

Financial news, training and support from
West Yorkshire Community Accounting Service

The Balanced Sheet

Issue 26 • Summer 09

Advice line
0113 270 6269

www.wycas.org.uk

Inside

WYCAS News.....	1
AGM money matters....	2
Financial difficulties?...	3
Newsbites.....	3
Training.....	4
Contact WYCAS.....	4

About WYCAS

WYCAS enables voluntary sector organisations to be more effective in their financial management through the provision of accounting services, including:

- Quality financial training
- Preparation and examination of accounts
- One-to-one financial management support
- Free Good Practice Guides
- Computerising accounts
- Infill bookkeeping
- Financial health checks
- Remedial work
- Advice Line

Bradford and Leeds
Community Accounting Service
operating as WYCAS.

Charity no. 1076962

Company registered in England
and Wales number 3721361

A warm welcome

New administrator brings experience to WYCAS

A very warm welcome to our new part-time administrator Bernadette McKernan who joined WYCAS in May. Bernadette comes with great experience of working in the voluntary sector having worked for Save the Children UK for several years in a finance and administration role. Prior to this Bernadette worked mainly for small start-up companies in a similar position. Most recently she has enjoyed working part-time for a major bank. She is really excited about working in the community and voluntary sector again and is already

enjoying her new job. At home Bernadette is the busy mother of two young girls age five and three, so does not have a lot of spare time! She does, however, enjoy looking after her garden and growing her own vegetables, herbs and has even grown some strawberries this year!



WYCAS Services

Here to make your job easier!

With our overall aim of making it easier for you to manage your finances effectively, we offer a range of services to the voluntary and community sector in West Yorkshire. The following is a summary of what we offer. To find out more give us a call or visit www.wycas.org.uk. Many of our services are free to most groups (dependent on local funding).

One-to-one training and support
If you would like some help with bookkeeping, computerising accounts, creating a budget, costing a funding application, producing a useful finance report for your committee, or setting up financial systems and procedures, give us a ring and the community accountant for your district will come out and work with you at your premises. This is a free service for most organisations.

Annual accounts preparation and independent examination
WYCAS prepares and independently examines annual accounts for organisations with a turnover of up to £250,000. Contact us to find out

more. There is a charge for this service, but compares favourably to commercial rates.

Training courses

Our financial management courses are reputed to be the best in West Yorkshire for teaching you how to get to grips with your finances. See the back of the newsletter or check our website for our current course programme.

Advice line

For instant advice on accounting matters or to discuss something you are not quite sure about, give us a ring on 0113 270 6269 between 9am and 5pm.

Good Practice Guides

Over 20 Guides on a range of subjects are available free of charge. View the whole range at www.wycas.org.uk and ring or email info@wycas.org.uk to order.

Infill bookkeeping and remedial work

WYCAS can provide a temporary bookkeeping service if you have a gap between bookkeepers; equally we can do remedial work if your records have got into a real mess! Charged at an hourly rate.

Money Matters at the AGM

Are you worried about what you should say at your group's AGM? We consider what needs to be reported and in particular, what the finance report should cover.

For a charity, the Annual General Meeting (AGM) is an opportunity for the governing body to report back to the members on what has been achieved within the year and to review the financial position, as well as address any queries arising. For this reason it is crucial – it makes those running the organisation accountable to its members.

The governing document of the organisation (whether it be a constitution for an unincorporated body, or memorandum and articles of association for limited company) will specify a whole range of details: the timing, the notice required, the content, those eligible to attend, the governing body election process, etc at the AGM. This document is the first thing to check when preparing for your AGM!

The reports and accounts are usually presented as a standard agenda item at the AGM, so the Treasurer needs

to make sure that the accounts have been prepared and approved in readiness for the meeting and independently examined or audited (where appropriate)*. The Treasurer should present a statement of financial activities (a categorised list of income and expenditure for the year) and a balance sheet (showing assets and liabilities at the start and end of the reporting year). These reports may have different names depending on how the organisation's accounts are prepared. Additional comment is often helpful to the governing body e.g. on particularly high items of spend or the level of reserves at the year end. The Treasurer should be ready to address any questions from the members (as far as reasonable)! Any concerns about whether the organisation can keep going need to be voiced, plus the financial impact of known plans for the future.

The accounts will have been approved and signed at a governing body meeting before the AGM. These approved accounts are then adopted (proposed and seconded) by the AGM. Afterwards you need to ensure that the accounts are filed with the Charities Commission, Companies House, etc as required. The governing body will usually be elected at the AGM, so this is the members' chance to bring in new blood!

The Auditor/Independent Examiner for the next year is also approved at the AGM.

* The types of scrutiny will vary greatly for organisations in this sector, so contact WYCAS if you are uncertain.

Sources: Charity Commission publication CC48.

Further Advice / Guidance: Voluntary Action-Leeds, WYCAS.

Expenses, expenses

Politicians expenses grabbed the headlines recently, but how transparent is your recording, authorisation and payment of expenses?

Whether there is media interest in our claims or not, or we are in a recession, you need to ensure your staff are spending wisely and within their authority. The checking of expenses claims can be a useful tool to highlight other issues.

Whilst checking the validity of a mileage claim in respect of length of journey, time and date of meeting and any overnight stays you should also consider if there are any other issues. Is any member of staff travelling excessively or working too many

hours, are there any health and safety issues?

Have they used the most cost effective and environmentally friendly method of transport? Some staff might feel embarrassed about claiming expenses because they work for a charity, checking their claims can also help to make sure they get what they are entitled to.

Finally, remember always ask for a receipt, very few purchases these days come without a receipt.

IT'S BACK FINANCE FORUM IN BRADFORD

Thursday 17th September
2009 12pm to 2pm
Mabel Booth Room,
Bradford CVS

All finance workers and
treasurers welcome.

Contact Dave Collins on
0113 270 6291
for further details.

Will your group encounter financial difficulties?

WYCAS's new Good Practice Guide *Financial Difficulties and Insolvency* provides information on insolvency and how to try to avoid it.

So, what is insolvency? Insolvency occurs when either bills can't be paid when they are due, or the balance sheet liabilities exceed the realisable assets taking into account possible and prospective liabilities.

Insolvency can only apply to companies and company charities, as in unincorporated charities or voluntary organisations the trustees are personally liable for any debts which can't be met by the charity. Although unincorporated charities and voluntary organisations cannot become insolvent the topics in the guide can still be followed to try to prevent any liability for the trustees.

Tests for insolvency

There are two tests for insolvency – the cashflow test and the balance

sheet test. These are explained in the guide which also explains what the signs of insolvency are and how to avoid becoming insolvent. The key to preventing insolvency is to have effective management and effective financial controls. Effective financial controls always seem to be something that organisations think is not necessary until something happens which is detrimental to the running of the organisation. WYCAS runs courses on financial controls and how to produce reports that will show where money problems may arise (See the training diary in this newsletter or visit our website). There are options available before deciding to wind up an organisation if the controls are in place to see the problems coming and do something

about it. These are again detailed in the guide along with what to do when insolvency is the only option. If the worst comes to the worst and a company charity has to wind up there are a number of options available to them: Corporate voluntary arrangements, Members voluntary liquidation, Creditors voluntary liquidation and compulsory liquidation. The different requirements are again detailed as well as how to wind up a charity or organisation and what to do after a company has been dissolved or a charity wound up.

• **The full guide can be requested from www.wycas.org.uk – see Good Practice Guides or by calling 0113 270 6291.**

Newsbites

Key downturn publication

The Charity Commission has produced a publication "Big Board Talk... the conversation all charities need to have – The economic downturn". In the light of the recession and its effects on charities the publication is in the form of a checklist for trustees suitable for all charities. There are 15 questions which may not be relevant to all charities depending on their size or how they operate. It is intended to structure a discussion as an agenda item at a trustee meeting, away day or planning meeting. If trustees work through the areas in the checklist that relate to their charity it will help demonstrate

that your trustees are acting appropriately in the current economic climate. The checklist is organised into four areas:

- Strategy
- Financial health
- Governance
- Making best use of resources.

The publication can be found at www.charitycommission.gov.uk/tcc/ccnews29check.asp

Grassroots grants

The Community Foundation for Wakefield District are distributing grants worth £458,000 between September

2008 and December 2010.

The Grassroots Grants Programme is available to groups (not individuals) that have been established and active in Wakefield for not less than 12 months, the group should be run mainly by volunteers, and the annual group income must be less than £30,000. There are two grants levels available:

- Small Grant Scheme - £250 to £900
- Large Grant Scheme - £901 to £5,000

To find out more about your Local Foundation, and whether you can apply for a grant, or how to donate and become a supporter, please visit www.communityfoundationwakefield.co.uk or call 01924 789 166.

Training and Events

WYCAS organises a training programme in partnership with five local Council for Voluntary Service (CVS) organisations across West Yorkshire. Some courses are provided free, whilst others attract a small fee levied by the local CVS, contact the relevant training organiser for more details or to book a place.

July

17 10am – 4pm **Introduction to SAGE** Shipley
Diane Fox 01274 722772

23 10am–12.30pm **Good financial management** Halifax
Marie Vadaie 01422 431096

September

18 10am – 1pm **QuickBooks workshop** Shipley
Diane Fox 01274 722772

18 10am – 4pm **QuickBooks for beginners** Leeds
Tina Ashby 0113 297 7944

18 10am – 1pm **QuickBooks advanced users workshop** Shipley
Diane Fox 01274 722772

24 10am – 3pm **Excel for bookkeeping** Halifax
Marie Vadaie 01422 431096

24 10am – 1pm **Introduction to finance** Leeds
Tina Ashby 0113 297 7944

October

1 10am – 1pm **Implementing financial controls** Castleford
Bernadette McKernan 0113 270 6291

13 10am – 2pm **Introduction to finance** Kirklees
Voluntary Action Kirklees 01484 518457

13 10am – 1pm **Financial difficulties** Leeds
Tina Ashby 0113 297 7944

14 10am – 3pm **Setting up financial controls** Halifax
Marie Vadaie 01422 431096

22 10am – 4pm **Basic budgeting & cashflow forecasting** Leeds
Tina Ashby 0113 297 7944

29 10am – 1pm **Dealing with financial difficulties** Wakefield
Bernadette McKernan 0113 270 6291

November

13 10am – 4pm **Excel for bookkeeping** Leeds
Tina Ashby 0113 297 7944

19 1pm – 4pm **Role of the treasurer** Wakefield
Nathan Smith 01924 367418

19 9.30am–3.30pm **Group Structures – Role of the Management Committee** Bradford
Diane Fox 01274 722772

20 10am – 4pm **QuickBooks for beginners** Shipley
Diane Fox at BCVS 01274 722772

24 10am – 4pm **Forecast recovery** Bradford
Diane Fox 01274 722772

25 10am – 4pm **Basic budgeting & cashflow forecasting** Kirklees
Voluntary Action Kirklees 01484 518457

December

15 10am – 4pm **Basic bookkeeping** Leeds
Tina Ashby 0113 297 7944

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Contact WYCAS

Advice line: 0113 270 6269

Enquiries: 0113 270 6291

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Supported by

Bradford District Council
www.bradford.gov.uk

 Leeds
CITY COUNCIL

 West Yorkshire Grants
A Joint Committee of Bradford, Calderdale,
Kirklees, Leeds and Wakefield Councils

 BIG LOTTERY FUND

LOTTERY FUNDED