

THE ASSOCIATION OF FRIENDS OF THE ROYAL ENGINEERS MUSEUM

MANAGEMENT INSTRUCTION NO 1 - FINANCE

General

1. The Guidelines for the Operation of FoREM lay down that their central account is to be maintained in RE Corps Funds as a sub-account of the RE Museum Fund. In order that FoREM may keep control of their funds, FoREM's Honorary Treasurer, in conjunction with the Corps Treasurer, maintains a separate but parallel management information system to track receipts and expenditure.

2. To avoid constant referral to Chatham, FoREM's Honorary Treasurer will use the previous year's income as a one-time receipt at the start of each year and track expenditure during the year. The FoREM Honorary Treasurer will pass all invoices etc to the Corps Treasurer against which the Corps Treasurer will make payments.

Income

3. The receipt of money from individuals and Groups is tied closely to the membership registration system. All membership applications and renewals are received by the Corps Treasurer at Chatham together with appropriate subscriptions; the Corps Treasurer also deals with Direct Debits and Covenants. The Corps Treasurer then forwards the membership paperwork to the FoREM Membership Secretary for entry into the FoREM database (See Management Instruction No 4). If new applicants for membership do not provide Direct Debit, Covenant and Inland Revenue R 185(Covenant) forms with their initial return to the Corps Treasurer, the FoREM Membership Secretary is to try to arrange for the new member to complete these forms.

4. Membership renewal date is 1st April; subscriptions of new members will automatically run from that date. Where new members join during a year, the Membership Secretary is to advise the the Corps Treasurer of the effective date for membership renewal. The FoREM Newsletter, sent annually to all members usually in February, should contain a Membership Renewal form, together with a Direct Debit form to encourage members to pay by this much preferred method. Completed forms, together with the appropriate subscription, are to be sent to the Corps Treasurer at Chatham.

4. Annually at 31st December, the Corps Treasurer will report income for the previous year and the current balance to the Honorary Treasurer of FoREM. On the basis of the previous year's income, FoREM's Honorary Treasurer will present a budget for the current year to the Executive Committee of FoREM.

5. Life Membership Income. FoREM is to ensure that Life Membership fees are kept intact during the life of the member and arrange with the Corps Treasurer that they are held suitably so that interest derived from them contributes towards a notional annual subscription. No arrangements are to be made that would prejudice the status of the Corps or the Museum as charities.

Expenditure

6. All invoices for expenditure by FoREM are to be forwarded to the FoREM Honorary Treasurer; he will send approved invoices to the Corps Treasurer for payment.
7. Grants to the Museum from FoREM funds are to be authorised by the Executive Committee of FoREM, to allow the Corps Treasurer to transfer funds from the FoREM sub-account to the appropriate Museum Account.
8. Grants to local Groups of FoREM will consist of an initial grant of £50 to assist setting up and an annual grant at a rate to be agreed by the FoREM Executive Committee. The annual grant will be determined by the number of paid-up members on the 1st of January annually allocated to Groups on a postcode basis. The number will be agreed by FoREM's Membership Secretary and Honorary Treasurer; the Honorary Treasurer is to advise the Corps Treasurer the value of the annual grant to be paid to Groups. This annual grant will then be paid by the Corps Treasurer to the Group concerned who are to maintain their own local account.
9. Administrative Expenses. Some costs may be incurred by members of FoREM's Executive Committee who may claim reimbursement of expenses whilst undertaking business on behalf of the Committee. Reasonable expenses may be claimed at cost or, in the case of motor journeys, at a rate to be approved by the Executive Committee. Claims are to be made in writing to FoREM's Honorary Treasurer and supported by VAT receipts, whenever possible.
10. Reports in the Annual Newsletter. It is of interest to FoREM members that money given to Museum projects be reported in the Annual Newsletter, together with information about future planned expenditure so that members may give their support to projects. The detail should be included in the Honorary Treasurer's report.

Auditing

11. The FoREM account, being part of the RE Museum Account, will therefore be audited with that account. FoREM's Honorary Treasurer must be prepared to provide his books to assist the audit if required.