



Handbook on

Financ al Management

WOSM Asia-Pacific Region



World Scout Bureau Asia-Pacific Support Centre January 2021

219 ODC International Plaza Building Salcedo Street, Legaspi Village Makati City, PHILIPPINES

Tel.: +63 2 88171785

Email: asia-pacific@scout.org Web: scout.org/asia-pacific

Reproduction is authorised to National Scout Organizations and Associations which are members of the World Organization of the Scout Movement. Credit for the source must be given.



WOSM Asia-Pacific Region

Updated edition - June 2020

Contents

_
4
+
<u>Q</u>
O
U

Foreword
Introduction
Why this book
How to use the book

Final Resources Management 8

6

Financial Accountability
Ethics and Policy
Integrated Strategic Financial Planning
Fundamentals of Corporate Governance
Budgeting
Audit
Insurance
Investments

Final Resources Development 33

Internal Resources

- a. Membership Fees
- b. Property Development
- c. Scout Supplies
- d. Endowment/Foundation Funds
- e. Events
- f. Intellectual Property
- g. Business/Commercial Activities

External Resources

- a. Government Grants
- b. Donations and Sponsorship
- c. Special Events
- d. Affinity program

/	Fundraising	
4	Principles of Fundraising	
	Techniques of Fundraising	
	Procedures of Fundraising	
	Examples of Fundraising	

Partnerships
Objectives of Partnerships
Principles of Partnerships
Creating a Partnership
Examples of Partnership



55

Foreword

Introduction

This is an update of the Handbook on Financial Resources – Management and Development first published in 2007.

Financial Resources Management remains as a key concern of many National Scout Organizations (NSOs) in APR. The successful management of these resources has a significant impact on the development and growth of Scouting in each country. Inefficient management of these resources not only impacts upon the growth and development of Scouting but it also puts its image at risk.

This Handbook broadly addresses two major areas

- Financial Resources Management; and
- Financial Resources
 Development

Within Financial Resources
Management, and in addition to the standard financial
norms, the emphasis of this
handbook is on integrated
strategic financial planning as
well as financial governance.
These are two significant
aspects which are often missing
in an NSOs financial management. Dimension 7 (Resource
Allocation and Financial
Controls) of the Global Support Assessment Tool (GSAT)
will serve as a reference of

best practice for NSOs. The application of this Standard will enable NSOs to assess their strengths and areas of improvement and, as an outcome, to improve their accountability to stakeholders.

The segment on Financial Resources Development features the "why and how" of developing and utilising financial assets. Examples of possible resources for NSOs are also highlighted in this area.

This is a reference book for those involved in the financial management of a National Scout Organization. It does not attempt to set out matters of policy and/or procedures on managing of finances within an NSO as such requirements and practices often vary from country to country. However, this Handbook provide various principles that are recommended to be adopted by all NSOs. Therefore, each NSO is required, based on the various principles, suggestions and examples, to develop their own

strategies and procedures so as to enable it to implement effective Financial Resources Management in their respective NSO.

The Asia-Pacific Region appreciates the effort made by the Financial Management Sub-Committee (2018-2021) chaired by Jimmy Ang for updating this handbook.

We are confident that this handbook will be helpful to our NSOs in this great Asia-Pacific Region.



J. Rizal C. Pangilinan Regional Director

Financial Resources Management

Financial Resources Management is the development and implementation of a range of guidelines and objectives directed towards the financial growth of Scouting while at the same time ensuring that the image of Scouting is not put at risk. The various aspects which are outlined below are designed to meet the mission of the Scouting Movement and

also comply with the needs and requirements of both its members and the community.

At the same time, it provides guidance on practical steps to take which not only assist in carrying out the financial responsibilities within an NSO but call attention to activities that do not meet or fall within the NSO's strategic plan.

Financial Accountability

In Scouting we are dealing with and are responsible for looking after funds and assets which belong to our members. Accordingly, it is important that we are able to demonstrate both financial accountability and financial transparency in all aspects of our financial

management. It is also important to appreciate that these obligations apply at all levels of Scouting (e.g. down to the Group level) and not just at the NSO level

There must always be a clear distinction between the funds

and assets of the NSO and those of individuals associated with a particular Scouting organization. A simple precaution is to ensure that all funds and other assets are kept in the name of the NSO and not in the name of individuals.

Financial accountability should be based upon a series of guidelines which have been formally approved by and adopted for use within each NSO. These guidelines will in turn be

> How many signatories are required to operate the NSO's bank account(s)?

Ideally there should be two signatories out of an approved listing of three or four.

Authorized persons could come from lay members and uniform members separated into Group A and Group B. The two signatures should be composed with one signature from each group.

implemented through a range of committee structures which have also been approved by, and its members appointed by the NSO.

The content of these guidelines serves a fundamental and basic purpose; namely to set out in simple terms the various steps that are required to be undertaken in managing each NSO's finances.

Examples to be found in these guidelines may include:

 The process to be followed for the receipt and banking of income.

This should ensure that the person who opens the mail, receives the money etc.. does not do the banking. In addition, all funds received should be entered into the receipt book and banked no later than 24 hours after receipt or the next working day.

 Who is authorized to approve expenditure and is special approval required for expenditure above a specified amount?

The Treasurer and other members of the Finance Committee are usually given authority to approve expenditure up to an agreed amount. All amounts above that need to be approved by the Finance or similar Committee.

 In which type of institutions may surplus funds of the NSO be invested and what approvals are needed to make such investments?

It is common for the Finance Committee to specify that surplus funds, or funds not immediately required, should be invested with the NSO's bankers, in building societies, credit unions etc.

It is usually the role of the Finance Committee to approve such investments.



 How often should financial accounts be prepared and circulated to members?

Audited financial accounts should be prepared and distributed to members at least annually.

In addition to establishing guidelines there is the necessity to formally appoint committees who are both responsible for implementing the guidelines as well as providing guidance and assistance as to their operation. A Finance committee should always be appointed and there are often additional committees for areas such as Investment and possibly Insurance.

Membership of these commit-

tees should be comprised both of members skilled in finance as well as a balanced representation from the various sections of the NSO. This ensures that the needs and wishes of the NSO as a whole as well as those of each section are considered at all times. In relation to committees dealing with special areas such as investments and insurance it is advisable to appoint members who have skills in those special areas.

On the practical side, and as a first step, there is a responsibility to ensure that proper books of account are kept and regularly updated. These can usually be simple in format with their level of sophistication growing as the level of funds and assets increase. The keeping of books of account demonstrates accountability for the receipt of all funds, the payment of all expenses and the acquisition and ownership of assets.

The ultimate step is to prepare financial accounts, traditionally at year end, representing all financial transactions during the year as well as the financial position at year end. These accounts will not only record the financial position but will also provide a record of all assets owned by, and liabilities due by the NSO. It is also important to appoint external auditors to conduct an independent audit of the NSO's financial accounts and for these audited accounts to be presented to the members at the Annual General Meeting. This is a positive and practical example of financial accountability as well as enabling all members to see the financial results for the year.

Finally, there is the overarching requirement for the NSO to recognize that financial accountability at the NSO level extends to and embraces its members, its Region as well as WOSM. In other words, the NSO has obligations both downwards to its members and upwards to WOSM.

In addition, and in special cases where specific funds, trusts etc.. have been established, it may be necessary to also account to parties who have provided funds for specific purposes.

A simple example could be where someone gives the NSO a sum of money to be used to send members to international Scouting events. In this case it would be appropriate to give, possibly annually, a summary to that person of which international events were attended, the names of those who went and the cost.

Ethics and Policy

Whenever we are dealing with other people's funds and assets, we must always honour our ethical position associated with the trust placed in us. This must also extend to ensuring that each Scouting Organization devotes all of its financial resources to the advancement of Scouting within its jurisdiction.

Put another way, the question should be asked of every proposed commercial activity "is it one that Scouting should engage in"?

Furthermore, Scouting must ensure that every one of its financial actions and transactions are conducted and constituted in such a way that it always reflects and enhances its non-commercial, and usually tax free, status.

In some countries Scouting organizations come under the broad heading of "charitable" entities, not because they do not need to make money but as a recognition that any profits that are made are wholly used in the conduct of Scouting activities.

This description, which carries a certain kudos within the broad community, is another reason for being open and ethical in all financial activities.

The need to carefully monitor the various money-making activities of each NSO is becoming more and more important as the Revenue Authorities in some countries are reviewing the commercial activities of Scouting and similar bodies with a view to levying tax thereon. The approach is not necessarily to tax all of the profits but, at least, to impose tax on the profits from those activities that are seen by the Revenue Authorities as being outside those traditionally conducted by Scouting organizations. It may be wise to check the taxation position in your respective country.

As part of the process of maintaining an ethical focus it is necessary for all members having an involvement in the financial affairs of each NSO to give appropriate declarations

that they have no "Conflict of Interest" in any of their personal activities with that of the NSO. Such declarations should be reviewed periodically (at least once a year) and when it is necessary due to change of members' status or other circumstances. It is also important that formal guidelines are also implemented setting out the requirement for keeping accurate minutes of all financial matters pertaining to each NSO.

These minutes should record decisions relating to such matters as



When fundraising, seeking sponsorships or considering partnerships with parties outside Scouting it is essential that you study the profile, image and ethics of the prospective donors/partners so as to ensure that their values are not in conflict with those of Scouting.

- membership of the Finance Committee and the appointment of its Chairperson
- setting the level of membership fees
- decisions to acquire or dispose of assets and/or investments
- names of the NSO's bankers, auditor etc.
- details of cheque signatories
- routines established for the receipt and banking of all funds received etc.

Integrating Strategic Financial Planning

Because of the complexities and demands of today's world, especially in the world of finance, it is important that each NSO develop and circulate a range of notes and instructions to assist their financial office bearers in properly addressing the many functions associated with their role.

The following are a range of scenarios which should be addressed:

- The relationship and interaction between the NSO's Strategic Plan and its Financial Plan
- A chart of accounts to be used throughout the NSO

Not only will these include normal running and operating expenses such as postage and telephone; administrative salaries; traveling costs; insurance; printing and stationery etc. but it will also include costs of maintaining training facilities; business premises and meeting halls.

 A process or method to be used in developing financial budgets within the NSO.

Having such information to draw upon will be of assistance, not only in ensuring that all traditional categories of income and expenditure are recognized in the budgetary process but that the financial needs of each section are considered. There should also be an outline

of a process to be followed when unusual or "one off" items are to form part of the budget.

A check list of the necessary steps to be taken so as to ensure that the NSO has, and maintains adequate and effective insurance for all its assets, its office bearers, its members and members of the public who may have some interaction with the NSO.

In today's litigious world there is an ever increasing need to ensure that all of our members and office bearers are adequately covered against any financial claims that are made against them. It is also important to ensure that all assets and investments are properly insured and that their insured value is reviewed regularly.

In limited cases "self-insurance",

which is a decision by an NSO not to insure for a certain risk or part thereof (e.g. to cover the first \$100,000 of building insurance from its own funds) may be appropriate or even necessary. If this step is taken, then adequate financial reserves must be in place to meet any claims.

A process and policy

whereby adequate
registers are maintained in respect of all
assets and investments
either owned or leased
by the NSO.

In any organization where members and office bearers are often changing, registers such as these may be the only way of remembering or knowing exactly where each asset or investment is located. It also provides an ideal check list to ensure that all assets are properly maintained and insured.

A similar register of all known or potential liabilities that the NSO may be exposed to is another useful tool in developing a comprehensive system of financial management within the Organization.

Yet another useful register is a record of all contractual arrangements (e.g. to support sponsors etc..) entered into by the NSO. This register will not only ensure that contractual arrangements are met but they are also met on time thereby enhancing the relationship with sponsors.

A business plan for the
operation and conduct
of any commercial or
business activity that
the NSO is, or intends
to be engaged in.

Given the increasing need for NSOs to fund their scouting programs from a wide variety of activities and business ventures it is important that each NSO has in place business plans outlining both the concept and method of operation for each activity.

These may be as simple as practical guidance on how to operate a business (such as a Scout Shop, a Training Camp, a Hostel etc..) or more detailed guidance on the acquisition of investments (such as sources of funding, expected returns, cash flow forecasts etc..).

One of the main benefits to be derived from developing such business plans is in providing guidance and assistance on possible ways to derive maximum financial benefit from the utilization of business assets or the conduct of business activities.

Such business plan should be reviewed periodically to ensure its validity and initial aims are met.

Fundamentals of Corporate Governance

Corporate governance is the collection of mechanisms, processes and relations by which corporations like NSOs are controlled and operated. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation like the NSO and include the rules and procedures for making decisions in corporate affairs. Corporate governance is necessary because of the possibility of conflicts of interests between stakeholders and is a foundation attribute for a healthy organization.



A number of these aspects are also addressed in other segments of this Handbook:



- The financial resources of each Scouting Organization must be totally applied for and directed towards the advancement of Scouting in each jurisdiction.
- Committees be established and that both the composition of its members, and their roles and duties are formally established.

It is essential that Finance

- All the financial resources and assets of each NSO must be kept completely separate from those of its individual members.
- It is important that an independent audit of the NSO's financial position is conducted at least annually.
- Appropriate levels of financial accountability and responsibility must be established at all levels throughout each NSO.
- It is highly desirable that an open tender process should be used for the supply of all financial services to and within the NSO (e.g. banking, insurance, investment advice, audit services etc..).
- The division of financial duties and levels of financial responsibility internally and externally must be formally established.

Budgeting

Budgeting is an integral part of successful financial management and the level of detail required will depend upon the volume of financial activities as well as the complexity of the activities involved.

Moreover, it is important to appreciate that some form of budgeting is important at all levels of Scouting. To illustrate, a budget for the NSO will be far more complex than that required by a local Cub Pack or Scout Troop. The NSO's budget needs to cover all aspects of its operation while the local Cub Pack etc. only needs to ensure that it has adequate funds to run their weekly activities and to pay their own bills.



When preparing a budget, the following is an outline of many of the components that need to be considered:

To identify all categories of known and potential sources of income.

These will range from membership fees; returns from investments; surpluses from business activities; fund raising; sponsorships; donations; grants from (government) bodies; surpluses from Jamborees etc..

At the same time, it is necessary to identify all known and potential items of expenditure.

Not only will these include normal running and operating expenses such as postage and telephone; administrative salaries; traveling costs; insurance; printing and stationery etc. but it will also include costs of maintaining training facilities; business premises and meeting halls.

There must always be
consultation with each
section of the NSO to
ensure that both their
income expectations and
their expenditure needs
are known and discussed
before the budget is
completed.

Likely capital expenditure

during the budget period needs to be identified and considered as well as expected returns from any projected sales of capital items.

Not only are there revenue and expenditure considerations arising from such transactions themselves but any reductions in income arising from using investments

The budgeting process must take into account the financial aspects of any strategic plans; major events such as jamborees and the initial

In events such as these funding may only be of a temporary nature (i.e. the funding may be financed by future activities) but there may also be "unusual" expenditure which is not normally encountered during the budget process.

An important component of any budget documentation is the preparation of a cash flow statement for the budget period.

This document ensures that periods of tight liquidity are known in advance and appropriate arrangements made to cover any cash shortfalls.

The final step is to have the budget discussed, amended where necessary and then approved by both the Finance Committee and the NSO's Executive Committee. The final budget documents should then be submitted to the members for their approval before the budget period commences.

Any deficit budgeting should be well discussed and appropriated funding sources

All budget should aligned with the aims and goals of NSO's short, medium and long term strategic plan.

Audit

A financial audit is intended to provide reasonable assurance, but not absolute assurance, that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework. Normally, the criteria used are international accounting standards, although auditors may conduct audits of financial statements prepared using the cash basis or some other basis of accounting appropriate for the organization.

The purpose of an audit is to provide an objective independent examination of the financial statements, which increases the value and credibility of the financial statements produced by management, thus increase user confidence in the financial statement, reduce investor risk and consequently reduce the cost of capital of the preparer of the financial statements.

In providing an opinion whether financial statements are fairly stated in accordance with accounting standards, the auditor gathers evidence to determine whether the statements contain material errors or other misstatement.

In most countries there is a recognised auditing profession and the audit of each NSO's finances and their financial activities is a statutory requirement (aka external audit). Even if an audit is not formally required it is strongly recommended that a full audit is conducted, at least annually, by an independent party.

It is recommended that some form of audit be conducted at all levels within an NSO as not only does it provide a level of protection for the person(s) looking after finance but it is also a key measure in ensuring both the proper application and transparency of all finances and assets within the NSO. And that all financial guidelines are properly followed.

In addition, it is strongly recommended that each NSO implement an appropriate process of internal audit, i.e. a measure of review and control conducted by the NSO itself. Internal audit should be conducted on a regular basis and should be conducted at all levels of financial responsibility with each NSO. Not only will such internal audit supplement the independent audit but it should also provide an early indication of any problems that have arisen or areas where assistance may be required.

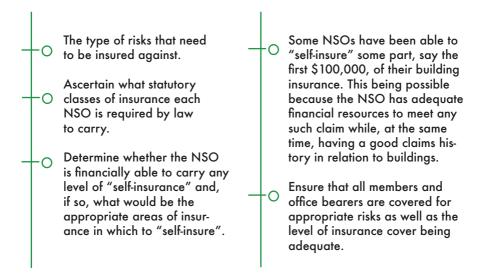
Insurance

In today's world insurance has become such an integral part not only of our daily lives but is also an essential part of financial management. This is not only a reflection of our litigious society but also a recognition of the increasing sophistication which has developed and been embraced by insurance companies around the world.

Therefore, the first step that each NSO should take is to find an insurance broker who both understands the role and various activities of a Scouting Organisation and who also has an up-to-date, working knowledge of the insurance industry. It may take a while to find the right party but be assured that it will be time well spent.

It is also important to remember that as insurance is such a specialized area the appointment by the NSO of an Insurance Committee would be appropriate. The members of the committee would include people with knowledge and skills in insurance and may well include your insurance broker. If the insurance broker is not appointed as a member of the Insurance Committee then the broker should attend all meetings of that Committee as an advisor.

In partnership with your insurance broker you can then proceed to undertake a review of areas such as:



Ensure that all assets, owned or leased by the NSO, are properly and adequately insured. In addition, it is necessary to ensure that all parties who may have an insurable interest (e.g. in respect of equipment which has been lent or leased to the NSO) are properly recorded on the insurance policy.

If the NSO undertakes any business or commercial activities, then ensure that full and adequate insurance cover is in place including insuring the people who work there as well as customers.

Ensure that a complete and up-to-date asset register is maintained thereby providing a basis of ensuring that all assets are insured.

Ensure that a regular program of asset maintenance is in place as this, of itself, provides a measure of asset protection.

Ensure that all/any people who are not members of the NSO, such as tradespersons, business customers, people hiring Scouting facilities etc.. are covered by appropriate and adequate insurance.

Investments

Types/Categories

Today, many NSOs will have acquired assets as a means of enabling them to deliver the Scout Program. The majority of assets are likely to be owned, either directly by the NSO or by some related party. However, some may be either leased (e.g. for a period of years) or subject to some other form of restriction as to use or tenure.

Land and Buildings - such Investments in Scouting as scout halls; campsites; head- business activities – including quarters; training centres and Scout shops: training centres: centres providing accommodahostels etc tion for various courses. Investments in non-scouting Equipment used for Scouting business activities - such as activities - including sailing collecting aluminum cans; mancraft; aircraft; climbing and ufacturing honey, growing fruit abseiling towers; flying foxes and vegetables and investments and "challenge course" in media equipment. Investments in business part-Motor vehicles and office O nerships with outside parties equipment. including - running staff development days for corporations; Income producing investments working with governmental such as stocks and shares; funds agencies on environmental projon deposit etc.. ects: provision of refreshments to those attending non-scouting activities e.g. corporate functions.

This is another aspect of financial management where its own committee, an Investment Committee may be advisable. This would depend upon the level and complexity of the investments and if such a Committee was appointed then its membership would include people with good investment skills as well as representatives of the Finance Committee.

Decisions to Invest

The availability of financial resources couple with a commonsense approach to the suitability of any proposed investment are always important criteria involved in making investment decisions. That is not forgetting that all investment decisions must be made at the appropriate level of authority within each NSO.

Another very important criteria is to carefully consider whether or not the proposed investment is one that Scouting should be involved in. This has implications both as to the perceived image of scouting by the general public as well as potentially influencing the attitude of governments and corporations towards providing assistance and support to Scouting.



Having made the fundamental decision to invest there is a number of other factors which must now be considered before the final decision to proceed can be made. These include:

Develop a business plan to
 determine - if the investment will be financially viable.

In relation to investing in financial products such as cash on deposit, debentures etc. the financial viability will be readily apparent.

However if the proposed investment is a business opportunity you will need to consider issues such as customer needs and competition; sourcing and supply of materials; cost and availability of the required finance; location of business premises etc..

In addition, you need to ensure that the product can be offered at a competitive price, one that produces a profit. As part of the business plan you must develop cash-flow models to ensure that the proposed investment will generate an appropriate return of income to justify the investment.

Check to ensure that the price
to be paid for the investment is reasonable.

This will involve having the investment proposal reviewed by someone with appropriate skills and experience; calling tenders to establish prices for the supply of product; comparing market values etc..

Consider any legal aspects associated with the purchase.

It will be important to engage a lawyer to undertake various searches and enquiries to ensure that you will be able to obtain clear title to any property being acquired; that any governmental etc. zoning requirements can be complied with and that all necessary permits can be obtained.

Ensure that all appropriate insurance policies are in order

Ensure that the Scouting Organization already has or can readily obtain the necessary skills and people that will be required to fully run and manage the investment.

Proper risk identification, management and review should be in place. A periodic market valuation should be carried out where necessary.

Continuous Improvement - Global Support Assessment Tool

Purpose

The Global Support Assessment Tool (GSAT) is a Quality Standard owned by the World Organization of the Scout Movement (WOSM). The purpose of this Standard is to serve as a reference of Best Practice for NSOs. The application of this Standard will enable NSOs to assess their strengths and areas of improvement and, as an outcome, to improve their accountability to stakeholders.

Scope

This "GSAT Standard" is intended for the sole use of NSOs as members of WOSM. It specifies the requirements for an NSO to:

Develop, implement and maintain policies and procedures that are in line with today's Best Management Practices.

Demonstrate to any stakeholder that these policies, procedures and practices are in conformity with today's Best Practices, whether specific to WOSM or internationally recognized outcome, to improve their accountability to stakeholders.

Composition

This GSAT Standard has been built on: The foundations of the SGS "NGO Benchmarking Standard" (V2.2 October 2009) (http://www.ngobenchmarking.sgs.com), itself a reasoned consolidation of some 25 International Codes and Standards established by public or private grantors, and on;

The Best Practices requirements that are specific to the Scout Movement

As such, the main features of this GSAT Standard are the following:

- a) It is organized in 10 Dimensions of Best Practices:
 - Dimension 1: NSO-WOSM Institutional Requirements
 - Dimension 2: Governance Framework
 - Dimension 3: Strategic Framework
 - Dimension 4: Integrity Management
 - Dimension 5: Communication, Advocacy & Public Image
 - Dimension 6: Adults in Scouting
 - Dimension 7: Resource Allocation & Financial Controls
 - Dimension 8: Youth Programme
 - Dimension 9: Growth Potential
 - Dimension 10: Continuous Improvement

- b) Within these 10 Dimensions, 5 are to be considered as key. These are on the one hand the Adults in Scouting and Youth Programme dimensions (Dimensions 6 and 8), which constitute Scouting's Core Business, and, on the other, the Governance Framework, Strategic Framework and Resources Allocation & Financial Controls dimensions (Dimensions 2, 3 and 7) which are core management areas of any organization.
- c) Each Dimension is composed of between 5 to 14 criteria 96 "Objectively Verifiable Indicators" in total, each referring to the risks an NSO could face and their consequences in terms of image, performance, resource allocation, control mechanisms etc. for the NSO itself, WOSM and potential grantors;
- d) Within the 96 criteria, 15 criteria are to be considered as key and are identified as "Major Non-Conformities" (MNCs) if there is no compliance with the criteria.

The objective of these MNCs is to serve as red flags to enable National Scout Organizations spot the areas that should be considered as priorities in the assessment follow-up.

Application

A proper application of this GSAT Standard enables the audited NSO to identify its strengths and improvement opportunities. Applied at different time intervals, results will also measure compliance improvement. A rating system can also generate comparative analysis between NSOs and thus identify "recurrent non-conformities" which could become the object of capacity building/training programs across WOSM.

Unless confronted with exceptional situations, all criteria are directly applicable to all NSOs that are WOSM members. It is the NSO's responsibility to demonstrate compliance during the audit. As such, the NSO is invited to carefully identify and assemble every supporting document related to each criterion before the audit takes place.

Requirements for -Dimension 7: Resource Allocation & Financial Controls

This dimension focuses on financial policies, resource generation and allocation, and financial controls. The objective is to determine the organization's levels of financial accountability and transparency. This is done through an examination and measurement of the organization's financial systems and processes in place (or lack of) and identification of areas of improvement to address the weak aspects of the financial system. The MNCs for Dimension 7 are indicated by.

0701	The NSO is not overly reliant on any one source of revenue (averaged over the last 3 fiscal years).
0702 ※	The NSO has defined and implemented a financial accountability system (full disclosure) which enables it to track funds (earmarked or not) down to their use in programmes/projects (total, cost of fund-raising, sources of funds).
0703	The NSO has defined and implemented a control system to prevent any financial misuse of funds.
0704	The NSO operates on the basis of an annual (or possibly at longer intervals) budget, clearly linked to an operational plan, approved by the "National Board" or the "General Assembly".
0705	The NSO actively uses the monitoring and reporting of administrative costs, fundraising and operational expenses as inputs, to regularly adjust the budget (either midstream or for its next cycle).
0706 ※	The NSO has financial reports that include the balance sheet, income and expenditure statement and assets and liabilities. If a commercial activity (e.g. Scout Shop) is part of the NSO, financial statements are also available in the report.
0707	The NSO has an internal financial audit committee appointed by the "National Board" and/or "General Assembly" that meet at least twice a year to review (a) the internal financial controls, (b) the audit program of auditors, (c) the financial statements.
	They make recommendations to the Board on financial reporting. Whilst serving on the internal financial audit committee, no member can hold another office at the national level.

0708 ※	The NSO's last 3 fiscal year's financial report has been audited by an independent and duly accredited auditor. Audit results have enabled this auditor to express an opinion / make recommendations (e.g. a "Management letter").
0709	The NSO has defined and implemented an inventory system (e.g. of the properties, equipment and supplies of the organization). This inventory is properly reflected in the financial statement.
0710 ※	Case1: - The NSO must have enough short term liquidity/assets to cover its short and mid- term liabilities/debts (operational expenses, staff salaries in particular). Case2: - Where the NSO receives money "as needs arise" from a specific set of donors, the organization has a legal agreement which ensures that donors cover the liabilities (responsibility) to which the NSO is committed, by supporting all expenses related to the activities to be performed over the whole duration of the project.
0711	The NSO has a defined and implemented a procurement procedure which explicitly states that above a certain threshold, the competitive bidding system is the preferred mode of procurement.

Sections marked with are considered minimum essential requirements for a well-functioning NSO. If these criteria cannot be fully complied with, this should be cause for further action and follow up by the NSO.

Summary - Financial Resources Management

In summary, here are the key principles of financial management.

Stewardship

The NSO must take good care of the resources it is entrusted with and make sure that they are used for the purpose intended. The National Board has overall responsibility for this. In practice, managers achieve it through careful strategic planning, setting up appropriate controls, considering risks, and by setting up systems that work in tune.

2

Accountability

The NSO must explain how it has used its resources and what it has achieved as a result to all stakeholders, including beneficiaries. All stakeholders have the right to know how their funds and authority have been used. NSOs have an operational, moral and legal duty to explain their decisions and actions, and submit their financial reports to scrutiny.

3

Transparency

The NSO must be open about its work, making information about its activities and plans available to relevant stakeholders. This includes preparing accurate, complete and timely financial reports and making them accessible to stakeholders, including beneficiaries. If a NSO is not transparent, then it may give the impression of having something to hide.

4

Integrity

On a personal level, individuals in the NSO must operate with honesty and propriety. For example, managers and trustees should lead by example in following procedures and by declaring any personal interests that might conflict with their official duties. The integrity of financial reports depends on the accuracy and completeness of financial records.

Viability

5

Expenditure must be kept in balance with incoming funds, both at the operational and the strategic levels. Viability is a measure of the NSO's financial continuity and security. The trustees and managers should prepare a financing strategy to show how the NSO will meet all of its financial obligations and deliver its strategic plan.

Accounting Standards

6

The NSO must be open about its work, making information about its activities and plans available to relevant stakeholders. This includes preparing accurate, complete and timely financial reports and making them accessible to stakeholders, including beneficiaries. If a NSO is not transparent, then it may give the impression of having something to hide.

Consistency

7

The NSO's financial policies and systems must be consistent over time. This promotes efficient operations and transparency, especially in financial reporting. While systems may need to be adapted to changing needs, unnecessary changes should be avoided. Inconsistent approaches to financial management can be a sign that the financial situation is being manipulated.

Financial Resources Developement

The financial strength of any organization, in our case the NSO, depends to a large extent upon the various resources which it either owns or which are available to it. It is from the development and utilization of such resources that a NSO is able to generate income as well as providing and maintaining the facilities needed for its successful and continued operation.

The range of resources available to an NSO comes in many forms. Not only do they include tangible assets (such as land and buildings; investments and similar assets) intangible assets such as Intellectual Property but they also include its members and its supporters. The ability, ingenuity and willingness of these people to work towards enhancing the financial strength of an NSO can often be the key to generating or developing its

required level of resources.

When thinking about the development of financial resources it should not be overlooked that the receipt of income is, in its own right, the gaining or development of a resource. The benefits to an NSO of having funds available are twofold. There is a positive demonstration of the development of a resource, the generation of income, as well as the creation of an additional resource, namely cash.

This section of the Handbook seeks to illustrate various ways, including steps that can be taken, to fully develop the various resources available to an NSO. In so doing the resources have been divided into two broad categories – internal and external.

Internal Resources

A. Membership Fees

Membership fees are one of the most readily available forms of income available to any NSO. It is traditional for anyone who is a member of an organization, be it a sporting club, a professional body, a theatre club etc. to pay membership fees. The same rationale applies in Scouting.

We should always remember that BP himself, when organizing the first experimental camp for 20 boys on Brownsea Island, charged a token fee to each boy as he believed that anything free will not be appreciated by the receiver.

The challenge is, of course, to determine the correct level of membership fees to apply at any point in time. This is an important part of resource development as it requires regular and careful monitoring to ensure that the

fees remain affordable.

The challenge is, of course, to determine the correct level of membership fees to apply at any point in time. This is an important part of resource development as it requires regular and careful monitoring to ensure that the fees remain affordable.

However, at the same time, it is important to keep in mind that the level of membership fees should also reflect the value and benefit which membership of Scouting confers on each member.

Accordingly, when producing a budget, there is always a logical nexus between the number of members and the amount to be received from membership fees.

While the focus will be on the quantum of the fee this does not automatically imply that they will be actually paid, in part or in full, from the member's own funds. The obligation to pay remains with the mem-

ber but the source of the funds becomes part of the development process associated with this resource.

The challenge then becomes how best to fund (develop) this resource. Possibilities include fundraising by the member or their local Group

(or Section); seeking sponsorship; using profits from business or commercial activities etc.. Whatever the means there is always the possibility of a benefit accruing to Scouting from such fundraising especially if the relationship with the external party providing the funds is strengthened, thereby enhancing the image of Scouting.

B. Property Development

Many National Scout Organizations (NSOs) own land and buildings which they may be able to use to generate income. These are valuable assets and should be properly managed so as to maximize the amount of income which can be generated for the benefit of the NSO.

The value of the property to the NSO, as well as how it can best be used to generate income, will often depend upon a range of factors such as:

- the location of the property;
- its size (area);
- the facilities available or the scope of facilities to be developed; and
- any specific conditions, restrictions etc. which may be embodied within, or specified in its title deeds or other legal documentation relating to the property.

For example, if the property is situated in an urban or a commercial area it may well be suitable for the construction of commercial buildings such as hostels, hotels, offices or shops. If it is located in a suburban/residential area it may be suitable for residential housing and if it is situated outside the township/city limits it would probably be suitable for a Camp Site; a Training Centre or an Activities Centre.

The first step before proceeding to the development stage is to undertake a detailed study / search of the documents or title deeds pertaining to the land especially to ascertain whether they contain any restrictions that may apply to or govern its use. This is essential as any specific conditions in the title deed for the land must be complied with or, as is sometimes appropri-

ate, an official request can be made to the appropriate authority seeking to have these restrictions either removed or modified. It is often the case that with the passing of time, changes in an area's demographics etc. restrictions made in the past may no longer be appropriate.

In any event it is important that no development is commenced until any restrictions have either been removed or modified and new documents of title issued. This is important not only in ensuring that the NSO has the legal right to begin the development but also because the title deeds will often be the key document under which finance for the development will be obtained. i.e. by way of mortgage, collateral etc..

The optimum is to have a "win/win" situation whereby the NSO achieves its target of obtaining the necessary funds to complete the development within a nominated time frame and is also able to complete all necessary searches and reviews to ensure that all risks are minimized.

B.1 Property Development Committee

An initial part of the development process is to create a Property Development Committee which should be established at the commencement of the development project. Membership of this Committee should include people skilled in finance, contract management, architecture and property development as well as having an appropriate mix of uniform members and non-uniform (lay) members. It is critical, in the interests of good governance and transparency, that none of the members of the Committee have a personal interest in any part of the development.

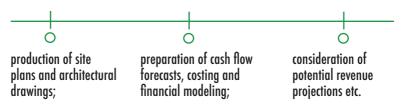
Should the development be of a size that warrants it, specific sub-committees such as Finance and Project Management could also be established.

In addition, it is essential that a reputable legal firm be engaged to attend to all the legal aspect of the project. Furthermore, before the proposed project gets underway the Committee should engage a skilled consultant to undertake, and provide them with a feasibility study of the overall project. The feasibility study will, as indicated below, be a key reference document as the project progresses. It is important to appreciate that undertaking the various steps mentioned above are just as important to the development of a new camp

site as they are to the building of (say) a hostel complex. Each step is vital in ensuring that the NSO gains the maximum benefit both from the asset as well as its development.

B.2 Feasibility Study and Finance

The various components of a feasibility study include:



as such information is needed to give the Committee both an overall picture of the financial viability of the project while also assisting it to make appropriate decisions relating to the project.

The method of financing the project, as well as the level and source of finance are all important decisions. Aspects to consider will include whether the NSO is able to undertake the project on its own or whether it is necessary to seek a partner(s) to participate in the project and if a partner is required what contribution will be required from that partner; who should be approached to provide the necessary finance; the term of any borrowings; what security will be required by the lender etc..

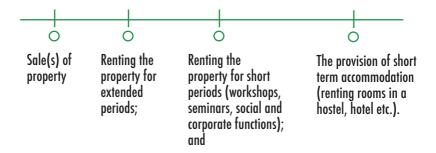
In some instances, it will be appropriate for a project to be undertaken together with another party. Reasons for such a decision could include the need to secure certain skills such as marketing; sources of supply; ownership of trademarks and other industrial property or access to favourable funding. If a decision is taken to join with another party then legal advice will be required to draw up an appropriate joint-venture or partnership e agreement, one which ensures that the rights and responsibilities of each party are adequately protected.

It is also necessary to ensure that when choosing a partner, the party chosen is reputable, trustworthy; and well regarded as we must always protect the image and reputation of Scouting and ensure that our high ideals are maintained.

Once all the preliminary issues have been addressed and a decision taken to proceed, appropriate tender documents will be prepared and issued. The decision as to which tender to accept should be made by the Committee, and this decision should be endorsed by the NSO. However, it is important to recognize that, for any of a number of reasons, the cheapest tender may not always be the one best suited to the NSO.

B.3 Sales and/or Rental of Property

Revenue generated from property will traditionally flow from:



To achieve the desired outcomes from each of the above categories requires the involvement of people with both experience and specific expertise. It is therefore important to engage professionals, be they members of the NSO or otherwise, to undertake each of these activities or, if necessary, to contract them out.

Whatever step is taken it is important to ensure that there is a suitably drawn contract between the NSO and the party providing the service.

Successful NSOs in Hostel Development and Management in the Asia-Pacific Region:

- Hong Kong Scout Association
- Persekutuan Pengakap Negara Brunei Darussalam on Office, Shop Houses and National Headquarters Project.
- Bangladesh Scouts Association on Development of National Headquarters Building

B.4 Scout Camps

Development and Operation of a Scout Camp

As an opening remark it is recommended that in relation to the initial development, or any major extension of a Scout Camp, NSOs follow the various steps and procedures set out above in relation to "Property Development"

Camping is synonymous with Scouting thus every NSO has a camp site. Differences are traditionally only in terms of size or location. Nevertheless, every Scout camp needs to be properly maintained, and upgraded on a regular basis, so as to ensure that it remains a successful centre and one that continues to attract not only Scouts but the general public. This enables many people to enjoy what it has to offer as well as providing an excellent setting in which to experience life in the outdoors.

Scout camps must not only provide open areas for camping and outdoor activities, they must also have a range of properly supervised activities and challenges to ensure that attendance at the camp is fun and exciting. In some countries open fires are not permitted and accordingly, in those locations, it will also be necessary to provide proper kitchen facilities for meals and refreshments.

All activities, courses etc. must be under the guidance, and supervision, of qualified instructors and facilitators. This is a requirement not only for insurance and safety purposes but should be part of every NSOs Risk Management processes and procedures.

Depending on the location, nature and purpose of the camp site (is it just for camping or is it also designed to appeal to the corporate market) there may be a need to provide various standards of accommodation as well as conference facilities. Developing a camp site to this extent will also benefit the NSO by providing a suitable training venue for leaders and a location for the holding of meetings. In addition, it will also act as an incentive for parties who are not members of the NSO to hire the camp thereby providing an additional source of income for the NSO.

The availability of challenging activities within the camp site will also add to its appeal not only to the various Scouting sections but also to the corporate world and the community in general All such activities provide not only fun and excitment but they assist in team building, self-confidence and motor skills.

An innovative and efficient Camp Warden, supported by good management and maintenance teams, will keep the camp site attractive and able to offer good programs throughout the year. Support of this nature will ensure that the camp site is popular, not only with Scouts but also with non-Scout users. It should be able to generate a good source of revenue for the NSO thereby providing funds to adequately reward the staff as well maintaining and upgrading the camp site.

The gross rental received by a camp site will naturally depend on its usage. At the same time, it is usual to offer priority bookings and lower charges to members of the movement as compared to those charged to the public. A professionally produced brochure advertising the camp and highlighting its facilities should be developed and widely circulated.

Successful NSOs on Camp Sites in the Region:

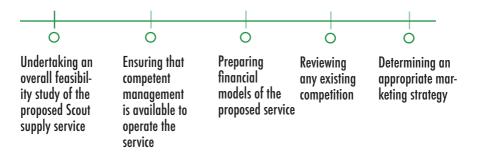
- Gerakan Pramakua Indonesia Bumi Perkemahan Cibubur
- The Bharat Scouts and Guides India
- Bangladesh Scouts

C. Scout Supplies

Providing Scouting supplies is a service which many NSOs offer to its members and it embraces the production or purchase of a range of merchandise which is offered for sale to its members. Traditionally this service does not run at a loss and is often a profit centre for the NSO.

A NSO may decide to run its scout supply service in its own right or it may choose to provide this service through some form of commercial arrangement, such as a franchise, or through an associated entity such as a Scout Foundation. Irrespective of the method of operation the key decisions such as pricing, quality control etc. relating to the scout supply service should remain with the NSO. Ongoing monitoring of this service should be undertaken by a separate committee, such as a Scout Supplies Management Committee, with designated powers which should extend to the managing of the surplus funds derived from the service.

As part of the initial decision-making process there is a number of steps to be undertaken to enable a full assessment of the proposed service while, at the same time hopefully identifying, and protecting against, any risks that are likely to arise such as:



C.1 Scout Shops

Many NSOs provide this service through their own scout shop(s) thereby offering a facility where members can purchase their uniforms, badges, publications and a range of Scouting paraphernalia under the one roof.

If it is decided to operate a Scout shop it must be treated as a business. Ideally it will have full time staff dedicated to its management and success and the overall business must be administered professionally.

As part of the process of deciding whether to open one or more shops the NSO must evaluate the size of its membership as well as undertaking a feasibility study covering the potential sales volume, sources of supply, the anticipated costs of operation etc.. This information can then be used to develop a business case as to the viability of opening a Scout shop as well as indicating both the number and location of shops that will be required.

NSOs may choose to establish their shop(s) within their Headquarters as both a cost reduction measure as well as being a convenient location for its members. Headquarters in other locations such as Regions or Districts can operate as agents for the Scout shop(s).

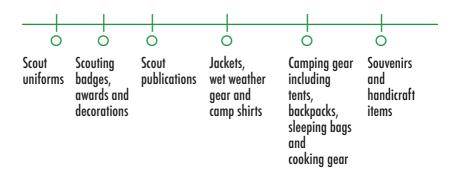
C.2 Stock Control and Management

The financial success of a Scout shop depends on a number of factors including a sound business plan, good governance, proper management of stock, transparency in their operations as well as sound financial controls.

Stock control is a key element and before commencing operations the management has to source reliable manufacturers who can guarantee timely delivery of high quality products at reasonable prices. It is also advisable to establish good term of credit either with the manufacturers or the NSO's financiers. Good stock control is also essential and a minimum level of supplies must be maintained at all times. Given that there is often a large range of stock items, often including ones of low value, the shop manager must ensure that stock records are maintained and regularly updated.

C.3 Products and Pricing Policy

While the range of items carried will vary the following are commonly sold in Scout shops:



In determining a pricing policy the product range is usually categorized into "essential" and "non-essential" items and lower profit margins are traditionally applied to those designated as essential items. Essential items will include uniforms, badges and often publications and the sale price of these items will be set so as to cover the cost of sales with possibly a small contribution towards administrative costs.

Higher profit margins will be applied to the non-essential items, such as camping gear, wet weather gear and souvenirs so as to generate a surplus from the operation of the shop. Such items are often sold to people who are not members of Scouting and for the benefit of members it is not uncommon for such goods to be sold at different prices, one price for members and one for non-members with a membership card being used to identify members. This is normally expressed as a percentage discount being available to members.

As part of the pricing policy prices need to be reviewed regularly so as to reflect changes in the cost of sales and the market situation generally. Obsolete, slow moving and dead stock should be cleared out, possibly on an annual basis, by selling at discounted prices on occasions which are widely publicised. New items or product lines may be introduced to members by offering, well publicised, special promotional discounts.

C.4 Staff Competence

The competence of the staff involved plays a critical role in the success or otherwise of a scout supply service and it is vital that the Management Committee responsible for the service comprises members of the NSO as well as business people who are familiar with market situations as well as operating in a retail environment. While it is often difficult to find staff to work in a small business environment, and while it is desirable to employ people who have retail sales experience, members of an NSO are often willing to try and can be provided with on-the-job training so as to ensure that they are equipped with ample product knowledge and customer service skills. This is one area in which the members of the Management Committee can contribute.

The key staff member is the Shop/Service Manager and in addition to having a background in retail selling this person needs to have the necessary business and financial acumen, as well as people skills to both manage the business as well guiding and supervising other staff members.

C.5 The Concept of Service

When it is decided to commence business there will always be an element of risk. One common area of risk is competition and Scout shops often have to compete with other shops that sell items that are not Scouting's propriety products, such as camping/outdoor equipment and accessories. Competition can often be a matter of price and in times of price competition the deciding factor may be as simple as the service provided by the staff. A warm smile and a polite manner are simple yet very effective tools.

While profit is an integral part of the operation there will be times when service to both the members and the NSO may be the appropriate decision to take.

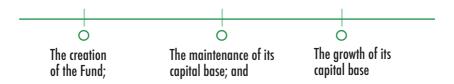
Successful NSOs in Scout Supplies in the Asia-Pacific Region:

Hong Kong Scout Association

D. Endowment Funds and Foundations

Many NSOs are fortunate in having such a dedicated resource, or a similar source of funds, the income of which is to be used by or applied for the benefit of the NSO. In most cases it is only the income of the fund that is available to the NSO thereby ensuring that the capital is maintained and continues to be available

The development of such a resource should be considered at three distinct levels:



each of which have as its primary aim the building of a financial asset which provides an income stream dedicated to assisting the NSO in delivering the Scouting program.

The initial funding can come from a variety of sources such as a bequest; a fund-raising campaign or surpluses arising from a major event such as a Jamboree. Whatever the source, the next steps are to ensure that the funds are separately maintained away from the general funds of the NSO while also ascertaining what special terms and conditions are to apply to the income derived by these funds.

An associated step is to appoint a group of people, either as Trustees or as a Committee, to administer the Fund. If the Fund was created by way of a bequest or gift the party providing the funds should be represented otherwise those appointed should have a strong affinity with Scouting in general as well as the NSO concerned.

Having established the Fund, an ongoing requirement should be to maintain its capital base. A simple way to achieve this goal is to limit the distribution of income each year by retaining within the Fund an amount of income calculated by reference to the inflation rate. This increases the capital base so that each year it equals the amount of the original capital adjusted to reflect all increases in inflation since that date.

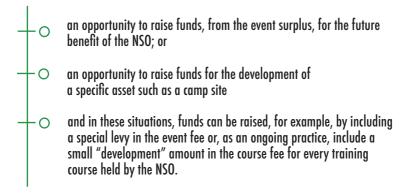
The optimum development technique is to undertake regular fund-raising exercises to increase the capital base and thereby providing a greater income stream for use by the NSO. However, careful thought should be given, before any new funds are raised if only to ensure that the additional income generated can be readily and beneficially used by the NSO. The point being that sometimes the terms and conditions governing the use of income derived by a particular Fund may be unduly restrictive.

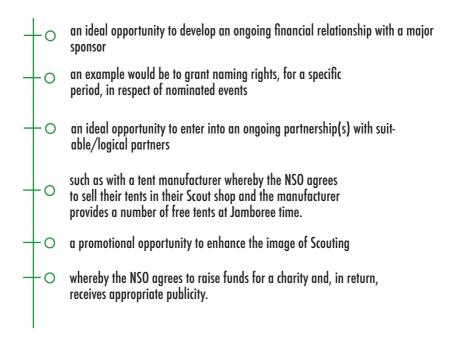
If such restrictions exist, or are likely to arise, then the focus of any fund raising should be undertaken in another more flexible vehicle so as to gain maximum benefit to the specific needs of the NSO.

E. Events

Suitable events that are either large enough, or important enough, to warrant inclusion as part of an NSO's financial resource management program are not likely to occur every year. Nevertheless certain events, such as Jamborees fall into the category of "major" events and these should come within any resource management program.

When considering the development of financial resources associated with major events a key question to be answered is "What is the financial aspect(s) associated with this particular resource are we interested in developing?"





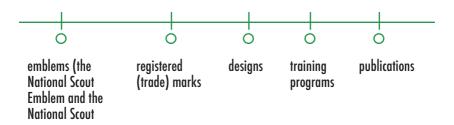
Potential answers would include seeing this event as:

Having decided which areas to focus on enables the NSO to determine what steps are required to obtain the best financial outcomes from a particular event. In so doing the NSO will gain assistance from other aspects of financial management and development outlined elsewhere in this Handbook. Topics to consider would include "Fund Raising"; "Partnerships" and "Project Management".

F. Intellectual Property

Scouting is fortunate in that it has available to it a range of valuable Intellectual Property which can be developed to enhance the financial position of many NSOs. While Intellectual Property is a resource which has not been greatly utilized within Scouting it is one that should not be overlooked.

Common examples include:



and provided that each item of Intellectual Property is properly registered and protected in its jurisdiction. Each NSO has the ability to use these resources to improve its finances. A possible way of fund raising would be to grant a license to an acceptable, from a Scouting perspective, party to pay a royalty for the use of a (trade)mark, training publications etc. which have been properly registered.

Further information can be found in the recent publication "Guidelines for the Protection of Intellectual Property".

G. Business/Commercial Activities

Entering into business or commercial activities has never been regarded as a major part of Scouting activities. Certainly, many NSOs operate Scout shops, rent out camp sites, sell publications and possibly license Intellectual Property and these will continue to be part of traditional Scouting activities.

However, it is a significant step, and one only to be taken after careful consideration of the many potential risks that may be encountered, for any Scouting organization to undertake, or enter into any form of major business or commercial activity.

There are certainly a range of successful activities being conducted by NSOs such as raising cattle, collecting and bottling honey, building hostels and shopping complexes and collecting and crushing aluminum cans. No doubt other possibilities will present themselves to many NSOs.

In other sections of this Handbook we have provided some guidance in areas such as financial accountability, ethics, strategic financial planning and corporate governance and each of these must be carefully considered before deciding to participate in any business or commercial activity.

Once a decision has been taken to enter into an appropriate activity the next step should be to undertake feasibility studies and due diligence reviews. These steps should be part of the overall process to enable you to be satisfied, as best you can, that the proposed activity will provide a safe financial return to the NSO.

Another important step, before a final decision to proceed can be taken is to obtain approval from your NSO to proceed, especially as both the image of Scouting as well as the financial security of the NSO is at stake.

External Resources

This section focuses on specific areas of developing financial resources and should be read together with other sections such as Fund Raising and Partnerships.

Government Grants



The obtaining of grants from Government will be easier for some NSOs than others. Furthermore, it may be easier to obtain grants from some levels of Government, or some Governmental Departments than others. There may be many reasons for this such as:

The relationship between a NSO and a particular Government; Whether the Government has grant funds available;

The use to which available grants can be applied.

The number of levels of Government can vary between countries as in some countries there will be up to three levels while in others there may only be one or two. When there are different levels of Government there are usually specific areas of responsibility assumed at each level (e.g. one level may be responsible for education and training while another may be responsible for sport and youth, recreation or small grants to business).

Therefore, an important step is to ascertain details of all grants that are available, which areas of Government provides the various grants as well as the relevant criteria under which grants may be made.

Having ascertained this information the NSO should determine which grants they will apply for and commence to prepare the necessary application(s). At the same time enquiries should be made as to any personal contacts that may be available to the NSO to assist in receiving a favourable response to the various grant applications.



At a practical level, grants are more likely to be received if they are made, or followed up at a personal level. This will assist the NSO in the following ways:



It will enable the NSO to receive guidance on how to frame the grant application and who the application should be forwarded to; and

It will be the person responsible for approving grant applications to have a greater awareness of the needs of, and areas of expertise within the NSO.

It should also be recognized that when grants are received appropriate, public recognition must be given to the Government making the grant. Also, in certain instances the best interests of both the Government and the NSO may be served by working together to achieve the desired outcomes from obtaining the grant.

The following examples illustrate a range of grants that have been received by various NSOs:



Applying for grants, and developing a good working relationship, including developing partnerships, with all levels of Government is a positive way of developing financial resources.

Donations and Sponsorship

Both donations and sponsorship are important sources of funding for NSOs and are areas where time and resources can be usefully deployed.



It is recommended that efforts in these areas be coordinated under specially created committees whose members have skills and expertise in these forms of fund raising. It is also recommended that these activities be coordinated at the NSO level so as to maximize effort and to minimise duplication in approaching potential donors and sponsors.

In some countries donations and sponsorship contributions to organizations such as Scouting are tax deductible which is of considerable assistance when NSOs are seeking financial support.

NSOs may seek donations in different ways. One approach may be to have a major campaign at periodic intervals – say every three years - directed towards both the corporate world as well as high wealth individuals which are conducted at periodic intervals – say every three years. These campaigns are often focused around specific needs (e.g. to develop a new camp site) or to provide a major source of funding for particular activities (e.g. to provide Leader training).

Another approach is to establish an ongoing donor program whereby people become members of a specially created fund and the members commit to making regular donations, usually on an annual basis, of varying amounts. The net income of this fund is distributed in accordance with pre-determined guidelines.



Every NSO has a need for increasing its financial resources and accordingly is important that all NSOs have in place a strategy and a focus directed towards seeking donations. It is an activity that should be ongoing and undertaken at all levels within an NSO.

Sponsorship may well be associated with major Scouting events such as jamborees which provide ideal opportunities to develop ongoing relationships. These relationships can be established for the supply of a wide range of products and services from food and soft drink, paint and maintenance items, use of motor vehicles and computer equipment to provide a fully equipped and staffed hospital.

However, sponsorship is certainly not limited to major events and can be of considerable benefit through all levels of Scouting. For example, at the Group level a local business may provide camp shirts while at a higher formation the ongoing use of a motor vehicle(s) may be negotiated.



When developing relationships with sponsors it is essential that the NSO fully understands what form the sponsorship will take as well as understanding the level and form of acknowledgement that the sponsor is seeking.

The key to success is to develop strong, ongoing relationships, be they "partnerships" or other arrangements. It must also be appreciated that, in today's financial climate, business will only sponsor organizations such as Scouting if they see that they are receiving something in return. This will be a matter of negotiation in each individual case.

Special Events

As the name implies "special" events do not occur regularly and should only be conducted in conjunction with a significant fund-raising event. It is important to appreciate that it is easy to annoy potential donors, especially major donors, by continually approaching them for funds.

A recent example of a special fund-raising event was one organized to raise funds to rebuild a large camp site which was completely destroyed in a bush fire. Being in aid of a very good cause, permission was obtained to hold the main fund-raising event in a prestigious location and the event was successful. The function consisted of a formal dinner, with a significant attendance fee, and considerable funds were raised by auctioning a range of donated items at the end of the dinner.



To ensure the success of the occasion particular care and attention was given to its organisation including producing high quality invitations and dinner menus, the caliber of the speakers and the location.

Affinity Programs

This is an area of financial resource development which is relatively new to Scouting. It also has many similarities to, and can be considered as an extension of, sponsorship.

Also the World Organization of the Scout Movement in 1996 entered into an agreement with Visa International and Seoul Bank for the issuance of Visa Cards to Socut members through World Scout Affinity Program.

The Scout Association of Hong Kong has entered into with a local Bank for the issue of a Scout Visa cards to its members.

Other examples include telephone companies issuing specially designed cards for members of NSOs, including ones which are issued to younger members to provide them with the facility to call their parents should the need arise, and discount and membership cards issued by some NSOs which provide benefits in respect of the purchase of nominated goods and services.

Another area is where fees are paid to NSOs when their members take out housing and other loans with a particular bank.

Fundraising

Fund raising is a valuable part of strengthening Scouting as cash and non-cash contributions and resources are needed to carry out our desired and planned activities. The obtaining of resources is therefore a desired and honourable task and fund raisers are to be acknowledged and praised. The image of Scouting as well as its contribution to the community, coupled with the significant contribution that fund raising makes in achieving them, must be consistently conveyed to the public.

Principles of Fund Raising

Integrity

Integrity is the key to fund raising. It is most important that those raising the funds as well as those providing the funds are convinced as to the integrity and worth of Scouting. In addition, everyone associated with and responsible for the fund raising must believe in the benefits and value of the activity, or project that the funds are being raised for. The level of commitment is a most important attribute.

Acknowledgement

Acknowledgement is not only a courtesy – it is a must. Many donors use their donations not only to assist Scouting but also to enhance their prestige and honour in their community. It is therefore important to acknowledge all donations and praise the donors for their loyalty to the community and for their much needed and appreciated support. The two most important words in raising funds, and thereby running a successful NSO, are "Thank You!".

Accountability

Donors want to know what has been achieved with their donation and whether we reached, or partially reached the objectives we outlined when we asked for a donation. A very effective way of keeping them informed is to send donors a progress report.

Transparency

Transparency goes together with accountability. All accounting records must be open and available and they include Published Accounts, Annual Reports and similar documents. It must be remembered that these records should also be open and available to the public.

Persistence

Not everybody is a donor. You must recognise that not being able to obtain a donation from one source does not imply failure. Do not give up. You may experience eight rejections but the ninth and tenth request may bring the needed donations.

Recording Project Inputs

Not everybody is a donor. You must recognise that not being able to obtain a donation from one source does not imply failure. Do not give up. You may experience eight rejections but the ninth and tenth request may bring the needed donations.

Techniques of Fund Raising

There is no magic formula for successful fund raising. Basically, there are only four simple steps:

Know where the money is:

Identifying donors for a particular fund raising project is an important step. This is not always easy as decisions have to be made as to specific segments of the business world or the community to be approached while, at the same time avoiding undesirable sponsors such as liquor and tobacco companies and other unethical or otherwise unacceptable parties. Potential donors may be identified, and sought through Leaders, members of Scout Committees, government officials and senior members of your local community.

Know how to get it:

A simple, yet professional letter of introduction, clearly setting out who you are and what you are seeking, including the purpose for which the donation will be used, is important. Make it simple and easy to read and always ensure that it is politely and correctly addressed. Being able to add a personal touch to a letter is always an advantage. If you take the time to learn a little about the person you are writing to, it will help your request by adding a personal touch to your letter. It is also helpful if you are able to request a well known and respectable person to sign the letter.

Go out and get it:

A common reason for not giving is not being asked. In addition, do not assume that the potential donor fully understands the request simply by receiving a letter. Ask clearly and directly for exactly what is being sought and repeat the message. Ask more than once, especially if a large donation is being sought, and make it as easy as possible for the donor to respond and contribute. The person presenting to the prospective donor must be knowledgeable and well briefed beforehand. Preparation of a proposal setting out how much funding is required, how the donation will be utilized and how many people will benefit will be helpful.

Thank you:

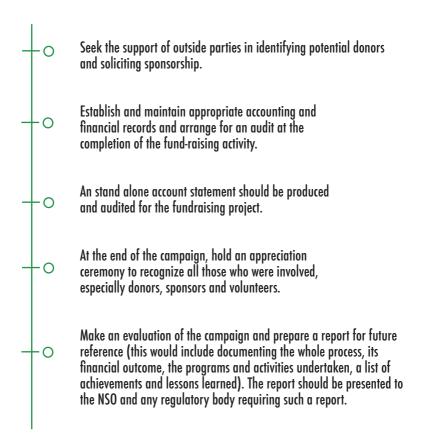
Saying "thank you" is a simple and polite way of reassuring the donor that the donation has made, or will make an important contribution to Scouting and that the donor is reassured that the right decision has been made.

It is always a nice gesture to publicly recognize the donor at an appropriate event such as at a prize giving ceremony, the Annual General Meeting, at the camp site where the donation was used. In addition, sending a photo of how the donation was used will always be a positive way of saying "thank you". Long-term recognition such as a name plaque etc.. should be arranged for those who make significant donations.

Procedures of Fund Raising

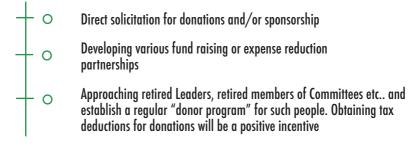
The procedures and steps associated with a fund raising campaign include:

+0	Review the various laws, policies, guidelines and regulations relating to fund raising in the relevant jurisdiction, and as decreed by the NSO, to ensure that you will be able to comply with these requirements.
+0	Obtain approval from your NSO and then obtain the necessary approvals and licenses from the various authorities to undertake the fund-raising activities.
+0	Set the goals of the fund-raising campaign, including preparing a detailed budget. It is important to ensure that the amount raised can be tallied with the donations, effort and resources put into the campaign.
+0	Prepare an overall plan for the fund-raising campaign including the appointment of a Planning Committee and key officers of the campaign including the Fund Campaign Director/Manager.
+0	Determine the actual format of the fund-raising activity(ies) including consideration to any limitations that are likely to arise or should be imposed.
+0	Ensure that all relevant insurance issues are considered, and cover obtained, to protect both the NSO as well as all people participating in any fund raising activities.
+0	Develop an appropriate publicity and public relations campaign to promote both the fund raising activity as well as the image of Scouting.



Examples of Fund Raising

Funds may be raised through the following formats:



+ 0	Operating Scout shops selling scout uniforms, equipment etc.
+0	Renting camp sites to outside parties
+0	Writing, publishing and selling Scouting publications
+0	Holding Banquets, balls and similar social activities
+ 0	Sponsoring Gala premieres of plays, movies etc.
+0	Producing variety shows, plays and musical performances
+0	Conducting raffles, lucky draw competitions, trivia nights etc.
+0	Arrange a fund-raising soccer match and charge admission
+0	Organise a Charity walk
+0	Holding a Flag day
+0	Selling souvenirs and other items of interest
+ 0	Performing a service (job week, car washing, shoe-polishing, painting, cleaning up areas etc.)
+0	Obtaining paid advertising in Scouting magazines
+ 0	Fund Raising on Social Media Platforms given that 65% of people uses a social network. While there are many donation management software available online for use by non profit organizations, WOSM has a donation platform (donate.scout.sg) that is free for use by NSOs.

Relevant GSAT Sections for Fund Raising



These are the relevant sections in GSAT related to Fund Raising. This will provide additional good guidance on how Fund Raising should be approached.

0310

The NSO undertakes an identification and evaluation of its management risks (i.e. financial, conflict of interests, operational, funding, succession planning, reputational, etc.). Results of this process are documented, regularly updated (every year) and, whenever appropriate, acted upon by the "National Board".

0406

The NSO has evaluated the ethical standing of its partners (external or internal) entrusted with fundraising activities (e.g. Scout Shop, Scout Foundation ...). Results of this process are documented, regularly reviewed and acted upon.

0402

The NSO formally adheres to ethical norms and values which could be reflected or included in one code or several documents covering the following:

- 1. Ethical principles in fundraising (fair representation of purpose, method, behaviour);
- 2. Conflicts of Interest (gift policy, affiliation with suppliers or competing organizations);
- 3. Professional staff and volunteers' behaviour (discrimination, harassment); These codes/documents have been communicated to all concerned parties

0702

The NSO has defined and implemented a financial accountability system (full disclosure) which enables it to track funds (earmarked or not) down to their use in programmes/projects (total, cost of fundraising, sources of funds)

0903

The NSO has defined and implemented a resource generation policy/strategy identifying different revenue streams (e.g. membership fees, commercial activities, individual donations, government grants, fundraising, funding proposal submissions etc.). The resource generation policy/strategy is regularly reviewed.

0710

Case 1: - The NSO must have enough short term liquidity/ assets to cover its short and midterm liabilities/debts (operational expenses, staff salaries in particular).

Case 2: - Where the NSO receives money "as needs arise" from a specific set of donors, the organisation has a legal agreement which ensures that donors cover the liabilities (responsibility) to which the NSO is committed, by supporting all expenses related to the activities to be performed over the whole duration of the project.

Conclusion

Fund raising is a job to which all should contribute and for which all should be responsible. Do it with enthusiasm, integrity and confidence.

Partnership

A partnership exists when two or more parties (be they individuals, corporations, organizations etc.), having a mutual interest, agree to seek a common outcome or achieve common goals by implementing an agreed plan of action, a program or project while adopting common strategies and actions.

In many countries, "partnerships" have legal status or recognition and therefore it is necessary to ensure that each partnership is created and operated in accordance with the laws and regulations that apply in each respective jurisdiction.

To assist your understanding of partnerships in the Scouting context it is important that you also read "The Marrakech Charter – Bangalore Revised Edition" on 'Partnerships in Scouting" produced by the World Scout Bureau.

Today, many NSOs are recognizing the range of benefits and opportunities which flow from entering into strategic partnerships, albeit with partners whose stature and ideals match those of Scouting. Benefits can be of a financial nature; lead to the recruitment of additional Leaders and Committee Members as well as increasing the recognition and awareness of Scouting both in the community, with governments and in the business world.

Provided that partners are chosen carefully, and that the rationale behind a particular partnership is soundly based, there will be a reasonable expectation that the partnership will continue and will provide mutual benefits over many years.

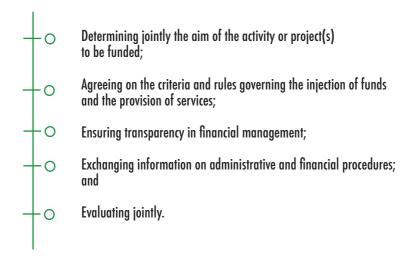
Objectives of a Partnership

Each partnership will have its own aims and objectives. However, it is essential that when considering the formation of any partnership all prospective partners initially spend time identifying and agreeing a common set of objectives which will govern that partnership.

While many objectives will be based on sound business practice, as well as the Intended outcomes that each partner desires, there are various fundamentals which should always apply. These will include a genuine commitment to the partnership; high levels of service and performance; the achievement of specified outcomes; the protection of the interests of each partner and being open and trusting in partnership dealings.

Principles of a Partnership

Complying with all relevant laws and regulations relating to partnerships as well as abiding by the following generally accepted principles associated with financial cooperation, will reinforce the agreed partnership objectives as well as creating a positive atmosphere between the partners:



Within every successful partnership there should be mutual trust as well as benefit and reward for all partners. This may well require change to previously agreed objectives and outcomes as well as the possible introduction of additional or varied resources. All partners must therefore be flexible in their approach to their partnership.

Creating a Partnership

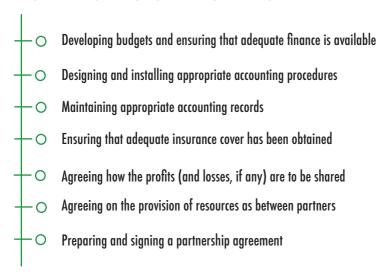
The creation and operation of a partnership usually comprises a number of phases which follow one from the other and may include:



Before entering into a partnership, it is most important that the Scouting partner obtains approval from its NSO to do so. In addition, and throughout each stage it is essential for the Scouting member of the partnership to comply with the various policies, rules and guidelines established by its NSO.

The partners must work closely together so as to ensure not only the success of the partnership but also the development of a relationship that will readily accommodate changes and refinements to its objectives, vision and direction. The design of the partnership structure; its processes and the roles and responsibilities of its staff should always be aligned to the objectives and strategies of the partnership. Progress of the partnership should be reviewed at least annually.

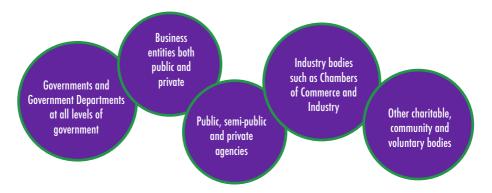
The practical, operating aspects of a partnership will include:



Examples of Partnerships Within Scouting

Today, Scouting is entering into partnership with a diverse range of partners while, at the same time, ensuring that the goals of each partnership remain directed towards attaining and enhancing the goals of Scouting.

The following illustrate the range of potential partners for Scouting;



and within each of these groups of potential partners there will be many opportunities and avenues of potential benefit to pursue.

In recent years some of the partnerships that Scouting has entered into have a specific financial focus, such as receiving funding from Government to work with indigenous people or to provide funds for advertising to enhance the image of Scouting; to reduce the cost of communications and to provide support for major events such as reduced cost of goods for major events.

However, some partnerships have been created specifically to provide other benefits both to Scouting and the community. These have included partnerships with community organizations to provide a source of new Leaders; working with volunteer groups to provide computer training; providing education on AIDS and environmental support such as planting trees.

In these later partnerships the financial reward will often flow from a heightened level of awareness of Scouting in the community.

