

4. Account Opening Checklist

This checklist is designed to make applying for a bank account as easy as possible, by ensuring you have all the right information to hand when you open the account.

Whilst the following information applies to most banking application processes, there may be instances where your bank asks for more or less than is outlined here.

Why do banks ask these questions?

Banks are required to assess and monitor the identity of individuals for all their customers. This includes individuals involved in a charity, group, or voluntary organisation when accounts are opened and throughout the life of the account. As such, the questions may seem unnecessary. By law, banks must establish the legitimacy of a customer's identity and identify any new or ongoing risk factors - this is called Know Your Customer (KYC). Because banks process information differently and have different internal policies, one bank may ask different questions to another.

KYC standards are designed to protect you and help prevent fraud, corruption, money laundering and terrorist financing. KYC involves actions to identify customers, understand the nature of customers' activities and determine that the source of funds is legitimate. They also assess money laundering risks associated with the customer's activities. As part of KYC, reviews are likely to be conducted throughout the life of the account to ensure your account is being used in the way it was intended.

Banks will have varying approaches to communicating with customers when they have concerns and require information or evidence to confirm that account

operation is legitimate.

1. Identification and Verification (ID&V)

Your bank will need to carry out ID&V checks on any person who is involved in operating your account. Your bank will also need to ID&V those who control your organisation. If you run a charity, you should check your governing document first to check how many trustees should be in place and if there are any requirements for who should be a signatory for the charity's bank account.

You may want to clarify with your bank whether this is just your signatories or all trustees/managing committee.

Trustees of charities should be aware of their legal duties and responsibilities in the management and administration of their charity once it is set up.

(i) The Charity Governance Code states: 'A board of at least five but no more than twelve trustees is typically considered good practice'. The Charity Commission for England and Wales advises you to aim for a minimum of three unconnected trustees with a good range of skills to govern the charity effectively.

(ii) Guidance from the Office of the Scottish Charity Regulator (OSCR) states that a Scottish Charitable Incorporated Organisation (SCIO) must have at least three charity trustees. The law in Scotland and Northern Ireland does not set a minimum number of charity trustees for other legal forms, but it is good practice to have at least three. For more guidance and best practice for charities in Scotland go here and in Northern Ireland go here.

You will usually need to show your chosen bank at least two separate, valid documents - one to prove your identity and one to prove your address, which may be originals, copies of the originals, or uploaded digitally. Application forms and requirements will differ across banks.

(i) Banks collect this information to get to know exactly who their customers are (see above dropdown '**Why do banks ask these questions?**' for more information). They will have to carry out regular checks on all the information you provide on an ongoing basis, so please ensure all information provided to the bank is accurate.

(ii) It is likely you will need to provide the following information for each of your “Officers”. This could include the chair, finance person/treasurer, secretary, signatories, and trustees.

ID&V documents

Most banks will try to verify your identity and address using electronic checks with a Credit Reference Agency. If these checks don't pass, then banks will need documents instead. Check with your bank for full details such as how recent the document needs to be and whether it needs to be certified as a true copy of the original.

Documents to prove your identity

Government-issued documents with a photograph such as a passport, photocard driving licence, or National Identity card are preferred. If you don't have any of these, you should contact the bank to see what else could be accepted.

Documents to prove your address

Documents such as a driving licence, bank statement, utility bill, or council tax bill are generally accepted.

Documents to verify your organisation

You may also be asked to provide the appropriate governing document to verify your organisation, such as:

- Governing document of the organisation
- Registered charity number (if registered)
- Certificate of incorporation (if being opened as a Company Limited by Guarantee)
- Trust deed (if being opened as a Charitable Trust)

For other organisations, you may also be asked to provide one of the following appropriate formation documents, to verify your organisation's existence as a legal entity. This document also states how you wish your organisation to be governed.

- Charter
- Constitution
- Terms of membership
- Agreement documents
- Other governing document

(i) Some banks will accept Minutes of the Meeting or registered charity number for registered charities. Where no Constitution documents are available for unregistered charities or other voluntary organisations, a letter on headed paper confirming your information may be accepted (please refer to your bank on what they do and don't accept).

(ii) Your bank may refer to your governing or formation document using language you're not familiar with. A governing/formation document covers: Constitution, Memorandum of Association, Articles of Association, Trust Deed and Rules.

(iii) You can learn more about how to get your charity registration certificate by following the Charity Commission's guidance linked [here](#) (England and Wales). NB: Northern Ireland does not issue Registration Certificates. Charity Commission Northern Ireland directs people to the register of the [Charity](#). Scotland does not issue Registration Certificates. The Office of the Scottish Charity Regulator (OSCR) provide a letter of formation.

2. Organisation Basics

Depending on your chosen bank's account opening process, you may have to provide supporting documentation to evidence the following requested information. It is best practice to assume you will have to provide the following details, so have it ready to give to the bank.

Organisation name

This is the legal name of your organisation which should be on your governing document. If your organisation also has a different name, you will need to provide that as well. For example, your organisation official name may be 'Joseph's Memorial Trust' but also known as 'Joe's Trust'.

The date your voluntary organisation started or plans to start

You will need to know the date you started operating so your bank can find out about your banking activity/history to date.

Registered organisation address

This is the official address where your organisation is registered to.

Organisation correspondence address

This is the address where you would like your bank to send any correspondence. It may be the same as your [registered] organisation address. It may be the same as your organisation address. It could be your home address, or the address of an office you rent or own. It is important to ensure that this is an address where the post is checked regularly. You should also consider, that if a trustee's home address is used for your organisation's correspondence, this will need to be changed promptly if they leave the organisation.

Your bank will need to carry out various credit checks and other searches so it is important they have your current organisation address so they can identify you correctly and not confuse you with any other organisation of a similar name.

Trading or operational address

This is where your organisation conducts its business and operates from. This could be the same as your Registered or Correspondence address above.

Contact details

Your personal and organisation email address, phone number and any other methods in which you would like your bank to contact you.

Other banking details

Some, but not all, banks may need details of any existing banking accounts your organisation has.

If you are switching an existing account from another bank, your bank may ask to see your most recent bank statements and financial accounts.

- You can find out more information about switching an existing account via the Current Account Switch Service [here](#).

If you already have a personal account with your chosen bank, they may want to look at the way it has been run when considering your application for your voluntary organisation. Your chosen bank may ask you if you have another account or existing relationship with them.

3. Further Organisation Information

Main organisation activity

A description of your main activity, as well as details of what the account will be used for.

Your bank will expect you to answer truthfully, in a way which reflects your governing/formation document. For example, "We are a registered charity whose purpose is to XXXX. We raise funds via XXXX."

Number of employees (if applicable)

A breakdown of how many employees and volunteers you have and their employment status.

Your bank may want to know how many people work for your organisation in any capacity. This includes full-time, part-time, or non-contract workers. This usually includes both domestic and international employees.

NB: this does not include your trustees.

For any organisation that is involved in activity outside the UK

A breakdown including:

- The countries your organisation is based in or sends money to.
- Details of any overseas offices, suppliers, and beneficiaries.
- The estimate amount of the organisation's funds which are received from or sent to these countries.

Your bank must understand how the account will be operated to ensure it is not being used for fraud or money laundering. Transacting with certain countries means your bank may have to carry out further checks.

The Charity Commission for England and Wales has provided a [comprehensive overview](#). This information is also useful for those in Northern Ireland and Scotland.

Organisation investment or Original source of wealth (funds)

The amount of funds that were invested (deposited) – or you plan to invest/deposit – in your organisation.

For existing organisations, this will usually cover what has been invested in your organisation over the past five years. This includes cash funds or investments in other major assets, such as property or large-scale equipment. The source of this capital or wealth needs to be clearly explained. Some banks may ask for documents to verify this information, such as bank statements.

For new organisations, your bank will want to know the origin of the wealth (funds) being used to start up the organisation. Again, some banks may also ask for a document which outlines the “source of wealth”. This could include financial

statements, evidence of gifts or investments, document sale of property or company. Banks must demonstrate to their regulators that they understand this information to meet regulations relating to financial crime.

Expected income, Account activity and Source of funds

An estimation of how much money your organisation expects to receive over the next 12 months. Your bank may also call this turnover.

You will have to provide an estimated figure, which could be based on your previous year's turnover (if this applies), your organisation's plan for the coming year (if you have one), or your realistic estimate.

The bank will ask about the way you will receive the money (for example, in cash, cheques or electronic payments, and in what currencies, if not sterling) and how often you expect the payments into your account to be. Banks need this to monitor expected activity versus actual activity and to highlight any unusual activity on your account. Once your account is open, it is important to keep your bank updated on any material changes to your account usage.

Banks will need to know where this income will come from – the Source of funds – for example shop sales, donations, legacies, or fundraising events.

How much money you expect to deposit when the account is first opened, or Original source of funds

An estimate of how much money you expect to be paying into your account when it is first opened and where this comes from, for example, initial deposit or transfer from one of the trustees.

Banks help protect your account from money laundering by monitoring and recording expected activity versus actual activity to guard against any unusual activity on your account.

Where you will send payments to

Your bank will want to know where your payments are going. These may be key suppliers and beneficiaries, also known as the recipient. A beneficiary can be a person or a business entity.

Trustees of charities should be aware of their legal duties and responsibilities in the management and administration of their charity once it is set up. You can follow this [link](#) to the Charity Commission Compliance toolkit which sets out useful guidance on the due diligence required when running a charity. A lot of the checks you are required to do for any received donations will be mirrored to your chosen bank's obligations.

The Charity Commission for Northern Ireland also has [guidance](#).

4. Personal information

Your bank will require you to provide personal information for certain people in your organisation. The amount of information required will depend on your bank of choice. Your chosen bank's website will tell you who they need this information for.

It is likely you will need to provide the following information for each of your "Officers", sometimes referred to as "Authorised Users". For example, the chair, finance person/treasurer, secretary, and trustees. This information is needed to ensure banks meet regulatory requirements such as Know Your Customer (KYC) requirements.

1. Preferred title

For example, Mr, Mrs, Ms, Mx.

2. Full Legal name

As well as any previous names.

3. Full Date of birth

4. Nationality

Including any dual nationalities. You can find this information on your passport.

5. Citizenship

The country in which you are registered as a citizen.

6. Country of residence

The country where you have usually lived for the last three years.

7. Country and place of birth

8. Current residential address

9. Date you moved to your current residential address

If you have lived in your current address for less than three years, you will also be asked to provide details of any previous addresses you've held during this period.

Your bank will carry out various credit checks and searches on you, so knowing your address and any previous addresses plays an important part in helping them identify you and confirm your identity.

Your beneficiaries

Details of any named individuals or groups of individuals who will benefit from your organisation's activities or services provided by your organisation. For example, children in the local area, people with disabilities, or the general public/mankind.

Beneficial Owners

The bank may also ask who the **beneficial owners** of the organisation are. This is usually the person who ultimately owns or controls your organisation, and on

whose behalf the organisation's activities are carried out. In most cases, the trustees will be the beneficial owners.

Questions your bank may ask you about the beneficial owners include:

- Who controls the organisation?
- Names and country of location

In rarer cases, your bank may ask for further details on them such as title, legal name, residential address, nationality, citizenship, country of residency, countries of tax residency and date and place of birth. Banks may have to understand this information in certain instances to meet regulations relating to financial crime.

Authorised account users

Details of anyone who will have the authority to operate your account on your behalf, including their:

- Full legal name;
- Residential address;
- Full date of birth; and
- Nationality (including dual nationalities).

It is important that you consider your organisation's constitutional or governing documents when deciding on authorised users for a bank account. These documents may state how many individuals must approve a payment. Your bank account will have to match this. Different banks may be able to offer different levels of authorisation, including dual authority and triple authority.