatories' for the account, any two of whom can sign cheques. The signatories should be people with good credit ratings (i.e. no 'bad debts') as the banks will run credit checks on all the signatories. Unless they have an account with that bank already it will be necessary for them to go to the branch in person with:

- H Proof of identity - e.g. driving licence, passport, child benefit book
- H Proof of address - e.g. utilities bill, benefit book, tax demand.

Many banks now offer internet banking and the use of debit cards. These are very convenient but do not give the security of a cheque payment that requires two signatories. Your group will need to set up a system to ensure the account is checked on a regular basis and that all internet and card payments have to be signed by two people.

For more information on how to look after your money and keep your accounts see our information sheet on 'The Treasurer's Job'

All the accounts listed offer 'free banking', i.e. no day-to-day charges, unless specified. You will still be charged for things like going overdrawn, stopping cheques, extra statements etc.

When you are looking for information on the internet, remember that most banks refer to community and voluntary organisations as 'Clubs and Societies'. Accounts for these groups are usually managed by the bank's 'Business Banking' department.

2. Comparison table of bank accounts available to community groups

| Banks & Account names | Deposit /Current | Access by | How | Initial down-payment |
|---|------------------|----------------------------------|---|----------------------|
| Alliance & Leicester Community Instant Reserve Deposit Account | Deposit | Paying-in book | Online Phone Fax Post | None req. |
| Barclays Bank Community Account | Current | Chequebook Debit card | Online Phone Branch | None req. |
| CAF Bank CAF Cash Account | Current | Chequebook Cash card | Online Phone Post Branch (HSBC) | £1,000 |
| CAF Bank CAF Gold Account | Deposit | Paying-in book | Online Phone Fax Branch (HSBC) | £1,000 |
| The Co-operative Bank Community Directplus | Current | Chequebook Debit card | Online Phone Post Branch Post Office | None req. |
| HSBC Community Account | Current | Chequebook Cash card | Online Phone Branch SMS | None req. |
| HSBC Community Savings Account | Deposit | Paying-in book | Online Phone Branch SMS | None req. |
| Lloyds TSB Treasurer's Account | Current | Chequebook Cash card | Online Phone Branch | None req. |
| Natwest Bank Community Account | Current | Chequebook Cash card | Online Phone Branch | None req. |
| Natwest Bank Community Reserve Account | Deposit | Paying-in book | Online Phone Branch | None req |
| Nationwide Building Society Treasurer's Trust Account | Current | Passbook | Branch | £50 |

| | | | | |
|---|----------------|--|---|------------------|
| Triodos Bank Charity Current Account *banking charges apply | Current | Chequebook Paying-in book | Online Phone Post Branch (RBS) | None req. |
| Triodos Bank Business & Charity Deposit Account | Deposit | Paying-in book | Online Phone Post | None req. |
| Unity Trust Bank Ideal Current Account | Current | Chequebook Paying-in book Top-up MasterCard | Online Phone Post Branch (by nomination) | None req. |
| Unity Trust Bank Ideal Deposit Account | Deposit | Paying-in book | Online Phone Post Branch (by nomination) | None req. |

Alliance & Leicester

Alliance & Leicester are part of the Santander Group. They do not have *current* accounts for clubs, societies or community groups but have a deposit account:

Community Instant Reserve Deposit Account

Account type: deposit/savings, instant access

Access by: paying-in book, no cash deposits

How: online, phone, fax, post

Fees: 10 free withdrawals per month, then £2 charge

Initial down-payment: none

Minimum balance: £1

Maximum turnover: £2 million

Credit interest: up to 0.15 (%AER variable) (at 08/02/10)

Application method: online, phone, Post Office

Other information: for withdrawals, transfer money to an account by 'Faster Payments' (under £250) or electronic transfer (BACS); for deposits, BACS or cheque

Contact details

Tel: 0800 056 5522

www.alliance-leicestercommercialbank.co.uk/content/SU020005.asp

Barclays Bank

Community Account

Account type: current

Access by: chequebook, up to 3 debit cards

How: online, phone, branch

Fees: none for basic banking

Initial down-payment: none

Minimum balance: none

Maximum turnover: £100,000

Credit interest: none

Application method: phone, local branch

Other information: only for not-for-profit groups which are of benefit to the wider community (call to check eligibility), 2 to 3 signatories necessary

Contact details

Tel: 0800 515 462 (Community Account Manager) / 0845 601 0106 (General enquiries)

139/140 North Street, Brighton

Other local branches: Preston Road, Church Road, Lewes Road, Hangleton Road, Boundary Road

CAF Bank (Charities Aid Foundation)

CAF is a registered charity which provides tailor-made financial products and services exclusively for the voluntary sector.

CAF Cash Account

Account type: current
Access by: chequebook, ATM cash card
How: online, phone, post, HSBC cash points and branches
Fees: none for standard day-to-day transactions
Initial down-payment: £1,000
Minimum balance: £1
Maximum turnover: none
Credit interest: pays 0.10% AER on credit balances up to £250,000 (at 08/02/10)
Application method: online, phone
Other information: available only to registered charities and organisations with an Inland Revenue exemption number, and CICs

CAF Gold Account

Account type: deposit
Access by: paying-in book
How: online, phone, fax, HSBC branches
Fees: none
Initial down-payment: £1,000
Minimum balance: none
Maximum turnover: none
Credit interest: pays 0.20% AER on credit balances (at 08/02/10)
Application method: online, phone
Other information: available only to registered charities and organisations with an Inland Revenue exemption number, and CICs; can transfer payments to and from CAF Cash account at any time

Contact details

Tel. 03000 123 222

www.cafonline.org

The Co-operative Bank

Community Directplus

| | |
|------------------------------------|---|
| Account type: | current |
| Access by: | chequebook, debit card |
| How: | online, phone, post, local branch, Post Office |
| Fees: | free banking on accounts with a credit turnover of less than £1 million per annum, less than £100,000 cash deposits and less than 5,000 cheques deposited per year |
| Initial down-payment: | none |
| Minimum balance: | none |
| Maximum turnover: | £1 million |
| Credit interest: | interest paid on balances of £2,000 and above (variable dependent on credit amount) (at 08/02/10) |
| Application method: | online, phone |
| Other information: | groups can apply for project funding of up to £1,000 from the Customer Donation Fund |

Contact details

164/165 Western Road, Brighton

Tel: 0800 783 4741

www.co-operativebank.co.uk (go to Business Banking)

Other local branches: Nevill Road

HSBC

Community Account

| | |
|------------------------------------|---|
| Account type: | current |
| Access by: | chequebook, cash card |
| How: | online, phone, local branch, SMS |
| Fees: | free banking for clubs, societies and charities with an annual turnover of under £100,000 |
| Initial down-payment: | none |
| Minimum balance: | none |
| Maximum turnover: | £100,000 (for free banking) |
| Credit interest: | none |
| Application method: | phone, branch |
| Other information: | free monthly statements and Audit Letter of Certificate of Balance at the end of the financial year for tax purposes |

Community Savings Account

Account type: **deposit, instant access**
Access by: **paying-in book**
How: **online, phone, local branch, SMS**
Fees: **none**
Initial down-payment: **none**
Minimum balance: **none**
Maximum turnover: **£100,000**
Credit interest: **pays up to 0.15% AER (variable) on credit balances (at 08/02/10)**
Application method: **phone, branch**
Other information: **transfer funds instantly between your savings and community account**

Contact details

North Street, Brighton

Tel: 0800 731 8904

www.hsbc.co.uk/1/2/business/accounts/community-account

***Other local branches:* Ditchling Road, London Road, Western Road, Church Road, Dyke Road (Seven Dials), Boundary Road**

Lloyds TSB

Treasurer's Account

Account type: **current**
Access by: **chequebook, cash card**
How: **online, phone, local branch**
Fees: **free day-to-day debit and credit entries, but charges will be made for BACS, direct debits and bulk payments**
Initial down-payment: **none**
Minimum balance: **none**
Maximum turnover: **£50,000**
Credit interest: **none**
Application method: **online, phone, branch**
Other information: **for non-profit making organisations**

Contact details

171 North Street, Brighton, BN1 1GL

Tel: 0800 056 0056

www.lloydstsbbusiness.com/community/accounts/treasurersaccount.asp

***Other local branches:* Preston Circus, St George's Road, West Street, Station Road (Portslade)**

NatWest Bank

Community Account

Account type: current
Access by: chequebook; cash card possible but you need to fill out a separate application, need two signatories and explicit approval noted within the constitution
How: online, phone, local branch
Fees: free banking if your annual turnover is less than £100,000
Initial down-payment: none
Minimum balance: none
Maximum turnover: £100,000
Credit interest: none
Application method: online, phone, branch
Other information: free audit certificate

Community Reserve Account

Account type: deposit, instant access
Access by: paying-in book
How: online, phone, branch
Fees: free withdrawals
Initial down-payment: none
Minimum balance: £1
Maximum turnover: £2 million
Credit interest: pays 0.05% AER (at 08/02/10)
Application method: online, phone, branch
Other information: N/A

Contact details

86 Western Road, Brighton, BN1 2NJ

Tel: 0800 096 8334

www.natwest.com/business/day-to-day/business-current-accounts/g1/community-account.ashx

Other local branches: Castle Square, Lewes Road, London Road, Church Road

Nationwide Building Society

Treasurer's Trust Account

- Account type:** current, instant access
- Access by:** passbook
- How:** local branch only
- Fees:** no charge for cash or cheque withdrawals; maximum withdrawal allowed without prior arrangement is £500
- Initial down-payment:** £50
- Minimum balance:** £1
- Maximum turnover:** £2 million
- Credit interest:** pays 0.01% AER (variable) on all credit balances up to £2 million (at 08/02/10)
- Application method:** branch
- Other information:** cheques can be issued for you by the branch free of charge

Contact details

New Oxford House, West Street, Brighton

Tel: 01273 360200 / 08457 302010

www.nationwide.co.uk/savings/business_accounts/treasurerstrust/introduction.htm

Other local branches: Church Road, London Road, George Street

Triodos Bank

Triodos Bank works specifically with 'organisations and groups which create real social, environmental and cultural value'.

Charity Current Account

- Account type:** current
- Access by:** chequebook, paying-in/deposit book
- How:** online, phone, post, Royal Bank of Scotland branch (for deposits)
- Fees:** charges made for day-to-day banking, e.g. 40p charged per cheque deposited
- Initial down-payment:** none
- Minimum balance:** none
- Maximum turnover:** none
- Credit interest:** interest on credit balances (0.05% AER over £5,000 and under £25,000) (at 08/02/10)
- Application method:** phone, email
- Other information:** for registered charities only, but Social Venture Current Account is available to groups that are not registered as charities, but do meet the criteria listed above (higher banking charges apply); overdraft facilities by arrangement; foreign payment facilities

Business and Charity Deposit Account

Account type: **deposit**
Access by: **N/A**
How: **online, phone, post**
Fees: **free payments into account including direct debits, standing orders, BACS**
Initial down-payment: **none**
Minimum balance: **none**
Maximum turnover: **none**
Credit interest: **interest varies dependent on quantity of credit balance and whether or not the account is instant access (at 08/02/10)**
Application method: **phone, email**
Other information: **N/A**

Contact details

Brunel House, 11 The Promenade,
Bristol, BS8 3ZZ
Tel: 0800 328 2181
www.triodos.co.uk

Unity Trust Bank

This is a bank run specifically for non-profit making organisations, and has a variety of current and deposit accounts available. While the rates and facilities don't vary hugely from the high street banks and building societies, the service may be more tailored to your needs and the investment of the bank goes into more ethical areas (community development).

Ideal Current Account

Account type: **current**
Access by: **chequebook, paying-in book, prepaid ('top-up') MasterCard**
How: **online, phone, post, nominate a local high street bank for counter services such as cash withdrawals**
Fees: **free banking for standard day-to-day transactions**
Initial down-payment: **none**
Minimum balance: **none**
Maximum turnover:..... **£250,000**
Credit interest: **none**
Application method: **online, phone**
Other information: **the prepaid MasterCard can be used wherever this is accepted, including shops, cash machines, online, mail order, phone; needs to be pre-loaded with a certain amount to be used; designed for individual use so will include the name of the individual cardholder; the MasterCard costs £6 each plus 50p for initial top-up, a £1 charge for ATM withdrawals and £3 for over-the-counter withdrawals; the card is valid for 3 years**

Ideal Deposit Account

Account type: **deposit, instant access**

Access by: **paying-in book**

How: **online, phone, post, nominate a local high street bank for services**

Fees: **none**

Initial down-payment: **none**

Minimum balance: **none**

Maximum turnover: **none**

Credit interest: **0.1% AER up to £9,999; 0.2% above £10,000 (at 08/02/10)**

Application method: **online, phone**

Other information: **N/A**

Contact details

9 Brindley Place, Birmingham, B1 2HB

Tel: 0845 140 1000

www.unity.uk.com

utb@unity.co.uk