Bank Account Opening Guide for Small Community Groups and Organisations

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1. Introduction: Why Do We Need a Group Bank Account?

Opening a bank account in an organisation or group name is an important step in building a strong and credible organisation.

A dedicated bank account:

- Keeps organisational finances separate from personal funds.
- Supports good governance and accountability.
- Provides a clear record of income and expenditure.
- Builds confidence with funders.

- Is often required when applying for grants and funding opportunities.

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2. Before You Apply

Before opening a bank account, gather the information and documents banks are likely to request.

Governing Documents

Most banks will ask for a document that explains how your organisation is run, such as:

- Constitution
- Articles of Association
- Trust Deed
- Rules or Governing Framework
- Any other document setting out how the organisation operates

Evidence of Group Approval

You may be asked to provide meeting notes or minutes confirming:

- Agreement to open a bank account
- Approval of nominated account signatories

Information About Key Individuals

Banks often require details of trustees, committee members, directors, or authorised representatives, including:

- Full names
- Contact details
- Dates of birth
- Identification information

Proof of Identity and Address

Account signatories will normally need:

- Valid photo identification (e.g. passport or driving licence)
- Proof of address (e.g. utility bill, council tax letter, or bank statement)

Registration Information

Where applicable, organisations may need to provide:

- Charity Commission registration details
- Companies House registration details
- Community Interest Company (CIC) registration details

Tip: Having these documents ready can significantly reduce delays.

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3. Choosing the Right Bank Account

Many banks offer accounts specifically designed for charities, community groups, clubs and not-for-profit organisations.

Costs and Charges

Check for:

- Monthly account fees
- Transaction charges
- Charges for additional services

Some providers offer free banking for community organisations.

Digital Banking Services

Consider whether the account offers:

- Online banking
- Mobile banking
- Access for multiple authorised users

Managing Payments Safely

Useful features include:

- Multiple authorised signatories
- Dual authorisation for payments
- Debit card access

Accessing Banking Services

Consider:

- Local branch availability
- Post Office banking services
- Facilities for cash and cheque deposits

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4. Opening the Account

Opening a Community Bank Account

Each bank has its own process and requirements.

To get started:

1. Contact a bank already used by a trustee, director, or committee member.
2. Explain your organisation's activities and intended use of the account.
3. Confirm what documents and identification will be required.

Depending on the provider, applications may involve:

- Online forms
- Telephone appointments
- Branch appointments

Start early. Community account applications can take several weeks or months.

Trustees, Directors and Account Signatories

Banks usually ask for details of:

- Trustees
- Directors

- Committee members
- Management committee members

Most banks require at least two authorised individuals.

BVSC encourages organisations to have at least two unrelated signatories, as many funders consider this good practice.

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5. Signatories and Financial Controls

A signatory is someone authorised to approve payments and manage the account.

Good Practice

BVSC recommends:

- Having at least three signatories where possible.
- Requiring two authorisations for payments.
- Reviewing signatories regularly.
- Avoiding situations where close family members are the only signatories.

Some funders specifically require:

- A minimum of two signatories.
- Signatories who are independent and unrelated.

Always check funder requirements before opening an account.

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6. Common Challenges

Common reasons for delays or rejected applications include:

- No governing document in place.
- Too few authorised signatories.
- Missing identification documents.
- Limited organisational history.
- Delays during bank verification processes.

If an application is unsuccessful:

- Ask the bank for feedback.
- Clarify the reasons for refusal.
- Explore alternative account options where appropriate.

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7. Free or Low-Cost Accounts for Community Groups

A number of banks offer suitable accounts for small community organisations.

Please note: Eligibility and account features can change. Always check directly with the bank before applying.

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8. Choosing a Bank Account: Key Things to Consider

Before choosing an account, think about:

Experience with Community Organisations

- Does the bank understand charities and voluntary organisations?

How You Want to Bank

- Online
- Mobile app
- Telephone
- Branch

Income Sources

- Grants
- Donations
- Fundraising
- Bank transfers
- Cheques
- Cash

Payment Methods

- Online payments
- Standing orders
- Direct debits
- Card payments

Access to Cash

- Branch facilities
- Deposit facilities
- Withdrawals

Payment Authorisation

- Number of approval levels required

Cards

- Debit card needs
- Credit card facilities

Future Needs

- Savings accounts
- Lending facilities
- Additional banking products

Number of Accounts

- Separate accounts for reserves or restricted funds

Costs

- Fees and transaction charges

Values and Ethics

- Alignment with organisational values

Additional Support

- Guidance and support services offered by the bank

Top Tip: Create a checklist of your organisation's priorities and use it to compare different bank accounts.

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9. Preparing to Open a Bank Account

Your account should be opened in the official name shown in your governing document.

Before applying:

- Research the bank's requirements.
- Understand your banking needs.
- Prepare documents in advance.

Banks will often ask for:

- Governing document or constitution.
- Organisation aims and activities.
- Information about income and expenditure.
- Funding sources.
- Beneficiaries.
- Trustee or committee details.
- Information about incoming and outgoing funds.

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10. Further Information and Resources

In October 2024, Charity Excellence conducted a survey of UK bank accounts for charities, community groups, CICs, clubs and societies.

Best UK Charity and Community Bank Accounts

The survey results can be found on the Charity Excellence website and may help organisations compare available banking options.

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11. Need Further Support?

If your organisation needs support with:

- Opening a bank account
- Governance requirements
- Developing a constitution
- Preparing funding applications

please contact:

BVSC Grassroots Development Officer

sectorsupport@bvsc.co.uk

Appendix 1: Bank Account Opening Checklist

Before Applying

☐ We have agreed that the organisation needs a bank account.

☐ We have identified the bank(s) we wish to approach.

☐ We have checked that the account is suitable for:

- Community groups
- Charities
- Clubs and societies
- Not-for-profit organisations

☐ We understand any account fees or charges.

Organisation Documents

☐ Constitution, Bylaws, Trust Deed or other governing document available.

☐ Organisation name matches all documents.

☐ Registration documents available where applicable.

☐ Meeting minutes approving the bank account are available.

Trustees, Directors or Committee Members

☐ List of trustees, directors or committee members available.

☐ Contact details are up to date.

☐ Authorised signatories identified.

Signatories

☐ At least two signatories identified.

☐ Third signatory identified (recommended).

☐ Signatories understand their responsibilities.

☐ Funder requirements regarding independence considered.

Identification Documents

Each signatory has:

☐ Proof of identity.

☐ Proof of address.

☐ Ability to complete verification requirements.

Banking Requirements

☐ Online banking.

☐ Mobile banking.

☐ Debit card.

☐ Dual authorisation.

☐ Cash deposit facilities.

☐ Cheque deposit facilities.

☐ Branch/Post Office access.

Governance and Financial Controls

☐ Organisational funds will not be held in a personal bank account.

☐ Monitoring arrangements agreed.

☐ Payment authorisation process agreed.

☐ Financial record-keeping arrangements agreed.

☐ Signatories will be reviewed regularly.

After the Account is Opened

☐ Committee members informed.

☐ Funders updated.

☐ Banking information securely stored.

☐ Online banking set up.

☐ Spending procedures in place.

☐ Annual banking review scheduled.

Top Tips from BVSC

✅ Start early, as community account applications can take several weeks or months.

✅ Keep electronic copies of all documents.

✅ Use the organisation name consistently across all paperwork.

✅ Consider having three signatories and requiring two authorisations for payments.

✅ Contact BVSC if you need support with governance documents or funding readiness.

RESOURCES

- Banking for Charities and Voluntary Organisations | NCVO
- Bank Accounts for Community Groups | Resource Centre
- Voluntary Organisation Banking Guide | UK Finance
- Best Free UK Charity and Community Bank Accounts | Charity Excellence
- https://www.charityexcellence.co.uk/
- Charity Commission: Charity Banking Guidance (gov.uk)