

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

The Balanced Sheet

Issue 27 • Winter 09/10

Advice line
0113 270 6269

www.wycas.org.uk

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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

Excellent response to our evaluation questionnaire

Thank you for taking to the time to respond

We were delighted that so many of you managed to respond to our evaluation questionnaire. You said that 97.5% of our services are excellent or good (mostly excellent) which is up 2.5% on last year. You also told us that you think the services we offer are accessible, friendly, professional, expert, and affordable and that you can't get the service anywhere else. Regarding the benefit to your organisations you said that our work with you makes a big difference to your longterm planning and sustainability. It was also helpful



Season's greetings from your WYCAS team

to receive your suggestions for the website and new training courses. Thank you for all your comments and for taking the time and trouble to complete the questionnaire.

News from WYCAS

Here to make your job easier!

New service

Take the opportunity to use our new free service offering an initial 2 hour support visit from our community accountants for organisations with a turnover above £100,000.

This gives you the chance to discuss and clarify financial management issues with your local community accountant. See the back page for contact details for the accountant covering your district. (NB ongoing one to one support and training visits are already free for organisations with a turnover of less than £100,000)

Advice Line

Our advice line continues to be very well used. The service is confidential and is provided by our experienced community accountants. Just give us a ring if there is anything financial you would like to discuss.

Open 9am to 5pm every weekday -
Tel 0113 270 6269

New website

In response to your suggestions we are building a new website – watch out for news of the launch!

Trustees' Annual Report

Does your organisation know what it should be providing in its Trustees' Annual Report?

At a recent presentation by the Charity Commission it was stated that large numbers of charities are still not providing a trustees' annual report (TAR) along with their accounts. The TAR tells the story of the accounts, and is a requirement for any charity with an income over £10,000 (changing to £25,000 for periods commencing 1/4/09). Companies have to produce an annual report as well, and as long as this follows the structure of a trustees annual report, this will be satisfactory for the purposes of company law.

Who makes the decisions?

Trustees run the charity not the Charity Commission. The Charity Commission can only advise on principles, it is up to the trustees to make the decisions about what the charity does. These decisions need to be conveyed to the general public in the form of the TAR, which sits alongside the accounts. The content of the TAR is governed by charity regulations and is not the same as an 'annual review', which may be a much larger document, produced for publicity and marketing purposes. Production of the TAR is the collective responsibility of the trustees; although it may be produced by the chair or treasurer, it should be approved by the whole trustee board. The TAR should also be sent to the independent examiner or auditor with the year-end accounts records. The independent examiner has to compare the details in the TAR with the accounting records; if it is not produced until sometime later the examiner has to re-visit the accounts, which adds to your costs.

What you need to include

Broadly speaking, for charities whose turnover is less than £500,000 the trustees are legally required to

include:

- Reference administrative and governance details, such as names of trustees, see Charity Commission booklet CC15b.
- A financial review – to include the reserves policy, an explanation of material designated funds and of any funds in deficit
- Details of any funds that the charity is holding as a custodian charity on behalf of others (if relevant)

In addition charities are required to write:-

- A public benefit statement confirming whether the trustees have complied with their duty to have due regard to the guidance on public benefit in exercising their powers and duties. (This has been a requirement since 1 April 2008 and only needs to be a statement of fact, although it can be included in with the next section)
- A summary of the objects and the activities undertaken by the charity to further its charitable purposes for the public benefit. The public benefit element of this came into force at 1 April 2008 and it may be helpful to discuss it at a board meeting and circulate a list of questions to prompt discussion on how to write this section.
- A review of the performance and achievements of the charity during the year in relation to its objects.

The story behind the numbers

This last section tells the story behind the numbers and should cover:

- What you do?
 - Who it is done by?
 - What you have achieved?
 - Why you have done it?
 - How well you have done it?
 - What effect it has had on your beneficiaries?
- You need to have an open transparent attitude showing that

the charity has nothing to hide and to explain how the activities you do are for the benefit of the public so it can be assessed whether what you do is value for money. At the end of the day it is public money of some sort that is being used, whether it is grants, contracts or money given in fundraising appeals or fees charged. The public needs to know how it is being spent, not just in terms of numbers, but also in terms of the impact that your work is having. The public also needs to know whether you could survive if funding stopped, which is why a reserves policy should be included showing how much you have, or are working towards putting on one side "for a rainy day".

The TAR doesn't need to be pages long but "blow your own trumpet" – no one else will!

Note that the regulations regarding the thresholds for producing an annual report changed for periods commencing 1 April 2009, so if you are going to request a guide from the charity commission make sure you get the right one

The document you need is CC15b available on the link below

<http://www.charitycommission.gov.uk/publications/cc15b.asp>

The guidance on public benefit, referred to above is available at the following link:

<http://www.charitycommission.gov.uk/publicbenefit/pbsummary.asp>

See the back page of the newsletter for the full range of WYCAS training courses being run across West Yorkshire from January to April.

For details of our courses please visit www.wycas.org.uk

Your organisation's good financial management

Make good financial management your New Year's resolution for 2010

Good practice in financial management is crucial for organisations in order to be sustainable and meet regulatory requirements. WYCAS has produced a number of Good Practice Guides listed below which are free of charge. Plus you can always request a visit from your district community accountant if you want help with implementing any changes as a result of reading the guides.

- 1 Dealing with cash
- 2 Financial procedures
- 3 How to do a bank reconciliation

- 4 Bookkeeping
- 5 Insurance for voluntary and community groups
- 6 QuickBooks –a starter guide
- 7 Charity registration
- 8 Excel spreadsheets for finance
- 9 The role of the treasurer
- 10 Getting ready to have your accounts checked
- 11 Gift Aid
- 12 Becoming a company
- 13 Reserves
- 14 Expenses
- 15 QuickBooks - procedure timetable

- 16 Restricted fund accounting
- 17 SAGE Line 50 –a starter guide
- 18 QuickBooks – basic procedures
- 19 SAGE Line 50 –advanced
- 20 QuickBooks – basic procedures 2
- 21 VAT for small charities and voluntary organisations
- 22 Financial difficulties and insolvency

Money management for community groups booklet

To request any of the guides call 0113 270 6291 or visit www.wycas.org.uk.

Charity Commission Accounts requirements England and Wales

(For periods commencing on or after 1 April 2009)

The Charity Commission has introduced some changes regarding the thresholds for the minimum requirements for annual accounts, the Trustees annual report, the level of scrutiny for the accounts and the report to the regulator; these are summarised in the chart below. Do give us a ring if you would like any additional information.

Income	>£10k	£10k-£25k	£25k - £250k	£250k - £500k	>500k
Accounts	Cash basis (non company) Accruals basis (company)			Accruals basis	Accruals basis
Trustees' annual report	Simple				Full
Scrutiny	None		Independent examination*		Independent Audit
			Independent person	Qualified Accountant	
Report to regulator	Update form	Simple Return	Simple Return		Full Return
			Report & Accounts		Report & Accounts

*if income >250k and assets >3.26m audit required. Company charities may have Independent Examination

Newsbites

Gift Aid – changes afoot

Currently charities have up to six years from the date of a gift to submit claims for Gift Aid. This time limit is to go down to four years on 1 April 2010. As a result, all future claims will have to be made within four years of the end of the tax year that the claim relates to. Charities should consider now whether they can claim Gift Aid to make sure that opportunities are not lost. For further information see

www.hmrc.gov.uk/CHARITIES/gift_aid/reclaim.htm#7

Standard VAT rate reverts back to 17.5%

The standard rate of VAT was temporarily reduced to 15% on 1 December 2008 and it will return to 17.5% on 1 January 2010. If you are VAT registered, you must charge VAT at the rate of 17.5% on

any sales of standard-rated goods or services that you make on or after 1 January 2010.

The change only applies to the standard VAT rate. There are no changes to sales that are zero-rated or reduced-rated for VAT. Similarly, there are no changes to the VAT exemptions. Any sales you make at these rates are unaffected by this change.

Guidance on how to account for this change is available from the HMRC at:
<http://www.hmrc.gov.uk/vat/forms-rates/rates/rate-changes.htm>

Training and Events

WYCAS organises a training programme in partnership with the five West Yorkshire CVSs. Please contact the relevant training organiser for details of prices and to book a place.

January

15	10am – 4pm	QuickBooks Intermediate Diane Fox 01274 722772	Caltec-Shipley
22	10am – 4pm	QuickBooks – Beginners Tina Ashby 0113 297 7944	Leeds
27	10am – 1pm	Preparing Management Accounts Tina Ashby 0113 297 7944	Leeds

February

2	10am – 4pm	Preparing for Year End Accounts Voluntary Action Kirklees 01484 518457	Kirklees
2	10am – 4pm	Financial Practice and Procedures (Accredited) 5-day course 2, 9, 23 February, 2, 9 March Diane Fox at BCVS 01274 722772	Bradford
23	10am – 4pm	Preparing for and understanding Year End Accounts Tina Ashby 0113 297 7944	Leeds
24	10am – 4pm	Basic Bookkeeping Bernadette McKernan 0113 270 6291	Wakefield
25	10am – 3pm	Preparing for and understanding Year End Accounts Tracy McWhire at VAC 01422 348777	Hebden Bridge
25	10am – 4pm	Basic Budgeting and Cashflow Diane Fox at BCVS 01274 722772	Bradford
26	10am – 4pm	QuickBooks – Beginners Diane Fox at BCVS 01274 722772	Caltec-Shipley

March

10	10am – 1pm	Good Financial Management - Payroll & Expenses Voluntary Action Kirklees 01484 518457	Kirklees
10	10am – 1pm	Introduction to Finance Tina Ashby 0113 297 7944	Leeds
11	10am – 4pm	Preparing for and understanding Annual Accounts Diane Fox at BCVS 01274 722772	Bradford
11	10am – 4pm	Accounting for Restricted Funds Bernadette McKernan 0113 270 6291	Wakefield
18	10am – 3pm	One to one support drop in session Helen Galvin 01422 208875	Brighouse
24	10am – 3pm	One to one support drop in session Voluntary Action Kirklees 01484 518457	Kirklees
25	10am – 3pm	One to one support drop in session Helen Galvin 01422 208875	Hebden Bridge
25	10am – 1pm	Financial Difficulties Tina Ashby 0113 297 7944	Leeds
26	10am – 4pm	QuickBooks – Intermediate Diane Fox at BCVS 01274 722772	Caltec-Shipley

April

16	10am – 4pm	QuickBooks – Beginners Tina Ashby 0113 297 7944	Leeds
20	10am – 4pm	Basic Bookkeeping Voluntary Action Kirklees 01484 518457	Kirklees
21	10am – 4pm	Basic budgeting and Cashflow – Forecasting Bernadette McKernan 0113 270 6291	Wakefield

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COMMUNITY
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Contact WYCAS

Advice line: 0113 270 6269

Enquiries: 0113 270 6291

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Email: info@wycas.org.uk

Web: www.wycas.org.uk

Local Community Accountants

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HX1 9FU

Calderdale: Helen Galvin
Tel: 01422 208875

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PO Box 722, Halifax HX1 9AB

Kirklees: Alison Wolfenden
Tel: 01484 716590

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PO Box 69, Brighouse HD6 3WH

Leeds: Claire Welling
Tel: 0113 270 6291

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