

How to open a group bank account

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 – eg driving license, passport, child benefit book
- Proof of address – eg utilities bill, benefit book, tax demand.
- The signatories should be people with good credit ratings (ie 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.

Bank accounts

All the accounts listed offer 'free banking', ie 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'.

This information sheet will be updated annually but if you want to check these details the British Bankers Association produce comparative tables for 'charity' and 'club and society' accounts that are available online at: www.moneyfactsonline.co.uk/mfBAF

Community Action Toolkit – Guidance Sheets

How to open a group bank account

Bank of Scotland/ Halifax

Halifax Treasurer's Account

- Cheque account
- Interest paid annually on balances of £2,500 or more
- No minimum balance or initial down-payment
- Unlimited deposits and withdrawals can be made at the local branch with a passbook free of charge

Tel: 0800 587 0800

www.alliance-leicestercommercialbank.co.uk

Lloyds TSB

Treasurers Account

- Cheque account
- Turnover must be below £50,000 per annum
- No interest paid
- No initial down-payment or minimum balance
- Free Banking

Tel: 0845 3 000 000

www.lloydstsb.co.uk

The Cooperative Bank

Community Directplus

- All credits free of charge
- All debits including standing orders and direct debits free of charge
- No monthly fees
- Interest paid on balances in credit
- Banking by phone, internet, post, or through Post Offices
- Can apply for project funding of £500-£1000 from the Customer Donation Fund

Tel: 08457 212212

www.co-operativebank.co.uk

Triodos Bank

Triodos Bank works specifically with **“organisations and groups that create real social, environmental and cultural value”**. They have a range of accounts specifically for such groups, including Savings Accounts.

Their current accounts provide cheque and deposit books, which can be used at local Royal Banks of Scotland branches.

Charity Current Account

- No minimum opening balance
- Cheque Book and Paying-in Book
- Direct Debits, Standing Orders and other automated payments
- Interest on credit balances
- Some charges made for day-to-day banking

Also available to groups which are not registered as charities, but do meet the criteria listed above

Tel: 0500 008 720

www.triodos.co.uk

HSBC

Treasurer Account

- Cheque account with the ability to make and receive payments, by cash, cheque or internet
- Pays interest
- No initial down payment or minimum balance
- Turnover must be below £100,000 per annum
- Free Banking
- Free Audit Letter or Certificate of Balance

Tel: 08457 404 404

www.ukbusiness.hsbc.com/hsbc/mm/business-bank-accounts

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Natwest Bank

Community account

- Chequebook account
- No minimum balance or initial down-payment
- Free banking if your annual expenditure is less than £100,000
- Banking by internet or local branch
- You can also open a Community Reserve Account, which will pay interest

Tel: 0800 200 400
www.natwest.com

The Nationwide Building Society

Treasurers Trust Account

- Passbook, not cheque account
- Pays Interest
- An initial down-payment of £50 is required
- Free Banking
- Cheques can be issued for you by the Branch free of charge

www.nationwide.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

- Cheque account
- Free banking but no interest paid
- Turnover should be below £250K per annum
- Ideal Deposit Account
- Pays interest (tiered rates)
- Instant access to funds

Note: All accounts run on postal/telephone banking but you can nominate a local high street bank and use their counter services eg for cash withdrawals.

Tel: 0121 616 4101
www.unity.uk.com

CAF Bank

(Charities Aid Foundation)

CAF is a registered charity that provides tailor-made financial products and services exclusively for the voluntary sector. CAF Bank is a subsidiary of CAF (Charities Aid Foundation).

CafCash Account

- Free (internet) banking.
- Cheque Book account using HSBC.
- ATM card for cash withdrawals if required at any HSBC cashpoint.
- Pays interest on all credit balances.
- BACS and CHAPS transfers available for a fee.
- Initial deposit must be £1000 minimum - then account must always be kept in credit.

CAF Gold Account

- High interest deposit account.
- Can transfer payments into CafCash account at any time.

Tel: 0800 954 8797
www.cafonline.org