

FINANCE/PROPERTY & INSURANCE

SECTION 1 – ASSOCIATION FUNDS/ACCOUNTS

Australian Policy and Rules, P8 Finance, Property, Insurance & Legal Protection Organization. All moneys handled by any Section/Unit/Body of the Scout Association whether it is at Branch/Region/District/Group are trust funds and complete records must be kept of their collection and expenditure and be available for audit. Such funds can only be used for scouting purposes.

It is not enough if any person merely states that they have spent a certain amount for Scout purposes. They must be required to produce proof of the expenditure. The onus is on the person authorized by the particular Scout body to pay such accounts, to ascertain that the expenditure has been properly authorized, is needed for the purpose stated, and is a proper charge on Scouting funds.

In order to ensure that Scout finances are properly organized, there are certain general procedures, which must be adhered to strictly:-

- a. All money received must be paid into a bank account immediately. This includes subscriptions and involves paying the amount into an account on every occasion that it is received, not accumulating the money for some weeks or months before paying it into the bank.
- b. All amounts, except petty cash items, should be paid by cheque, crossed and marked “Not Negotiable,” and drawn on the appropriate Scout bank account. This gives protection to the Scout body and ensures that the payee places the cheque in a bank account.
- c. Accounts must never be paid with cash that has been paid to the Scout body for any purpose. All funds must pass through the appropriate bank account and a record made and kept of them.
- d. Receipts must always be issued for money received and a duplicate record kept. When payments are made, a receipt should be obtained covering the amount.
- e. All bank accounts etc., must require at least two signatories for withdrawals.

Administration of Accounts. Branch rules provide that each Section of the Scout Movement may maintain its own bank account. In many Scout Groups, the Group Council in addition to, or in place of, the Section accounts also maintains an account. The Joey Scout Mob account should be under the control of the Joey Scout Leader; likewise the Cub Scout Pack account should be under the control of the Cub Scout Leader; that of the Scout Troop by the Troop Council; that of the Venturer Scout Unit by the Unit Council; and that of the Rover Crew by the Crew in Council.

The various Scout formation accounts are normally controlled by the Treasurer who is a member of the formation Committee and, in the case of a Group Council account, if used, by the Group Leader.

Section Funds. Association rules provide that subscriptions paid by Scouts themselves will be administered by the Section concerned, as will also any sums allotted to the Section for current expenses by the Group Committee in consultation with the Group Council. The details for the recording of this money are covered under the heading of

“Group Funds and Finance.” At this point it is sufficient to say that use of all moneys must be completely recorded in such a manner that receipts and expenditure can be checked.

Annual Accounts

A. Group. At Census time each year, annual accounts covering all funds operated in the preceding 12 months within or in the name of the Scout Group, whether Group, Sections, Group Committee or Auxiliaries, shall be prepared and attached to the Census return for presentation to the District Association. These accounts must present a complete picture of all financial operations current with the Group and normally would consist of a Statement of Receipts and Payments for each fund, together with a Balance Sheet, ie, a list of assets and liabilities. An independent and responsible person, who will certify that they are a true and correct presentation of the financial position of the Group, must have audited the accounts. For more detailed information, see “Census.” Pages 406, 422, 705

b. District. Similar to the Group, District is required to forward audited proof of their accounts to their respective Region

c. Branch. Activity Units and other formations are required annually to send copies of their audited accounts to the “Branch Manager – Business and Financial Planning,” no later than the 31st March, so that they can be included in the Branch accounts audited by the Branch Auditor.

d. General. It is a condition of the Association’s rules that all Sections, including the Branch, must include in their Annual Report, tabled at their Annual Meeting, a full copy of their financial transactions including funds in hand at the close of their financial year.

For Groups, District and Regions, the Financial Year ends on the 31st December, while the Victorian Branch Financial Year normally ends on 31st March each year.

SECTION 2 – FINANCE/TREASURERS

These notes have been produced to assist persons in the role of Treasurer or Bookkeeper in Sections, Groups, Districts and Regions. They recognize that the Treasurer can be a Chartered Accountant, or someone with no training at all. There will be different circumstances between each formation. The aim is to relieve the rigidity of the Association’s printed Cash Books so that a formation can select the most appropriate and meaningful categories to record and report.

There are many ways to keep a set of accounts and it up to the individual to choose that method from such systems as follows:-

a. Account books purchased from Snowgum Stores.

b. Conventional bookkeeping stationery, such as cashbook, ledger &c., available from stationers.

c. Computer package software.

In using any of these systems, the bookkeeper should remember that his or her clients will seek access, and the bookkeeper needs to be able to present the “books” at a meeting. Unless on a laptop, computer records are less flexible in this way.

Formations must publish an Income and Expenditure statement with their annual report and complete the Association’s standard forms. This report should be acceptable for reporting to the next highest level. See paragraph 624 for comparison with Receipts and Payments statements.

Account Titles

All accounts must be in the name of the Association:-

The Scout Association of Australia,..... Group Committee or
The Scout Association of Australia,..... “X” Cub Scout
Pack.

Branch has prepared a letter addressed to Banks advising proof of legal identity. See
Annex

Approved Accounts

The Association permits money and investments only in those accounts which are
deemed to be as Trustee approved.

Auditor

Each formation (Group/District/Region/Branch) must appoint a suitable qualified
Auditor at their Annual General Meeting or as soon as possible thereafter. The auditor
should not be directly connected with that formation and must hold suitable
accounting qualifications.

Bank Charges. The Association is usually exempt from account keeping charges.
The Branch Legal and Property Services Administrator has produced a letter for
presentation to Financial Institutions who endeavour to charge Scouting Groups such
charges. This letter is available to formations upon application to Branch
Headquarters, Property Department.

Bank Reconciliation. At the end of each month, the Cash Book should be reconciled
with Bank Statement. The main items that must be brought to account in this process
are: Deposits not credited, unpresented cheques, bank charges and interest. If this is
done monthly it will locate any mistakes quickly and explains any difference between
the Cash Book and Bank balances.

Book-keeping. It is essential that proper records and accounts be kept by all
formations, as money handled is trust money and is open to public scrutiny. Also
records have to follow a logical sequence so that an auditor can follow through the
records. All payments should be made by cheque. However, if there is a frequent
number of small transactions, a Petty Cash Account could be used. It is essential that
a receipt is received and properly stored so that there is proof of payment. This step is
no longer as essential as it once was as the presentation of crossed, “Not Negotiable,”
order cheque is now acceptable as proof of payment. Before a payment is made,
cheques should be passed for payment and recorded in the Minute Book. Sometimes
payments are necessary between meetings and these should be authorized in advance
or subsequently confirmed at the next meeting, eg, Electricity, Phone. Receipts should
be issued for all money received and, as already stated, the money banked without
delay. Weekly subscriptions are normally recorded in Subscription Books.

Budgets and Cash Flow

Budgets are a plan of action expressed in money terms. Budgets should be prepared
for all formations by the Treasurer of the Finance Committee and submitted for
acceptance at a full Committee meeting.

The Budget compares the expected Income and Expenditure. It may be used to
calculate the required level of subscriptions or levies for the ensuing year or to
consider the level of spending that will be available for that year. It may be necessary
to prepare a preliminary budget and present it to the Committee for consideration
before finalising the Budget.

The differences between an Income and Expenditure Account/Statement and a
Receipts and Payments Account/Statement are that “like items” in the former are
“netted, ie. set off against each other rather than listed twice, and “prepayments” and
“accruals” must be taken into account. If the bookkeeper knows that there is an

account for plumbing still to be paid, then the expenditure item for maintenance must include that amount.

The cash flow can predict the balance in the account at the end of each month and is useful to predict when there will be sufficient funds for expenditure to take place.

Sample Group Budget over page.

Sample Group Budget

Income

Scout Job week \$1,150.00 less 460	690.00
Seafood Cabaret	52.00
Donations	100.00
Raffle	350.00
Bowls Day	245.00
Highway Cleanup \$275 less 137	138.00
Bottle Drive	150.00
Can Collection	85.00
Bank Interest	75.00
Calendar Sales	300.00
Subscriptions	120.00
Projected Income	\$2,305.00

Expenditure

Registration Fees \$575.00 less 400	175.00
Leader Training	300.00
Functions	350.00
Maintenance	650.00
Electricity	25.00
Pack Equipment	250.00
Troop Equipment	430.00
Secretarial	55.00
Sundries	20.00
Expenditure	Projected \$2,255.00
Net Surplus	50.00

Cash. All payments are made by cheque as they provide a record of a payment and are less likely to be questioned.

Cash Books. A separate Cash Book is to be kept for each account, except Investments, which may be recorded at the back of an operating account.

The Cash Book may be the Association's book or a multi-column commercial book (say 12-16 column) or alternatively recorded on a computer. Normally a separate entry is to be made for each cheque and receipt, however, where a number of

consecutive documents relate to the same dissection and amount, a single entry may summarize these.

Other Financial Matters

Census Payments. A summary of membership is made on the 31st March each year. Membership fees and levies are due one week later. It is essential that each formation plan for this expenditure. Ensure family subscriptions are collected early in the year or that they have sufficient funds in reserve.

Computer Accounts. Should the Treasurer have access to a computer and need help in setting up a program, check with District Treasurer or Region Treasurer.

Donations. Donations of money to the Scout Association are tax deductible under Section 50-145 of the Income Tax Assessment Act 1997. If queries are to be avoided, donors should quote the above and not the formation. A donor must not receive any benefit other than the tax deduction as a result of the donation. The giving in exchange for the donation of, for example, a dinner, membership rights, Job Week, or use of facilities, renders the donation ineligible for tax deductibility. It is most important that receipts for donations are numbered and are made out in the name of the Association.

Errors. Errors in financial records are not to be corrected using correction fluid and erasures are not permitted. Where corrections are necessary, the record to be changed should be ruled through and the amended record entered above or alongside but not over. A clear single-lined figure is needed and may require being initialled.

Financial Institutions Duty (FID) This is a State Duty imposed on deposits placed with financial institutions. The Association is exempt from the duty on application. Application forms are available from The Commissioner, Financial Institutions Duty. **Financial Year.** The financial year for a Group, District or Region is the period from 1st January to 31st December and books must be forwarded to the next highest formation duly audited within 2 months. The Branch Financial Year is 1st April to 31st March.

Fund Raising. Formations are expected to be financially self-supporting. They are encouraged to promote fund raising rather than relying on levies. Such fund-raising should be confined to the boundaries of the formation. Money should be earned and not solicited. In general the Association permits the same fund-raising as any other similar organization allows, providing the necessary permits and approval is sought. (See Section 4, Para. 653/654) APR, P8 refers to the general principles relating to finance and fund-raising of the Movement.

Grants. It is possible that formations may apply for specific grants from Municipalities, Government Departments and other Organizations. Usually these grants are for specific purposes and it is essential that proof can be shown that the money was used for the designated purpose.

It may be necessary to obtain approval from the next highest formation before an application is made. It is essential that a well-planned and detailed submission be made. Formations should make themselves aware of the various Grants that are available and of the closing dates. (See separate notes).

Insurance

a. Property Insurance is due on 1st September. All formations must insure through the Association's Insurance Brokers. It is essential that all property be fully covered by insurance.

b. Personal Accident Insurance. The Branch insures all registered members, both youth and adult, for a basic cover at Census time. Particulars are advised annually in the Info Book. Sent with the Census papers is information and an invitation to

formations to increase this basic cover for its members, called Top Up Insurance. This is due on the 1st April and it is the responsibility of Formations to complete this Top Up cover. It is available for both income and non-income earning members.

Committee Members are also covered under the terms of the policy.

c. Public Liability Insurance is provided by Branch. The Association has a Public and Products Liability Policy, which provide indemnity in respect of all normal Scouting activities while acting with proper approval or consent. This also covers member-to-member insurance.

d. Hiring of Halls. Hirers of hall are required to take out their own Public Liability Policy. (For latest information refer to the current Info Book.)

Investments. Formations should aim to maximise interest on all funds and, therefore, take every opportunity to transfer funds from low interest accounts. Assessment of future need of funds must be taken into account and quite often an account 'at call' with a marginally lower interest might be preferable to one of slightly higher interest of longer term. It is important to remember that we are dealing with trust funds and that no 'risks' be taken.

Petty Cash. Although it is preferred that all payments be made by cheque, there are instances where there is need for regular minor expenses to be incurred that would support the use of a Petty Cash system. If such is used the float should be determined by the nature of payments and should cover one month's expenditure. The Committee may authorize a change to the float as required. The Imprest System shall be used whereby a cheque is raised to cover the actual expenditure to date

Pay as You Go (PAYG). This tax replaces the former Prescribed Payments System. If 642. engaging a contractor or other business to repair, extend or construct a new building, ensure you obtain their ABN number. Once obtained, all moneys can be paid to the contractor and it is his responsibility to pay the tax.

Purchases. In general, all items of expenditure must be approved and recorded in the Minute Book (except for Section accounts). There will however, be a need to pay some accounts during the month. These payments must be confirmed at the next meeting.

Receipts. An Association receipt should be issued for all money received and recorded in the Cash Book. Weekly subscriptions are normally recorded in a Subscription Book (no receipts issued for Subs.). reports.

a. Monthly. The Treasurer's report each month is usually to the end of the previous month and should include:-

(1) The balance in all accounts as per the Cash Book to that date, together with advice as to prepayments and accruals, so that a more realistic financial picture is provided.

(2) A comparison of budgeted income and expenditure to actual income and expenditure.

(3) A highlight of significant differences between budgeted and actual expenditure of particular categories of expenditure.

(4) Approval for payment of accounts to hand and confirmation of accounts actually paid since the last meeting.

(5) A summary of receipts.

b. Annual. A Statement of Receipts and Payments and a Statement of Assets and Liabilities (or preferably an Income and Expenditure Statement), shall be submitted to the next highest formation duly audited within the prescribed time on the forms provided by Branch.

Signatures. It is necessary for all accounts to have a minimum of two signatures for their operation and this should be recorded in the Minute Book, having been resolved at a constitutionally held meeting. Formations are recommended to register a minimum of four signatures to cover situations of sickness or holidays and resignations to save an embarrassing situation of not being able to operate an account. Sections are recommended to use the Group Leader and Group Treasurer, for example, as additional signatories.

Subscriptions. Groups, Districts and Regions may request subscriptions from members.

Trust Money. All money handled by the Association, no matter at what level, must be considered as Trust Money and particular care must be taken that it is properly recorded and accounted for.

Stamp Duty. In some States, the Association has been certified to be a charitable institution within the meaning of the Act and as such is exempt from payment of Stamp Duty under the Stamps Act in respect to the following instruments: -

- a. Cheques drawn on any Group Banking Account.
- b. Receipts for money paid in to the Group.
- c. Transfers to a Group of marketable securities.
- d. Transfer and conveyance of real property to the Association.
- e. Lease of real property granted or assigned to a Group or to the Association.
- f. Deed or Gift in favour of a Group or the Association.

Subject to Government approval, it may be possible for exemption from Financial Institute Duty.

Goods and Service Tax.

- a. Groups (Districts, Region etc.) should not register for GST, (unless they turnover more than \$100,000 per annum.
- b. Not being registered for GST means the Group does not have any reporting requirements to the Australian Tax Office.
- c. Not being registered for GST means the Group, as an end-user, will pay GST on its purchases, and cannot claim this back. Overall, some charges will rise (eg. electricity, gas), while others will fall, due to removal of sales tax (eg. ropes, caravans, etc.).

Australian Business Number.

- a. Groups do not need an ABN.
- b. Where someone owes your Group money (for hall hire, recycling payments, etc.), they do not need to apply for withholding tax.
- c. This is because the payment is being made to an income-tax exempt entity (eg. a charity) and Scouts Australia and its Groups are such an income-tax-exempt charity. A standard declaration that you can give anyone who may want to apply withholding tax is located at www.vicscouts.asn.au under "adult info" or from the Victorian Branch Headquarters.

SECTION 3 – FUND-RAISING

Scout Groups depend on local communities for material support, and they are expected to maximize this by the use of modern fund-raising methods consistent with the principles of Scouting.

Fund-raising and the procurement of material resources generally for Scout Groups is primarily an adult responsibility, however, youth members may be involved in

projects where value is given for money, e.g. by taking part in Scout Job Week, but they must not seek donations or gifts.

Approved fund-raising methods may include those which are accepted and used by other organizations, such as churches, schools, and sporting, social and service clubs; these methods include raffles, lucky envelopes, spinning wheels and bingo. When the latter methods are used, guidelines and permission should be obtained (on the approved form) from the next higher authority.

After obtaining approval from the Raffles Board and completing the appropriate form, the following statement indemnifying the Scout Association of Australia (Victorian Branch) should be signed.

I the undersigned being a member of the organising Committee for (.....) (state Formation), conducting or about to conduct, or authorized to conduct one or more Raffles/Bingo games for or in aid of the Scout Association of Australia, Victorian Branch in consideration of the Association agreeing to permit such to be conducted hereby indemnify the said Association against any loss or liability or irregularity or arising as a result of any act, deed or omission of the said organising Committee or any of its members in the conduct of such raffles/bingo games.

Signature..... Date.....

This form, together with the form supplied by the Raffles and Bingo Permits Board, should then be submitted to the next higher authority for approval. After Group, District and Region approval, Branch Headquarters will then forward the application, with a letter of approval, to the Raffles & Bingo Permits Board, which will respond in due course direct to the organising committee.

Sponsorship

Leaders may be invited to allow their young people to participate in commercially backed promotions, including media advertising. Provided the proposition is of a local nature only, and the Movement's policies and principles are not likely to be compromised, then the decision can be made locally whether or not to accept the invitation. However, things are not usually so simple, and leaders are urged to consult with the Marketing and Sponsorship Department at the Victorian Scout Centre before committing themselves and the Association when questions of sponsorship are raised. Sponsorship Register. The Branch has established a "Sponsorship Register," which lists approaches and requests to various Companies and Institutions, and the results obtained. The purpose of the register is to avoid embarrassment to the Association and to the various potential sponsors through duplication of requests, and/or further requests on top of recently successful agreements or unsuccessful negotiations. For further information contact the Marketing and Sponsorship Department at the Victorian Branch Headquarters.

Be sure of your reasons for wanting the extra money. People will respond to real need. It is not meant that you ought to present an image of a down and out Group, quite the contrary. You should present a successful story about your Scouting and be able to show that the particular funding you seek will further improve your Group by introducing better equipment and more exciting activities. It is important to identify exactly what you want the money to do, eg, if it is to send a Scout to a Jamboree or to put another storage unit in the Group Headquarters. If people can see exactly what you want their donations for, they will help more readily than if it is just for Group funds.

All fund-raising involves "asking." There is no other way. However, who and how you ask, are all-important. People will respond to other people because of a variety of

reasons -- friendship, respect, or whatever. The President or your most influential Committee member should personally solicit all major gifts to your Group. Other gifts may be sought by letter but the signature on the letter should be determined carefully. Contrary to popular belief, the most important process in any fund-raising campaign is the “thank you” after receiving a donation. It is here that the Group begins to cultivate a member of the family and lay the foundation for future support. Not only should we thank donors, but we should also keep them informed, as their interest and participation is valued.

SECTION 4 -- SCOUT JOB WEEKS

Scout Job Weeks are held each year. This is another fund-raising activity as well as a major training activity for members. Over the past few years Scout Job Weeks have lost their appeal to the majority of formations. Groups wishing to participate should contact the Public Relations Department early in the year to register their interest to participate.

The organization of Scout Job Weeks is carried out at four levels:-

- a. Branch Headquarters is responsible for the initial organising, planning, promotion and distribution, plus the preparation and primary distribution of all printed and associated material. (Branch Headquarters and sponsors meet the cost of this.)
- b. Region is responsible for the further promotion and encouragement of all phases of the activity.
- c. District is responsible for promotion and encouragement as above, and practical assistance to Groups in determining Group boundaries and planning the correct approach.
- d. Group is responsible for actual implementation and accounting, careful planning of sections and personnel to ensure complete coverage of the area within the Group boundaries, proper interpretation to the member of the objectives and aims, and contributing enthusiastic promotion throughout.

SECTION 5 – SCOUT WEEKS

Probably the most important weeks of the year for Scout public relations are Scout Weeks, normally held in the February/March period prior to Census. During this period we make a particularly determined effort to focus the spotlight of public interest on our activities, objectives and methods.

Detailed events for the two weeks are generally left in the hands of Groups, Districts and Regions to plan, but Branch Headquarters may decide on a theme or themes, which should be incorporated in the weeks’ activities at all levels.

SECTION 6 – SCOUTS COLLECTING FOR INSTITUTIONS AND OTHER CHARITIES

In 1992 the Victorian Branch amended the then policy on collecting for outside organizations to allow Scouts in certain circumstances to collect for Institutions and other Charities.

. Branch/ Region Commissioners in Victoria have agreed to the following: -

a. Branch should name those Charities, State-wide, which it considers worthy of our support, and that members should not be asked to participate in more than four fund raising events in any one year, eg:-

- (1) Childrens' Hospital Good Friday Appeal.
- (2) Salvation Army Red Shield Appeal.
- (3) Red Cross Sunday Appeal.
- (4) Region nomination.

b. Any approach made to Branch for assistance will be immediately given to the Chairperson of the Marketing and Communication Council for that Council to recommend whether or not the appeal be supported by the Association.

c. The Marketing and Communication Council will keep a register of all requests received and whether it was approved or rejected.

d. In view of the provisions of Clause 1802 of the Road Safety (Traffic) Regulations 1988, no Leader or Youth Member under the age of 18 years is to participate in highway collections.

SECTION 7 -- LEVIES

Branch Policy is that levies at all levels should be discouraged.

The importance of fund raising by all formations, but particularly at Group Level, should be emphasized.

National, Branch, Region and District should provide opportunities and ideas for fund raising projects, but participation should be voluntary.

Regular Workshops, Seminars, and Training Sessions should be organized to develop a better understanding of their responsibilities and to give them direction on how to achieve the objectives.

Members of the Association are expected to pay their own annual registration fees. If a Group wishes to pay the fees on their members' behalf, it is the Group's responsibility to raise the money by participation in such events as Scout Job Week, Sale of Calendars etc.

SECTION 8 – GOVERNMENT GRANTS

The Government has at various times grants available for use by associations, such as The Scout Association. These vary from year to year and inquiries should be made to the appropriate Department.

SECTION 9 – GROUP MONEY MANAGEMENT ACCOUNT

Branch has established a Money Management Account. The advantage of pooling money in a centralized account means that it can be invested at higher interest rates than would be available to individual Groups. The terms of the Money Management Account are as follows:

- a. Interest is calculated daily, and compounded quarterly.
- b. Interest rates are highly competitive, and vary weekly in accordance with market

conditions.

c. The minimum initial deposit and balance is \$500. A Confirmation of Deposit will acknowledge all deposits.

d. No Funds can be withdrawn without the approval of two of the authorised signatures, and seven days notice is required.

e. All funds will be invested in bank-backed securities and thus will be secure.

Application forms are available at Region offices and Branch Headquarters. Contact for the Group Money Management Account at BHQ is Mr. Stephen Chew, Manager Finance and Business Planning.

SECTION 10 –GROUP PROPERTY

Camp Sites. Apart from Group Headquarters and equipment, training of Scouts can be advanced by use of a suitable campsite where they can camp at frequent intervals and to which they can travel with a minimum of effort, particularly on the part of Leaders and parents. Such a property is better provided by Districts or Region.

Sponsored Group Equipment/Property. With sponsored Groups, it is generally the case that the meeting place is provided by the sponsoring body. The sponsoring body or the Group, depending on the circumstances, provides equipment used by the Group.

In such a case, it is important that determination be made in the first place, as to what property is to be regarded as belonging to the Group itself (i.e. The Scout Association) and to the sponsoring body. This decision must be recorded with Branch Headquarters in an agreement between the Group Leader and Group Committee on the one hand, and the sponsoring authority on the other. A standard form of property agreement is available from Branch H.Q. and must be used.

Property Vested in the Association. Scouting property is vested in the Branch because of our Act of Incorporation, but the occupying groups are wholly responsible for management and use. The formalities of acquisition and disposal of property, including the making and renewing of leases, are carried out by the Property Department at Victorian Branch Headquarters on behalf of and together with the Groups concerned. Planning Permits are also obtained through the Property Officer at the Victorian Branch Headquarters.

Use of Property. It is the responsibility of the Group Leader and the Group Committee to ensure that all governmental and municipal regulations and by-laws affecting their property are adhered to. Most leases make specific references to matters as, for example, the right of sub-lease; limitations on usage; consumption of alcoholic beverages and so on. These conditions must be clearly understood, and copies of current leases are available from the Property Officer at Victorian Branch Headquarters for those Groups which have mislaid their lease copy.

Subject to any leasehold or other legal restriction, (i.e.. Council by-laws), Group Committees may approve the use of their Scout Halls for social functions at which alcoholic drinks are intended to be served. Group Committees, however, must assure themselves that the necessary permits are obtained and the insurance cover has been arranged. (It is important to read paragraph 639 re. Insurance.)

Relationship with Council. Group Committees should maintain a good relationship with their Council Officers so that they can attend to such matters as lease and licence expiry and any new conditions of renewal before the event and not after it. Times are changing and unfortunately not every municipality is as supportive of Scouting as it might be. There have been instances where Scout Groups have suffered because they

have not bothered to defend their rights, or press the value of Scouting to the community, with the result that they have been sometimes denied a new lease or had a renewal effected under much less attractive terms than applied previously.

Loan/Hire of Hall. Where Scout properties are hired to outside users, hirers are required to take out their own Public Liability Insurance to an amount of \$1,000,000.

It should be noted that, where Scout Halls are hired for use by members of the Association for personal functions, then they must still take out separate Public Liability Insurance by extending the Association's policy.

Ratability of Land Used for Scout Purposes (or Rates). In some States, under present conditions, since the Association is a charitable organization in the legal sense, it has been ruled that land, which is used for the training of Scouts, is not rateable.

SECTION 11 – PROPERTY ADMINISTRATION

Introduction. The procedure set out here, together with the Annexes, are the product of extensive experience in property matters and is intended to assist all Formations in the Branch. By observing the procedures and supplying the necessary information sought on the appropriate forms, it should be possible to expedite handling of property proposals to the mutual advantage of the Branch and its Formations. Advice can also be obtained by contacting the Branch Property Officer.

Application. In addition to these Branch requirements, there are State and Municipal regulations governing property transactions and permits from appropriate authorities, which need to be obtained

Any administrative procedures relating to property and issued by any Formation may be retained as supplementary to these instructions, provided they do not conflict.

What is Property? Property is defined as property of whatsoever nature whether real (land and buildings) or personal (chattels).

Who is authorized to Deal in Property? Whilst all property is vested in The Scout Association of Australia, Victorian Branch, by authority of an Act of the Victorian Parliament No. 4092, Formations have specific responsibilities as set out in the Act, in Australian Policy & Rules and in these instructions.

Where a Formation collects money for the purchase of property, a trust virtually exists between the Formation and Branch. Subscriptions or donations for the purchase of property should be obtained on the express basis that funds are being raised for the purpose of Scouting in Victoria generally, in case the Formation may cease to exist at some future time.

The Formation and Property. Property is vested in the Branch. The Property Committee, which is responsible for, handles management of property:-

- a. The operation and maintenance of property.
- b. The adequate insurance of property.
- c. The financial affairs and management of all property funds.
- d. The payment of all legal fees, duties, etc. relating to property.
- e. Making decisions concerning applications to Branch for approval to purchase, sell, lease, mortgage property, erect, alter, enlarge or demolish any building.

Embarking on New Projects. In general, Formations aim to have their own premises although what is considered necessary or adequate varies according to local circumstances. In newly developing areas, it is unlikely that sufficient or suitable premises will exist for use by Formations. In those circumstances, consideration should be given to sharing premises with other organizations or obtaining premises, which will accommodate two Formations. The present tendency in the community is

to encourage the shared use of accommodation, especially in metropolitan areas. Where premises are to be shared, please submit the terms of agreement to Branch for advice. When it is proposed to share premises with Guides Australia, special conditions apply. These conditions might also serve as a pattern when preparing an agreement for premises that are to be shared with other organizations.

Expenditure on Real Estate. Branch does not intend to limit the independence of Formations in expenditure on property. Formations may wish to avail themselves of Branch property experience when embarking on extensive building projects.

Seeking Approval. When seeking approval to purchase, sell, lease, build or alter, formations are required to use the appropriate forms which are part of these instructions and must be forwarded to Branch via the usual channels.

Samples of these forms are available from the Forms in chapter 11

Finance. Formations intending to purchase, build or make extensive alterations to property will need to arrange finance to meet:-

- a. Capital cost.
- b. Interest.
- c. Repayments.
- d. Preliminary costs.
- e. Operating and maintenance costs including adequate insurance.

Proceeds from Sale of Property. If a Formation obtains approval to sell property, the whole of the proceeds is required to be paid to Branch where it will be held in trust. Applications for release of proceeds may then be made. It is generally the policy of the Branch not to approve the proceeds of such a sale being invested in a diminishing asset.

Liability for Arrears of Municipal Rates. Property used for scouting purposes is exempt from payment of Municipal rates. However, if such a property is sold or let for some other purpose, existing State legislation requires that rates shall be paid to the appropriate Municipality for the five years preceding the transaction.

Legal Fees in Respect of Planning. The State Executive Committee has resolved that legal fees incurred in respect of Planning be considered part of the total cost of land development and as such is borne by the formation concerned. All application appeals should be made through the Victorian Branch solicitors, but the formation should have the right to decide whether to proceed or not. They should be advised in writing by Victorian Branch Headquarters of the costs involved in proceeding and then reply in writing of their willingness to meet such costs.

In consequence of this policy, formations concerned will inform Victorian Branch Headquarters through the proper channels immediately a Planning Appeal is contemplated. Victorian Branch Headquarters will consult with its solicitors to ascertain (among other matters) the likely extent of the costs involved and to inform the formation accordingly.

A Lease, Licence or Permissive Occupancy must:-

- a. Be in the name of the Branch,
- b. Be clearly define the area concerned, and
- c. Show the term and the annual payments.

Where the lessor is a municipality, some special conditions apply. Municipalities are empowered under the Local Government Act to grant leases for a term not exceeding 10 years and such leases should contain a clause providing that at the termination thereof, buildings erected on the land become the property of the lessee. However, municipalities may grant building or improving leases for a term of 30 years, (or in some cases more) subject to the consent of the Governor in Council, in which event,

such leases must contain a clause providing that at the termination thereof, buildings erected on the leased land by the lessee become the property of the municipality. Leases generally provide that the lessee pays costs of preparation and completion of the lease documents. These costs are borne by the Formation and not by Branch. To minimise costs, standard lease forms are available on request from the Branch Property Office.

Joint Scout and Guide Accommodation. When consideration is first given to the possibility of building a joint Scout and Guide Hall and before any fund raising for the purpose is undertaken, it is essential for both the Scout Formation and the Guide District to seek the approval of their respective Headquarters. It is emphasized that the approval of Branch Headquarters must be received before proceeding with any joint fund raising, seeking of land, and preparation of plans or building. If approval is given for a joint Scout/Guide Hall by both Associations, the following conditions must be observed:-

- a. The proposed hall must be designed not only to meet the existing needs of the two units but also to provide for possible future expansion.
- b. The title, lease, licence or permissive occupancy in respect of land on which the proposed hall would be erected is to be in the joint names of The Scout Association of Australia - Victorian Branch, and Guides Australia.
- c. A lease, licence or permissive occupancy must contain a clause permitting the removal of the building on the termination of the occupancy, unless the lessor is a municipality and the term exceeds ten years, in which case the building becomes the property of the municipality.
- d. A clearly defined agreement must be drawn up in regard to the use of the should include the hours of use and must also set out the financial responsibilities of the Scout Formation and the Guide District in relation to maintenance of the building, as well as the payment for services such as electricity supplied to the hall. In all cases this agreement must be in writing to avoid any misunderstandings which may arise with change of personnel and passage of time. It is satisfactory for the agreement to take the form of a written memorandum setting out the terms agreed upon. A copy is to be held by the Scout Formation Committee and the Girl Guides Victoria Local Association. A copy should also be sent to the respective State Headquarters of each Movement.
- e. In all cases where land is in the joint names of the two Associations, a joint deed of trust shall be executed by the Executive Committee of each Association. This will establish a local committee of management or custodians, comprising the responsible Leader of the Scout Formation or his/her senior assistant, the President and Secretary of the Scout Formation together with the Guide District Commissioner or the Guide Division Commissioner of the Division of which the District forms a part, the President and Secretary of the Guide Local Association.
- f. In cases where approval for a jointly owned Scout/Guide building is not given, one Association should be the owner and manager of the hall and make provision for the other Association to occupy the building at certain times by arrangement, normally by the payment of a weekly or annual rent. In these circumstances the local Formation or unit of the Association owning the hall is solely responsible for the capital costs, annual rent of land, maintenance, improvements, repairs, insurance, etc., and the arrangements for occupancy including the appropriate rent to be paid by the other Association, must be such that these conditions can be varied simply and easily from time to time as necessary. In such cases it is also essential that the arrangements

entered into should be recorded in writing and a copy kept by the Headquarters of each Association.

Methods of Financing Property Ventures.

a. Joint and Several guarantees and debenture schemes. These methods are comparatively rare and rely for their methods upon people being prepared to act as guarantors of a loan or upon a sufficient number of people being prepared to subscribe for debentures for a specified term of years at a stated rate of interest.

b. Municipal Council Assistance. Some Formations are fortunate in having Municipal Council, which will be prepared to offer a straight-out grant, or in some cases a loan under reasonable conditions. a.

c. Bank Loan. This method may be available without guarantee where the hall is to be erected on freehold land and a substantial part of the cost has been provided from Formation resources.

d. Co-Operative Society (Community Advancement Society) Where a building project is to be carried out on Council or Crown Land, some of the above methods of financing will not be available and Formations may choose to obtain finance by forming a Co-operative Society under the Co-operation Act 1958. Formations considering the operation of a co-operative society are urged to obtain from Branch a "Co-operative Society Pack" which contains copies of relevant information and forms required by the Registrar.

e. Mortgage. In the case of mortgages, it is not the practice of the Branch to execute a mortgage unless it contains a clause having the effect of limiting the liability of the Association to the mortgaged property only, and negating personal liability of the Association under the covenants in the mortgage. Therefore, when negotiating a loan to be secured by mortgage, this should be made known to the proposed mortgagee. Permits.

a. "Town Planning" means land use. A Town Planning Permit should therefore be obtained:-

- (1) Before settlement in the case of purchase.
- (2) Before sealing in the case of a lease.
- (3) Before the production of final building plans and specifications where building work is involved.

b. The main steps to be taken to obtain a Town Planning Permit are:-

- (1) Consult the Local Authority (Planning Officer) or Building Surveyor in his absence and submit a copy of title or proposed lease with a schematic outline of the proposed development for his comment and advice.
- (2) Obtain zoning certificates and permit application forms.
- (3) Prepare preliminary working drawings of proposal and estimates of cost.
- (4) Submit plans, estimates and Town Planning Permit Application Forms to Branch for approval and processing, using the appropriate Property Form.

c. In the case of leases of Railway Land, the Railways Planning Officer will process any necessary application after submitting it to Branch for sighting and signing. Building

a. Where building work is involved, Building Permits will be required after Branch approval and Town Planning Permits have been obtained.

b. The main steps to be taken to obtain a building permit:-

- (1) Prepare final building plans, specifications and estimates of cost and submit to Region for approval.
- (2) Lodge documents with local authority (Building Surveyor) and lodge application for Building Permit.

- (3) Call tenders for work.
- (4) Enter into contract with successful tenderer in accordance with authority given by a general meeting of the Formation.
- (5) Authorize builder to finalise application for Building Permit and pay the prescribed fee.

VicHealth

- a. The provisions of the Health Act apply to a public building in which numbers of persons are assembled for recreation, amusement, entertainment or instruction.
- b. In order that Scout buildings may be used for these purposes, it is necessary to have building plans and specifications approved by VicHealth before building.

SECTION 12 --CENSUS

As from the 31 March 2001 Groups can complete their Annual Census Return by the Internet through Census on Line. This system allows each Group Leader to change the records of any individual and to also register new youth members via the Internet. An annual Census is taken as at 31st March each year. The wise Group Leader will keep all records up-to-date throughout the year, so that at Census time the task will be much easier than if membership records are kept by Section Leaders. Your District will probably hold a Census Action (Lodgment) day, when Group Leaders with their Treasurer (and perhaps Registrar) can attend and lodge Census, which can be checked through with them by the District Commissioner, Region Treasurer and perhaps Chairperson.

Victorian Branch Headquarters prepares Census Remittance forms and instructions for completing Census. These forms are forwarded direct to the Group Leader and must be returned completed to the District, together with a cheque in payment of the Membership fees and amended computer printout of all Adult and Youth Members in the Group. It is the Group Leader's responsibility to record on the computer printouts those members who are active with the Group at 31st March. These numbers are then tallied on the Remittance form and membership fees are calculated. The Remittance form and cheque for fees should be returned to the District within two weeks of 31st March.

SECTION 13 – GROUP BUSES

The Public Transport Regulations, 199, require operators of buses with more than 12 seats (including the driver) to be accredited with the Department of Infrastructure. If the Group or Unit owns such a bus, contact should be made with the Department to ascertain what must be done for the vehicle to be leg