



## YET WEBGUIDE      MANAGING THE FINANCES

Tony Land with help from Dick Griffiths – Revised 2019

### BASIC DECISIONS

Before any serious planning of the finances can begin some basic decisions must be made. These include the following and more suggestions are given in the BUDGET Chapter.

- The stated aims of the expedition
- Size of the party (Leader Team / Members), and how to recruit?
- What fees will be paid? – by leaders- by members
- Dates
- Location
  - Accommodation (Hostel or tents)
- Methods of transport
  - Freight / Additional Baggage Allowance?
- Purchase of food (sent out from UK?, in Country in transport hubs? or locally?)
- Advance party/recce
- What extra charges will members face? E.g. training costs, jabs, visas, travel to port/airport? They must be told.
- Admin Costs (Postage, Printing, Marketing, etc)
- Will you have a Patron?
- A support team?

### WHO SHOULD BE IN CHARGE OF THE FINANCES?

On the whole the Chief Venture Leader should delegate this: (s)he will have many other things to do and may tend to be over-optimistic about the state of the finances! A slightly detached Treasurer, perhaps not actually an expedition member, may be in a better position to give a realistic assessment of funds available or expected.

On the actual expedition there will need to be a FIELD TREASURER (see below).

## PLANNING AND CONTROL

- As soon as possible a schedule of income and expenditure should be agreed, so that enough cash is available when needed (air fares and relevant insurances are usually the most significant). It may be necessary to obtain pump priming for initial costs, such as marketing and publicity
- Following from this CUT-OFF POINTS can be established. These are where the Treasurer may have to advise the Leader that plans may have to be modified or even that the expedition cannot proceed. These should be identified on the expedition Timeline.
- For all income and all but petty cash expenditure a safe way of accounting is to *'let the bank do the work'* i.e. have the Bank Statement as the primary check on the accounts. **PERSONAL BANK ACCOUNTS SHOULD NOT BE USED**
- During the build-up to the expedition it is important to monitor the CASH FLOW carefully, and
- in particular NO EXPENDITURE SHOULD BE MADE WITHOUT THE TREASURER'S APPROVAL – it is all too easy for the person in charge of one area (tents/food/travel ...) to place an order without realising that there may not yet be the funds to pay for it.
- Petty cash floats may be made but are best avoided and used need to be properly accounted for.
- Final Accounts should be audited – and they can be invaluable for helping future expeditions plan their own budgets.

## MANAGEMENT OF MONEY IN THE FIELD

The Chief Venture Leader should not be the **Field Treasurer** as efficient control of the finances is a major occupation.

- Careful records must be kept and the balances and cash flow monitored each day.
- Each transaction must be supported by a piece of paper [not necessarily a formal receipt] as these can be invaluable if queries arise later.
- The Field Treasurer need not get involved in small expenditures – other leaders/members could be given floats (e.g. for food, parties, camp fees, bus fares ....) – but all floats should be full accounted for as soon as possible after the event.
- Despite good resolutions it is sometimes impossible for the Field Treasurer to separate his own money from that of the expedition. Even having separate pockets or bags may not always work when change or different bank notes are suddenly required. This is one reason why it is VITAL for a complete cash-in-hand check to be made at the end of each day.

## PLANNING FOR THE FIELD

- Organise cash and plastic cards well in advance of the date of departure. Be careful to check regulations concerning taking cash in and out of the country being visited.
- Before you go organise a procedure for getting emergency funds (e.g. Bank, Post Office MoneyGram, Western Union).
- Remember that despite insurance you may have to produce real cash at the hospital – or for the helicopter, but hope to reclaim it later.
- Investigate possible help from local firms including British firms with branches in the country being visited. They may be able to help with transfers of money and, if you are lucky, in other ways too.
- Decide on the layout of the field account book.

## MONEY OVERSEAS

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## CASH

- Have plenty of foreign currency for at least the first few days – banks are usually shut when you need them and there can be some unexpected expenditures.
- You may also need it for entry visas/entry taxes (and for departure taxes). These may not be in the local currency but to be paid in Sterling or probably US dollars. Airlines or Guide Books can advise.
- Before buying currency check whether you will get a favourable rate. Sources with low or no commission charges may have correspondingly poor exchange rates.
- If a lot of cash is carried, split it between all participants.
- It is always worth taking some US \$\$ but large denomination notes and ones issued before 2009 will probably not be accepted.
- Any notes which you offer for exchange at banks etc. will probably have to be new and crisp.
- **SCOTTISH** notes are not international currency and will not be accepted overseas!
- If you have a contact with an international company (or a reliable friend) in the host country, they may be able to help with transfers of funds into local currency.
- The best deals are often those on-line and delivered through the post (e.g. by Travelex, Moneycorp). But be cautious - remember *Crown Currency* a firm which crashed before issuing foreign exchange which had been paid for. Some local agents have been known to offer special rates and buy-back for youth organisations.
- Check that your insurance covers the amounts carried per person

## TRAVELLERS' CHEQUES

- These are little used nowadays but are still safe and replaceable.
- They are not now recommended as they will be hard to change with poor rates outside banks (which are often shut when you need them).
- They may have value as a back-up source of income but keep receipts safe and separate.

## CREDIT AND DEBIT CARDS

- Cards are now invaluable sources of local currency. Card company websites will tell you where ATMs are in a town – but that does not mean that they are actually working and filled with cash!
- Take Visa and Mastercards as one [usually Mastercard] may not be accepted in your area.
- Remember to tell the issuers when and where you will be away.
- Debit cards are generally best for ATM cash withdrawals and credit cards for purchases.
- Credit cards may give more protection under Section 75 of the Consumer Credit Act but have higher charges for cash withdrawals.
- Visa Debit Cards give protection under the Charge Back Scheme, and there is no upper limit for the claim. Check/update this information with the Consumer Direct Service (08454 040506).
- Some cards do not charge for making payments abroad (but will for cash withdrawals): Post Office Platinum and Halifax Clarity MasterCards are examples. Nationwide Flex-Plus debit card doesn't charge for cash withdrawals.
- However it can be expensive to use plastic as banks have a variety of charges to levy and you may wish to research different sources:
  - foreign usage fees: an addition of probably 2.75% for every use (Debit and Credit cards)
  - cash withdrawal fees: more expensive with Credit Cards as interest will be charged for the 'loan' before the amount is paid off
  - transaction fees: Debit Cards only – for ATM withdrawals, goods or services a percentage or a flat fee will be charged. If it is the latter you may want to take out more at a time from an ATM (though you will end up with more cash on your hands)
- Insist on paying in the local currency, not sterling – your card firm will have a better rate of exchange.
- Consider changing the PINs on all cards when you return (or earlier if you have suspicions).

## PREPAID TRAVEL CARDS

- Important for security – if stolen the amount which can be taken is limited to that on the card whereas with Credit or Debit cards thieves may purchase many expensive items before the loss of the card is noticed, the banks informed, and the card 'stopped'.

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- They have pin numbers (and user name and password to access the account and to top up the amount on the card).
- If lost or stolen they can be cancelled and a replacement card issued.
- There may be an initial charge but the charges listed in the previous section will not apply if they are used abroad - but they will probably charge you if they are used in the UK.
- The money loaded will be at the rate at the time of the loading (in £, \$, € and some other). This amount can be topped up later on-line or telephone).
- These cards are also useful for budgeting and for giving restricted amounts to other leaders or members buying supplies etc.
- ATMs will tell you your balance. Most have internet access and phone numbers for problems, statements and top-ups.
- Check limitations, exclusions and fees and expiry date (usually a couple of years or so).
- Less protection (no Section 75 cover) but most will have some system for compensating losses and they are regulated by the Financial Conduct Authority.
- Probably cannot be used at filling stations, gambling joints or for car hire ... but usually OK in ATMs and shops especially those where no PIN is required.
- Most are associated with Visa but consider taking a Mastercard one as well. CaxtonFx and Travelex are the leaders, but consider others as well..

#### TRANSFERRING CASH OVERSEAS AS ADVANCE PAYMENTS

- If you DO need to make advance deposits to secure the services of, such as, an in-Country Agent, the banking costs associated with this are usually very high, and the money laundering rules quite onerous!
- The recipient also has to cover high fees, so will possibly ask for increase fee to cover this.
- Consider approaching a more local currency dealer. For charitable/youth organisations its not unknown for them to agree to arranging transfers on a pro bono basis.
- If paying for goods or services, Pay Pal is generally a very easy and cheap way of transferring money overseas.

#### DONATIONS OF MONEY (or Gifts)

- Care needs to be exercised when donating money to a school or orphanage to avoid the recipients being accused of any wrong doing.
- Don't give to anyone in a private area, or office. Do it publicly, in front of the whole school or orphanage so everyone is aware and any temptation removed!