

Bank accounts for community groups

Information for community groups about choosing a bank and opening an account

Most community groups need to have a bank account in the name of the group. It is important for keeping track of your group's money and making sure it does not get mixed up with individuals' money. You also need a bank account in order to apply for grants, and should have one if you are collecting donations or fees.

This sheet contains guidelines on choosing a bank and opening an account, and a list of bank accounts available to community groups.

If your group cannot open a bank account for some reason, or you need a system to use while you wait for your account to be opened, you may want to consider using an online hosting service like Accountable¹. Accountable acts like a bank and holds money on behalf of your group, and you use their online platform to manage your outgoings and income. It is run by the Social Change Agency CIC and is designed specifically to help community groups who don't have a bank account. There is a set up cost of £42 and then a fee of 5-7% of all income.

How to open an account

Opening a bank account for your community group can take several weeks, or even a few months. Be careful to fill the application form in thoroughly and send all the information that is requested. The bank may still write to ask for further details before opening the account.

Before applying for an account, check that:

- ♦ The account is specifically for community groups, or charities if your group is a charity. Banks usually refer to community groups as "Clubs and Societies". Note that some banks only offer accounts to registered charities.
- ♦ The account is not for businesses. Banks usually charge for business accounts. (Confusingly, community accounts are usually managed by the same team in the bank as business accounts and will be listed on bank websites under "Business" rather than "Personal". So you will need to go to the Business section of the website, but choose a Community or Club and Society account.)

¹ <https://thesocialchangeagency.org/what-we-do/support-for-groups-and-movements/accountable/>

- ♦ Offers “free banking”. This means you won’t have to pay any charges simply for having the account. (You will probably still have to pay for things like going overdrawn, stopping cheques or requesting extra statements.)

To open a Club and Society account you will be asked for proof that your group is a voluntary, non-profit-making organisation and not a private business.

This could be one of the following:

- ♦ Copy of your group’s Constitution
- ♦ Charity Registration confirmation / Trust deed (if group is a charity)
- ♦ Memorandum and Articles of Association (if the group is a limited company)

Some banks may require other information about your group, such as the minutes of a meeting which records agreement about the specific choice of bank.

Make sure you set your account up so that at least two people are required to sign each cheque, or approve withdrawals. Have at least three people who are named as ‘signatories’ for the account, any two of whom can sign cheques.

The signatories should be people with good credit ratings (i.e. no ‘bad debts’) as the banks will run credit checks on all the signatories.

Unless they have an account with that bank already it will usually be necessary for them to go to the branch in person with:

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

New applicants may also need to provide several months’ worth of personal bank statements, or other proof of their financial situation.

Most banks now offer internet banking and the use of debit cards. These are very convenient but do not generally give the security of a cheque payment that requires two signatories. Your group will need to set up an internal system to ensure the account is checked on a regular basis and that all internet and card payments have to be approved by two people. For more information on how to look after your money and keep your accounts see our information sheets *Your group’s money*, *Financial Rules* and *Treasurer’s role*.

Tax residency form

Several banks have recently begun sending out forms to organisations who open bank accounts with them, which ask about your tax residency. We have put together some information for small groups in the UK on how to fill in this form (it’s less complicated than it looks!)²

² <https://www.resourcecentre.org.uk/information/entity-tax-residency-self-certification-form/>

Choosing a bank

Most high street banks offer some kind of community group account.

It's important to make sure the account meets your group's particular needs. Does it provide the banking methods you want (e.g. cheque book, internet banking, phone banking, debit card)? Is there a branch located in a place that is convenient for your group? Some groups also choose to consider whether they feel happy with the ethics of the bank they use. The Move your Money campaign³ provide advice about this.

Bank accounts for community groups

Below are some bank accounts that are available for community groups. This is intended as an introduction to get you started. It's not an exhaustive list, and we are not recommending these over any others. Banks and building societies may also decide to stop offering community accounts so do check with the bank/building society first. These accounts are all available to unregistered community groups and charities.

Natwest Community Account

- ♦ www.natwest.com/business/bank-accounts/community-bank-account.html
- ♦ Apply online
- ♦ At least one of the signatories must be an existing Natwest customer.
- ♦ You can manage the account over the counter at Natwest branches, by phone, online or on a mobile banking app.
- ♦ Cheque book, paying in book and debit card provided.
- ♦ Free banking for organisations with income under £100,000 per year
- ♦ You can authorise up to 4 signatories

Lloyds Bank Treasurer's Account

- ♦ www.lloydsbank.com/business/business-accounts/specialist-accounts/treasurers-account.html
- ♦ Apply online
- ♦ You can manage the account in Lloyds Bank branches, online or over the phone.
- ♦ Cheque book, paying in book and debit card provided.
- ♦ Online dual authorisation system
- ♦ Free banking for organisations with income under £50,000 per year
- ♦ For new accounts, you can authorise a maximum of 2 signatories

³ medium.com/move-your-money

Metro Bank Community Current Account

- ♦ www.metrobankonline.co.uk/business/current-accounts/products/community-current-account/
- ♦ Apply by going into your local branch
- ♦ If your group is based in Brighton & Hove, this branch has provided us with some specific contact information and other details⁴
- ♦ You can manage the account over the counter at Metro Bank branches or by phone or online.
- ♦ Cheque book and paying in book provided.
- ♦ Free banking (up to 200 transactions per month, and up to £10,000 per month)
- ♦ You can authorise up to 3 signatories

Royal Bank of Scotland Community Account

- ♦ www.rbs.co.uk/business/bank-accounts/community-bank-account.html
- ♦ Apply online.
- ♦ At least one of the signatories must be an existing RBS customer.
- ♦ You can manage the account over the counter at Natwest branches, by phone, online or on a mobile banking app.
- ♦ Debit card, cheque book and paying in book provided.
- ♦ Free banking for groups with income under £100,000 per year
- ♦ You can authorise up to 4 signatories

Bank of Scotland Treasurer's Account

- ♦ business.bankofscotland.co.uk/business-accounts/community-accounts/treasurers-account.html
- ♦ Apply online if you are a small club or unincorporated association. Application takes up to 4 weeks.
- ♦ If you are a registered charity, a charitable or discretionary trust, a limited company that is a registered charity, a parish council or local authority, call 0345 606 0286 to apply.
- ♦ You can manage the account at Post Office branches by phone and online.
- ♦ Debit card, cheque book and paying in book provided.
- ♦ Free banking.

⁴ <https://www.resourcecentre.org.uk/wp-content/uploads/2023/05/Metro-bank-additional-info-May-2023.pdf>

Santander Treasurer's Current Account

- ◆ www.santander.co.uk/business/current-accounts/treasurers-current-account
- ◆ Currently only accepting applications from existing customers.
- ◆ Specifically for not-for-profit organisations with income under £250,000 per year.
- ◆ Apply in a Santander branch or call 0800 068 7010.
- ◆ You can manage the account at Santander branches, Post Office branches, by phone, online and on a mobile app.
- ◆ Debit card, cheque book and paying in book provided.
- ◆ Free banking
- ◆ The account requires a minimum of 2 signatories and has a maximum of 3 signatories

Wave Community Bank

- ◆ wavecb.org.uk/business-savings/
- ◆ Available only for organisations based in East Sussex or Brighton & Hove. If you do not live in Sussex, you can see if there is credit union near you that offers a similar service to Wave⁵.
- ◆ This is a savings account, not a normal current account
- ◆ £5 initial membership fee, but no ongoing charges
- ◆ Apply by filling in their Business Application Form⁶. For further information, see their Business Membership FAQ or contact them by phone (0300 303 3188) or email (info@wavecb.org.uk)⁷.
- ◆ You can have grant funding and donations paid into this account, but you can only withdraw funds by transferring them to another bank account. You can nominate more than one bank account for this purpose. You cannot withdraw cash, or get a cheque book or debit card.
- ◆ Cash and cheques can be paid in at post offices or at their office at Hove Town Hall (but this is currently closed due to Covid)
- ◆ You can set up a Wave Community Bank account so that transactions require authorisation from two signatories (this is usually required by funders), but in that case you can't use their online banking services and need to request withdrawals by sending in a signed form.

⁵ <http://www.creditunions.co.uk/>

⁶ <https://wavecb.org.uk/wp-content/uploads/2021/09/Business-membership-Apr-18-GDPR.pdf>

⁷ <https://wavecb.org.uk/wp-content/uploads/2021/09/Business-membership-FAQs.pdf>