



# Carmichael.

## **Dealing with Financial Practitioners for Non-profits**

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**Guiding nonprofits**  
carmichaelireland.ie


# About Carmichael

- Carmichael is a leading specialist training and support body for non-profits in Ireland. Our training, support and resources enable our members and partners to be:
  - Better informed and equipped to carry out their own remits more effectively
  - Aware of and able to employ best practice for good governance
  - Better networked with and supported by peer organisations
  - More efficient and effectively run so that they are trusted by their funders and supporters.

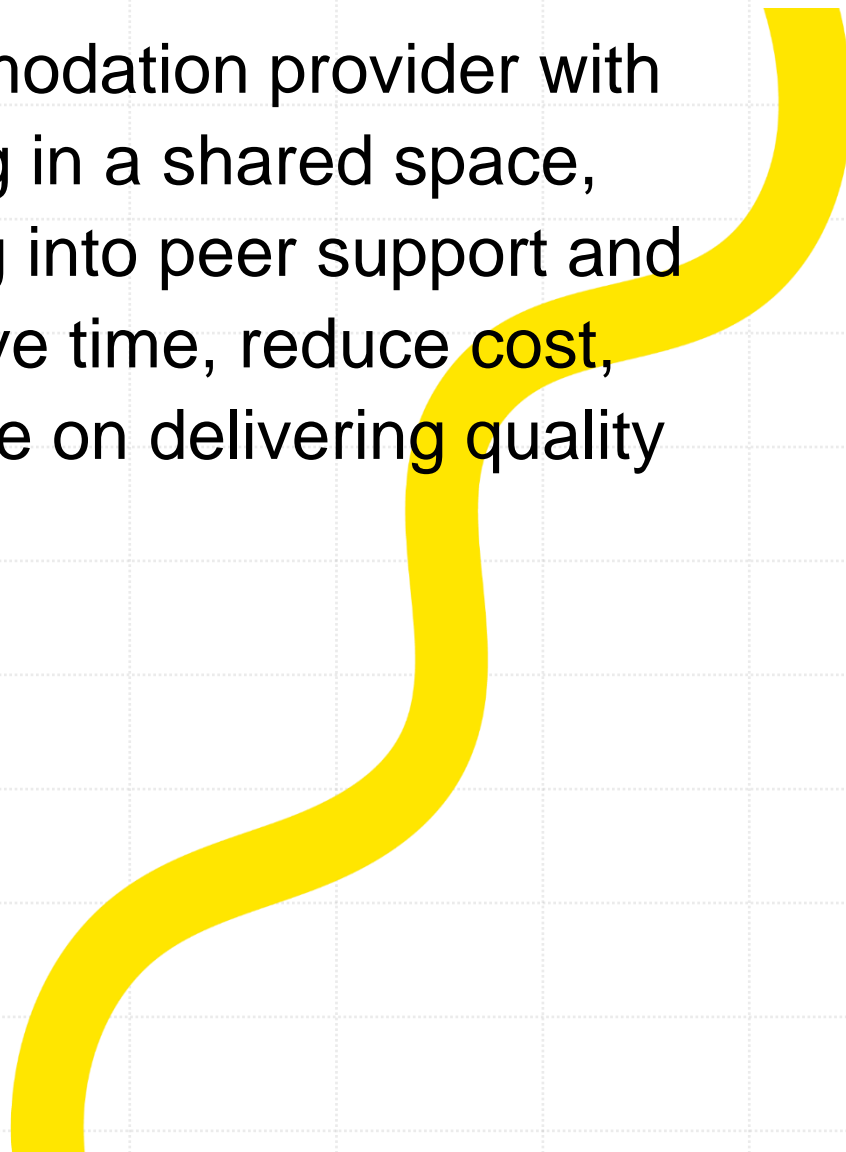
# Scheduled Training

We facilitate about 50-60 scheduled workshops every year  
– mostly online

- 2 Programmes each year
  - Spring Summer/Autumn Winter
- Topics include:
  - Governance
  - Finance
  - Communications
  - Planning
  - IT



Carmichael is also an accommodation provider with over 40 non-profits co-locating in a shared space, pooling resources and tapping into peer support and services, enabling them to save time, reduce cost, upskill and thereby, focus more on delivering quality services to their beneficiaries.



# Consultancy & Customised Training

We also provide consultancy and customised training, working with non-profits across 26 counties, topics include:

Audit Assurance & Risk  
Board Chairs CEO  
Board of Management & Governance  
Board Relationships and Boundaries  
Board Roles  
Board Roles & Responsibilities  
Board training  
Book-Keeping  
Business Org Dev  
Chairperson training  
Charities  
Governance Code  
Club development  
Committee Skills

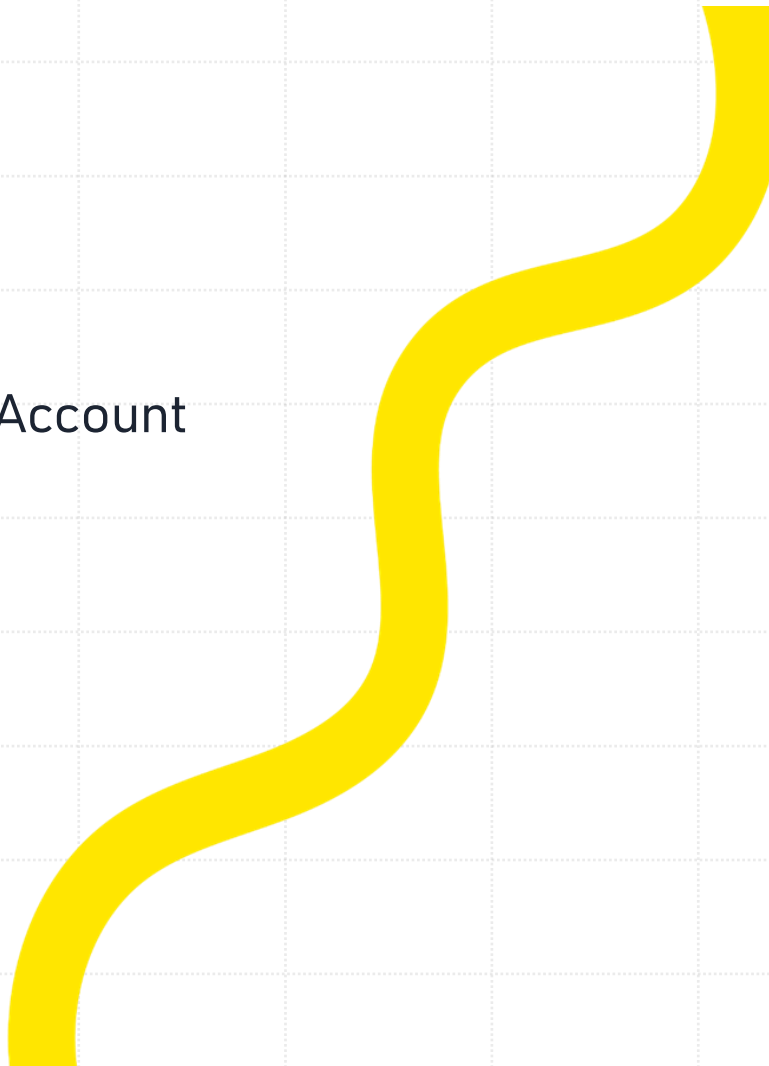
Compliance Records  
Constitution review  
CRA Governance  
Code  
Create Video  
Content  
Cyber Security  
Data Protection  
Developing a Business Plan  
Developing Constitution  
Diversity & Inclusion  
Effective Meetings  
Excel  
Facilitation Skills  
Financial  
Management for Not for Profit

Funding & Grants  
Garda Vetting Policy  
GDPR  
Governance  
Grant Applications  
Lecture on Charity  
Law  
Managing Events  
Marketing  
Media and PR  
training  
MS Teams  
Presentation Skills  
Project Advisory  
Support  
Remote Working  
Review of financial system

Review policies & Procedures  
Risk Management  
Safeguarding / DLP  
Secretary training  
Setting up Charity Consultancy  
Setting up CLG  
Social Media  
Strategic Planning  
Succession Plan & Volunteer  
Recruitment  
Succession Planning  
Treasurer training  
Understanding budgets  
Using Zoom  
Vision & Mission



# Agenda

1. Your not-for-profit organisation
  2. Responsibilities in your Not for Profit
  3. Opening and Operating your Bank/Credit Union Account
  4. Legislation and Regulation
  5. Policies, Record Keeping and Compliance
- 



## 1. Your not-for-profit organisation

The image features three large, overlapping circles on a dark gray background. The top-left circle is orange and contains the text 'Community Group'. The bottom-left circle is yellow and contains the text 'Social Enterprise'. The right circle is blue and contains the text 'Charity'. All circles have a thin white border.

Community  
Group

Charity

Social  
Enterprise



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# Company Limited by Guarantee

- Part 18 of the 2014 Act is applicable to CLGs.
- It has a constitution document which includes a memorandum and articles of association.
- It has limited liability but does not have a share capital.
- It must have at least two directors. All directors must be over eighteen.
- The name of the company must end in “Company Limited by Guarantee” unless exempted.
- It can claim eligibility for audit exemption and dormant company audit exemption.
- Minimum of one member.
- Minimum of two directors.
- CLGs must hold an AGM, unless it is a single member company.

# Constitution

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A constitution is simply the **aims and rules that your organisation will use**. It's a statement of what your organisation is going to do and how it is going to do it.

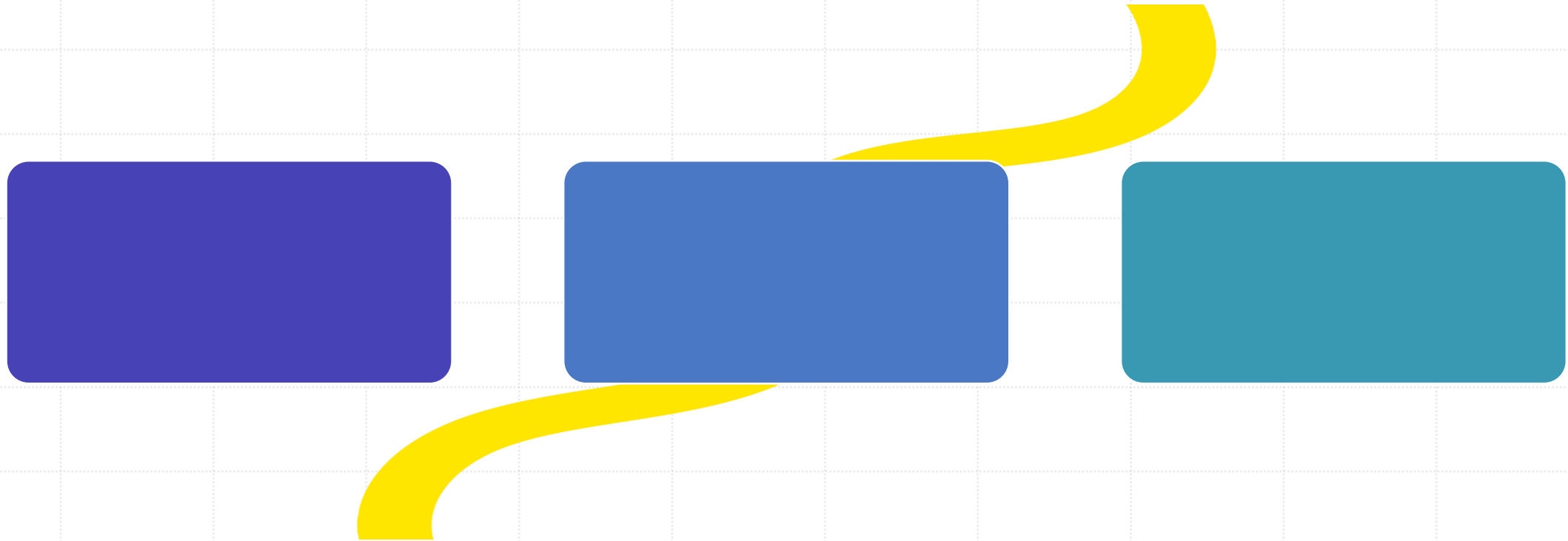
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Any organisation **should have an established constitution and bylaws** at the beginning in order to have a standard for organisational decisions, as well as for the definition of its identity.

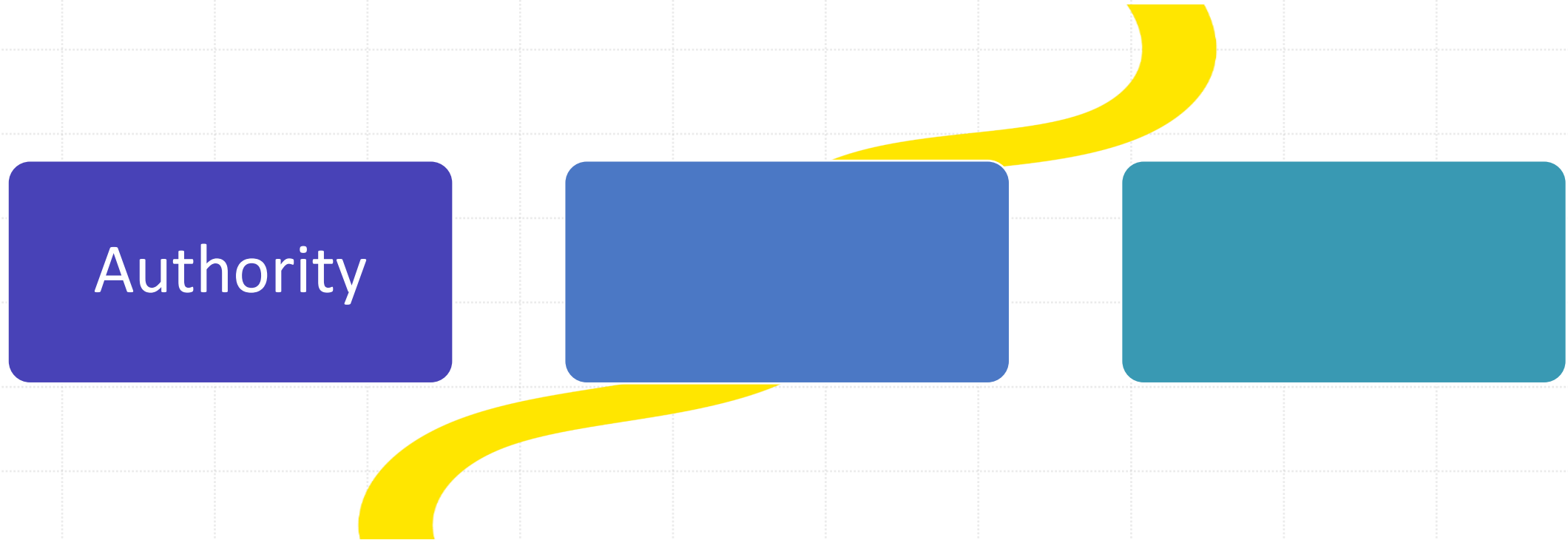


## 2. Responsibilities in your Not for Profit

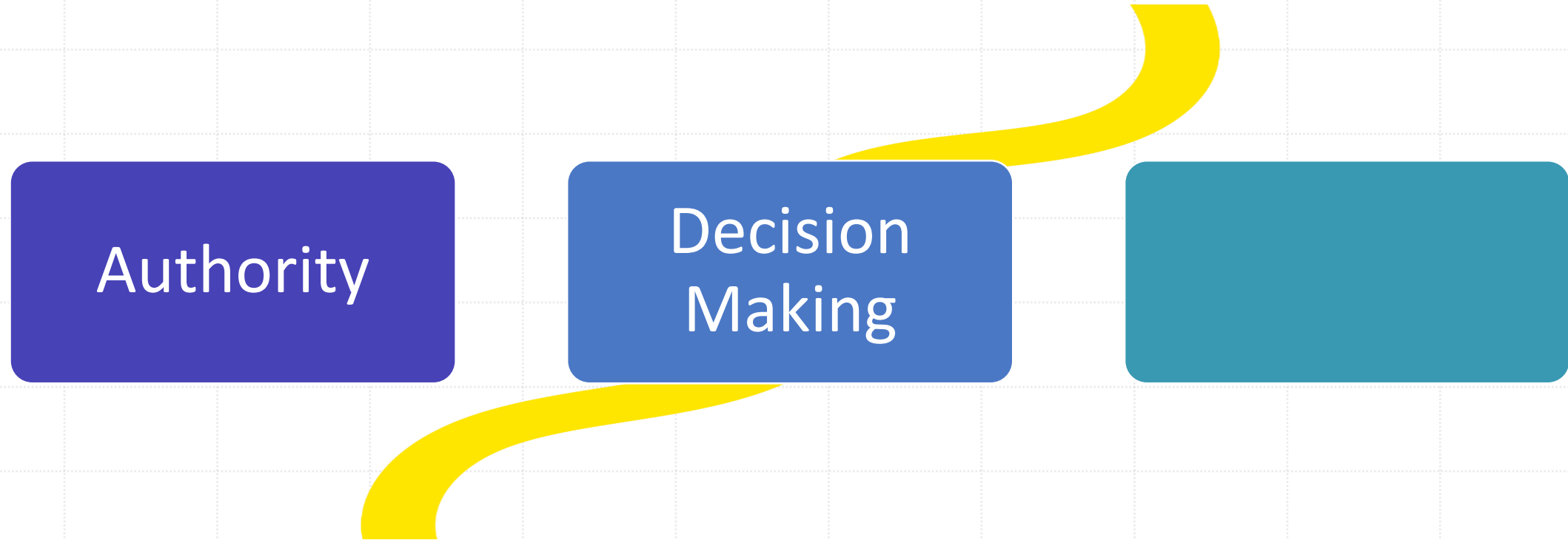
# Governance



# Governance



# Governance



# Governance





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“Good Governance involves putting in place systems and processes to ensure your organisation achieves its objectives with integrity and is managed in an effective, accountable and transparent way”.

The Charities Regulator

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Who is in  
charge?



Management Committee / Board of Directors



# The Management Committee / Board of Directors



## The Management Committee or Board of Directors

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Is responsible for the governance of the organisation.

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Have collective and individual responsibility for the control, direction and management of the affairs, funds and records of the organisation.



# Register of Beneficial Ownership

- Any non-profit organisation incorporated as a company in Ireland must obtain and hold adequate, accurate and current information on its beneficial ownership, in a 'beneficial ownership register'.
- An incorporated non-profit organisation must also file its beneficial ownership information with the Central Register of Beneficial Ownership in the Companies Registration Office.
- A 'beneficial owner' of an incorporated non-profit organisation is a natural person who directly or indirectly owns or controls over 25% of the voting rights of the charity, or who controls the organisation through other means.
- Control by other means is where a person, who does not hold more than 25% of the voting rights, still exercises significant control or influence over the non-profit (for example, through the exercise of dominant influence or the power to appoint senior management).
- If the incorporated non-profit organisation either cannot identify an individual who is a beneficial owner, or if there is any doubt as to whether an individual is a beneficial owner, the incorporated non-profit organisation must instead list its 'senior managing officials' (i.e. its trustees/directors and CEO) in its Register as being its beneficial owners



### 3. Opening and Operating your Bank/Credit Union Account



BANK ACCOUNT  
APPLICATION FORM



**WICKLOW & DISTRICT**  
**CREDIT UNION LIMITED**  
MAKE IT HAPPEN!



**permanent tsb**



**AIB**

**Altura**  
Credit Union Ltd.



**Bank of  
Ireland**

# Opening a Bank/Credit Union Account

- In a branch
- Online
- Through a mobile app
- Over the phone
- by post





## Bank/Credit Union: Opening your Business Account – **Unincorporated Entity** (e.g. Association/Society/Club/Charity)

- Name and address of Entity
- Proof of address and ID for Chairperson, Secretary and all Signatories
- Tax status
- Purpose of the Account, source of funds and estimated turnover
- Date of the meeting where the committee approved the account to be opened
- Copy of the Constitution with relevant rules around opening, closing an account and borrowing (borrowing must be in the name of the Trustees of the un-incorporated company)



## Bank/Credit Union: Requirements for unincorporated entities



Signature of Chairperson (or equivalent)



Secretary - must sign to confirm that the details of the Chairperson (or equivalent), Secretary, all Signatories and “Controlling Persons” and “other Beneficial Owners” of the Unincorporated Entity provided is correct.



All persons authorised to sign any transactions on the account of the Unincorporated Entity – ID required



Details of any other “Controlling Person” of the Unincorporated Entity – ID may be required



If you are a Charity and approved by the Revenue Commissioners as an exempt charity, provide the Revenue Charity number and documentary evidence from the Revenue Commissioners that the Charity is approved.



Other Beneficial Owners should be detailed including name, address, occupation and date of birth (Certificate from a solicitor may be required).

## Bank/Credit Union: Opening your Business Account – **Incorporated Entity** (CLG)

- Name and address of Entity
- Proof of address and ID for Management Committee Members, Chairperson, Secretary and all Signatories
- Tax status of the Entity
- Purpose of the Account, source of funds and estimated turnover
- Date of the meeting where the board approved the account to be opened
- Original Certificate of Acknowledgement of the Registration of the Incorporated Entity
- Most recent audited accounts, bank statements for the previous six months and a bank reference – if available
- Copy of the Constitution with relevant rules around opening, closing an account and borrowing



## Identity and Document Requirements for incorporated entities



Signature of at least one member of the Board.



Secretary - must sign to confirm that the details of the Chairperson (or equivalent), Secretary, all Signatories and Beneficial Owners of the Unincorporated Entity provided is correct.



All persons authorised to sign any transactions on the account of the incorporated Entity – ID required



Details of any other Beneficial Owners of the incorporated Entity and tax status – ID may be required



If you are a Charity and approved by the Revenue Commissioners as an exempt charity, provide the Revenue Charity number and documentary evidence from the Revenue Commissioners that the Charity is approved.



If you are a Charity and NOT approved by the Revenue Commissioners as an exempt charity, just the CRA number is required.



# Acceptable Identification, Tax info and Proof of Address

- Photographic ID – A valid passport, current Driver's Licence or National Identity Card.
- Proof of permanent residential address – (Documents must be no more than 6 months old): – a Utility Bill, or Correspondence from a Regulated Financial Institution or a Government Department.
- If you do not have the above, you will not be excluded but alternatives must be sources such as a signed letter from a Peace Commissioner etc..
- PPS Number – Payslip, DPS Doc
- Tax Identification Number and Country of tax residence
- Documents must be verified and approved by the Financial Institution.





# Products and Services

Current/Deposit  
Account

Credit/Debit  
Card

Cheque Book

Lodgement –  
Cards and  
Books

Separate  
i-business form

Merchant  
services –  
separate form



# Making Changes to your Account

- Internal process of approval of the change – documented.
- Speak to a person in the bank and get the correct form for what you want to do.
- ID and Proof of Address may be required again depending on when you last provided it and if the person is on their system already.
- The changes need to be signed by the appropriate person on the form – Chair/Secretary.
- Online changes may require two administrators to be present for codes etc..
- Be systematic around the process and try and deal with the same person to get the changes completed.
- Be patient.



# Bank: Business Accounts Fees and Charges

- Maintenance Fees - €4.50 per quarter
- Account Transactions - €0.20 per transaction
- Self Service Transactions - €0.35 each
- Paper/Staf Assisted Transaction - €0.37 each
- Duplicate Statements €3 per page
- Items presented and returned unpaid €10 each
- Items lodged to your account unpaid €4.44
- Auditors Report €30 + VAT
- I-Banking €250 PA





# Minimising Charges



The efficient use of electronic and payment services is key to cost effective banking. Paying creditors and/or staff wages and salaries electronically is cheaper than making payments at our branch counters, by writing cheques or paying by cash.



You can avoid incurring unnecessary unpaid charges or referral item charges by checking your account balance regularly to ensure there is sufficient funds to pay cheques, standing orders and direct debits presented.



Using a Company Visa Card to cover employee's expenses is cheaper than paying expenses by cheque or cash.

# What is needed to get a loan



A substantial amount of additional information is sought and recorded



Updated address information (AML)



Contract



Documents are taken to establish ability to repay – annual accounts and bank statements

# Discussion

*What are the issues you are experiencing when dealing with banks/credit unions?*

- 





## 4. Legislation

- Criminal Justice Money Laundering and Terrorist Financing Act 2010 as amended
- General Data Protection Legislation (GDPR), 2018
- The Consumer Protection Code, 2012 (under review)





# What is Money Laundering?

- Money laundering is the process whereby criminals legitimise the proceeds of their crime by making it appear to come from a reputable source.
- Typically attempts to launder money include activities that disguise the origin of funds.





# Terrorist Financing

TF involves the processing of funds with the intent or knowledge that the funds will be used to carry out an act of terrorism or any act intended to cause death or serious bodily harm.

Terrorist groups often created infrastructures to facilitate funding channels which they use to then finance the terrorist organisation. TF can be similar to ML in that they also use illegal or terrorist activities to raise money.

# Data Protection Considerations to set up accounts

- Fair processing and transparency
- Legitimacy
- Data Accuracy
- Integrity
- Data minimisation
- Storage limitation
- The right to complain (privacy notice)
- Clear and in plain English





## 5. Policies, Record Keeping and Compliance



# Internal Policies and Procedures

Allocation of responsibilities – documented and approved by the Trustees



Systems in place to provide oversight to the Trustees



## Internal Controls

Approval Processes	Segregation of duties	Monitor and record income and expenditure	Purchase Order System	Details of spending limits	Bank Reconciliation	Salaries
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# CRA Guidance on Anti-money Laundering and Counter Terrorist Financing

*“charity trustees should consider, where relevant, the potential for loss through terrorist financing activities or money laundering. This includes **putting in place systems and processes** to ensure that the charity is not used to launder money or finance terrorist activities.”*

*“You must then comply with the Guidance by deciding what actions you will take to ensure that your charity is not used for money laundering or terrorist financing purposes. The Charities Regulator expects charity trustees to be able to **explain and justify their actions** where there is any departure from the good practice set out in this Guidance.”*

## Responsibilities



Review financial activities/transactions under set criteria.



Remain vigilant to suspicious activities.



Liaise with authorities including regulators and police authorities.

# Know your Stakeholders

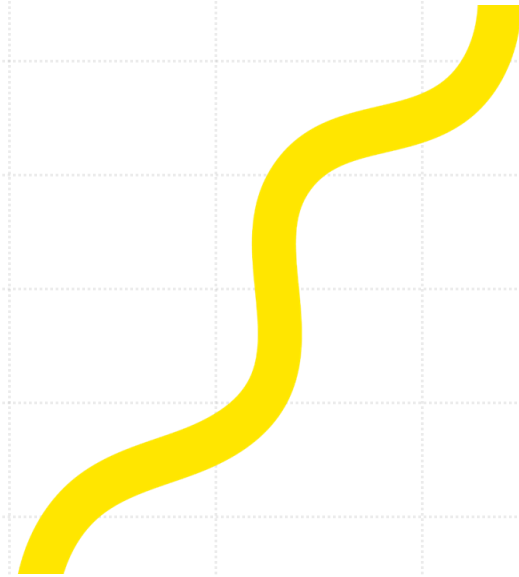
- Know your trustees, membership, beneficiaries, donor (individual and corporate) and funders – holistic approach/relationship.
- ID of beneficial owners – ID and proof of address
- Remember – some people may not be able to verify their address and they should not be excluded such as migrants, prisoners, those experiencing homelessness, members of the travelling community
- Due Diligence – check it out
- Enhanced Due Diligence where risks are greater.
- It's ok to ask questions such as the source of funds





# Compliance in Your Organisation

- Finance Risk Assessment and Plan - Risk Policy and Procedure
- Internal Controls and Audit Trail
- Roles and Responsibilities of key personnel
- Ongoing Monitoring
- Suspicion Reporting procedures, internal and external
- Training Policy and Records
- Record Retention policies and procedures
- PEP / Financial Sanctions Checklists
- AML/CTF Part of Org's Compliance Checklist



# Other supports available from Carmichael at this time:

## E-Learning

- GDPR Levels 1 & 2
- The Role of the Company Secretary
- The Role of the Chairperson
- The Companies Act
- Risk Management
- Outcomes & Outputs
- Marketing & Sales
- Employing Staff & Managing Human Resources
- Financial Management
- Business Organisation & Development
- Governance & the Charities Governance Code
- The Role of The Treasurer
- How to take Meeting Minutes



# Carmichael.

A selection of resources including, templates, guidance documents and podcasts under the following headings is available on our website:

- Communications
- Finance
- Governance & Compliance
- Human Resources
- Planning

<https://www.carmichaelireland.ie/resources/>

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