

Banking for voluntary and community organisations

Some of the major 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 an account

To open an account you can go into the local branch or ring the contact number. They will give you forms to fill in. Once this has been done and the forms returned to the bank, they will send you an account number and a passbook/ chequebook depending on the type of account. You can then start using the account.

Banks and building societies generally require proof that your group is a voluntary, non-profit making organisation and not a private business. This could be one of the following:

- Letter from the chair and secretary of your group
- Copy of resolution passed at AGM authorising your group to open an account with the bank
- Copy of your group's Constitution
- Charity Registration certificate/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 the cheque. The bank/ building society will require evidence of the identity of each person, and unless they have an account with that bank already it will be necessary for them to go down in person with:

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

The signatories should be people with good credit ratings (i.e. no 'bad debts') as the banks will often refuse to accept people as signatories that they consider a high risk, however trustworthy.

Make sure you tell the bank that you are a **NON-PROFIT MAKING** organisation. If you do not make this clear, you will be treated as a small business and you will pay more charges than you need to.



Some accounts 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 classed as 'Business Banking'.

Redcar & Cleveland Voluntary Development Agency
Westfield Farm
The Green
Dormanstown
Redcar TS10 5NA

Tel: 01642 440571
Email: enquiries@rcvda.org.uk