



## Setting up a bank account for a voluntary group

### Choosing your bank

Sooner or later your group will (hopefully) have some money to care for. You will find there are a lot of different banks and other financial institutions to choose from. You will want to look at these carefully to find which is right for you.

- Do you need to have a local branch which you can contact easily? If so, will it still be convenient in a few years time when different people may be running the organisation?
- Would an Internet based bank without local branches meet your needs?
- Some banks have policies on 'ethical investment' for the money you entrust with them, other banks do not have such policies. Is this important to you?

Whichever you chose there are a number of basic things you need to do in order to persuade a bank to open an account for you. Here we look at these basics. We use the example of opening a 'current account' with a local High Street Bank branch or Building Society to show what these basics mean in practice.

### The kind of account you need

As a voluntary organisation you need a special kind of account, not an ordinary 'personal' account. The banks have different names for this kind of account. Some call it a 'Treasurers account' some a 'Clubs and Societies Account', and there may be other names. It is not always easy to find out about them from general bank publicity but each bank should be

able to give you application forms and some general information. To get this kind of bank account you must

- Show that you exist as a group and are a community' or voluntary group
- Show you are well organised and have people doing the basic tasks needed to run the

organisation who understand the responsibilities involved

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# The Development Support Service

## The people you need in order to get an account

1. The bank will expect you to have a Chair, Secretary and Treasurer and usually the application forms will specifically ask for the names of these 'officers'. Some voluntary groups don't have people with those titles and if so you will need to show that you have some acceptable alternatives.
2. The bank will ask you to appoint what it calls the 'signatories' for your organisation. These are the people who sign the cheques and are usually the treasurer and up to 3 other committee members, staff

or volunteers. These are usually appointed by you for a year at a time. When first appointed, signatories will need to give proof to the bank personally that they are who they say they are. This is explained in detail below. If you change your signatories at any time the new people you appoint will also have to go through this procedure.

- a. Normally the treasurer is one signatory, plus one other named member. Usually both have to sign a cheque for it to be valid.
- b. There are other acceptable ways to do this, for example three named signatories with any two being able to sign.

You need to decide which is best for you.

## The bank documents

You should get copies of application forms from several local banks and whatever other information the bank can give you. Compare what they offer. Look carefully at each form - they will probably look very different and ask for slightly different things! Look at what charges they make and any restrictions on how the account operates. Some examples of what to look out for are given at the end of this sheet. Don't hesitate to call the banks if you want something explained.

**Setting up a meeting with the bank** When you have chosen a bank and a convenient local branch contact them and make an appointment for a meeting with an advisor at that branch. In the end it will be up to the advisor whether or not you can open the account. You may find it helpful to have an informal discussion with the bank advisor before this meeting to make

sure you know exactly what that bank needs on its forms.

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