

Banking for Bridge Clubs

A bridge club usually needs a bank account to deal with its financial transactions. It used to be the case that local banks would only offer clubs a business account with attendant heavy bank charges. Nowadays, however, most banks and building societies offer special so-called "community accounts" for clubs and other non-profit organisations (usually those with an annual turnover of less than £100,000). These types of account are available in spite of the "credit crunch". If your club has not looked at its banking arrangements for some time, it might be worth reviewing them.

Under the new Pay-to-Play system EBU-affiliated clubs have the option to pay their Pay-to-Play subscriptions monthly or bi-monthly. It is advantageous for a club to pay by Direct Debit (DD) since there is a £2 discount per payment, a good audit trail and the bank's DD guarantee, and last but not least – less work for the Club Treasurer. A club paying by monthly DD will save £24 per annum; bi-monthly it will save £12 per annum.

A modern community bank account should offer a DD facility, along with the usual cheque book and instant access to your club's money, without applying bank charges for cash and cheques, Direct Debits, standing orders, or bill payments made from your account or for credits paid into it. If a club has an annual membership fee, it may wish to offer its members the possibility of paying that by Direct Debit.

If your club has some savings, you might wish to keep the bulk of those in a separate savings account offering higher interest rates. Decent interest rates are hard to come by these days, but some financial institutes offer special community savings accounts for clubs and other non-profit making organisations. Online banking can make it easier to transfer money between accounts when necessary.

Better rates are offered by so-called e-savings accounts if your bank will give you one of those. The best interest rates are usually geared to fixed term investments (1 year, 2 years, etc). If the club's reserves are large enough, it might want to consider a fixed term investment for part of them. However, the club needs to be very sure that it won't want to call on any of that money during the fixed term, as the cost of borrowing to finance a cash shortfall is far higher than the extra interest income.

In order to compare banks' services and offers, it can be a good idea to make initial investigations online. Using a search engine on 'community accounts' will bring up the relevant web pages from most of the larger financial institutions.

Spending some time shopping around and taking advice from your local banks and building societies could save your club some money as well as making your banking easier. Studies have shown that clubs and charities often lose out on considerable sums in interest by not shopping around for the most favourable bank account.

You should, of course, always check and understand the individual terms and conditions for any bank account very carefully before signing up to it, in case there are any unwelcome clauses in the small print.

It goes without saying that monies collected should be banked as soon as possible and books maintained in a timely and orderly fashion. It is usual for each cheque issued by a club to require two signatories. The bank will require specimen signatures for each signatory – normally the treasurer and two or three other club officers or committee members.

It may be wise to insure for loss of money. The [EBU Premium Club Insurance](#) includes such cover.