

Opening a bank account for the first time

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Opening a bank account for your new community group is a fairly straight forward process. However, there are some important aspects to consider first before going into a bank.

Choosing a bank

Many banks offer services to charities and community organisations but it is best to shop around before choosing which bank to see which bank will offer you the best service. Try to ensure that you choose a bank that has experience of supporting community organisations. Try asking other people if they know of good banks to go with.

Practical questions to ask your bank

- What is the account's rate of interest?
- At what credit balance does the bank pay interest?
- How easy is it to make payments and withdraw cash?
- What is the clearance time for cheques?
- What are the rates of interest and the notice periods?
- How easy is it to access money and transfer funds between accounts?
- Will the bank notify you if funds are getting low?
- Is this account suitable for my group to use?

Types of account

Current accounts have low interest rates, and are useful for small transactions, e.g. small grants, donations, petty cash, bills, wages and expenses. They come with a business cheque book and a cash debit/or payment card. These type of accounts provide you with bank statements which you will need when applying to funders.

Deposit or savings accounts offer higher rates of interest than current accounts, and are often used for larger grants, e.g. for one to three years' funding.

'Instant access' savings accounts offer higher interest rates than a current account and are accessible any time.

'Notice period' savings accounts offer higher rates of interest than 'instant access'. Advance notice of withdrawals is needed. The longer the notice period, the higher the interest.

Opening a bank account

When opening a bank account all members of the management committee will be expected to show identification e.g. utility bill, passport, drivers license. Some banks may ask to see a copy of the groups constitution. You may also be required to complete a mandate form which will declare that the management committee has authorised the opening of the account.

Make sure:

- You have more than two signatories
- Don't sign blank cheques, and keep account details secure.
- The bank may require passwords for some services e.g. internet banking.

Information for this fact sheet has been collated from 'Setting up for Success' - A practical guide for community organisations.

Written by Anna Allen and Catriona May.

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- Carry out duties in their contract
- Maintain confidentiality
- Exercise reasonable care and skill

The employer must:

- Pay agreed wages
- Provide work
- Provide a safe place to work
- Pay out of pocket expenses
- Maintain confidentiality

The law provides a number of legal rights for employees. I suggest that you read the Acas Advisory Handbook, *Employing people—a handbook for small firms* (downloadable from www.acas.org.uk). To help you I have listed a few of the employees rights below but this list is not exhaustive.

Employees have the right to:

- Not to be discriminated against on the grounds of race, sex, marriage, disability, sexual orientation or religion or belief.
- To equal pay
- A contract
- Not to be unfairly dismissed
- To an itemised pay statement
- To maternity rights
- To notice of termination of employment
- To trade union membership
- To annual leave

For other rights of employees I suggest you read the book mentioned above.

Equal opportunities and diversity

It is important that your group celebrates diversity and actively works towards promoting equality of opportunity. Ensuring that your group reaches out to the wider community can help you to ensure that you get the right person for the job. Legislation also

requires that your group does not discriminate against certain groups. If you are actively working towards equality and diversity, you are less likely to discriminate. A good place to start in promoting equality and diversity in your group is to develop an equal opportunities and diversity policy.

It is important to have such a policy in place as it will help your group to clarify the main issues for your group, the opportunity to make changes, it may be required by funders and it helps staff and volunteers to understand how they and others should be treated.

The Recruitment process

It is important that you get the recruitment process right, not only to help you get the right person for the job but also to ensure you have followed a fair procedure. Here is a step by step guide to what should be done when recruiting.

- Put together an application pack. Don't forget the job description, person specification, ethnicity monitoring form, closing date and the short listing date.
- Ensure you have advertised the post in newspapers, job centres, radio etc. Try to find ways of advertising the post that reaches the wider community.
- Decide who will do the short listing and who will sit on the interview panel.
- Decide on the interview questions and short listing process.
- Let the candidates know if they have been successful or not and offer the opportunity for feedback.
- Arrange a start date for the successful candidate and carry out a full induction with them.

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Useful contacts

Acas (www.acas.org.uk) Tel: 08457474747

The Department of Trade and Industry (DTI)
(www.dti.gov.uk)

Business Link
(www.businesslink.gov.uk)

HM Revenue and Customs (Inland Revenue)
(www.inlandrevenue.gov.uk) Tel: 08456070143

Commission for Racial Equality (CRE)
(www.cre.gov.uk) Tel: 0207939000

Equal Opportunities Commission (EOC)
(www.eoc.org.uk) Tel: 08456015901

Disability Rights Commission
(www.drc-gb.org) Tel: 08457622633

Criminal Records Bureau (CRB)
(www.crb.gov.uk) Tel: 08709090811

Information Commission
Tel: 01625545740

Recommended reading

‘The Good Employment Guide for the Voluntary Sector’ by Wendy Ranken (ISBN: 0719916569) *NCVO*

‘The Employment Records Handbook for Voluntary Organisations’ by Paul Ticher with Gill Taylor (ISBN: 1903991390) *Directory of Social Change*

Support available from Dudley CVS

If you are thinking about employing staff for the first time and need help, support is available from Dudley CVS.

We can help you with:

- Registering as a Company Limited by Guarantee
- Registering as a charity
- Developing the necessary paperwork so your group can put in place the requirements when employing staff
- Locating and applying for funding
- Training

If you need support, please contact Dudley CVS on 01384 78166 or visit: www.dudleycvs.org.uk

Information for this briefing has been gathered from ‘The Good Employment Guide for the Voluntary Sector’ by Wendy Ranken, Acas and the Inland Revenue.