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Accrual World

Your Lifeline In The Cruel Sea Of Voluntary Sector Accounts

Welcome along...

to the November 2011 edition of Accrual World.



In this edition:

- Charity Commission cut-backs
- Pension Auto Enrolment
- A handy tool
- The Bribery Act 2010
- Training update

CHARITY COMMISSION CUT-BACKS

The Charity Commission's budget will fall from £29.3m in the current financial year to £21.3m by 2014/15, this means that the regulator will be scaling down its advice services. Charities will instead be expected to rely on umbrella bodies for advice. Don't forget that Your Local Community Accountant is on hand to help you. We have a team of experienced staff with specialist knowledge of Voluntary Sector accounts.

PENSION AUTO ENROLMENT

The new legislation, which requires the AUTOMATIC enrolment of all eligible employees into a qualifying pension scheme, comes into action – for the largest employers - from October 2012.

Over the course of the following 3 years ALL employers will probably be affected by its rules and so every group that employs people should be looking at what it means for them now.

The basic rules are that:

- Employers must enrol all eligible employees into a
- Qualifying pension scheme and
- Both employers and employees will need to contribute.

Needless to say, the rules and definitions of words such as 'eligible' and 'qualifying' are not that simple. Here are some useful links to get you started:

<http://www.dwp.gov.uk/docs/auto-enrol-and-wpr-the-facts.pdf>

<http://www.thepensionsregulator.gov.uk/docs/workplace-pensions-law-is-changing.pdf>

<http://www.pensionsadvisoryservice.org.uk/future-pension-reforms/auto-enrolment>

WVSC is hoping to run at least one session on this topic, probably early in 2012.

VAT NOTES SUPPLEMENT

HMRC have issued a 'VAT Notes Special Supplement' regarding changes to the online filing of VAT Returns and electronic payments from April 2012. It's not the most thrilling thing you'll ever read but HMRC do expect you to take a look if it applies to your organisation. To download a copy, click on the link below.

[Vat Notes](#)

ANNUAL ACCOUNTS SYSTEM - A HANDY TOOL

The 'Money In Mind' project in Brighton and Hove have been developing a range of accounts systems for community and voluntary groups. They have been designed in Excel, so groups don't have to buy additional software.

The **Annual accounts system with grant tracking** enables groups to keep track of grants or projects, and has separate sheets for bank income, bank expenditure, cash income, cash expenditure and transfers between cash tin and bank.

[Annual accounts system download](#)

The **Simple cash and bank spreadsheet** is a much simpler system, with a single sheet for cash income/expenditure and a single sheet for bank income/expenditure. It gives up to date balances and enables you to produce a finance report at the touch of a button. This system has no grant tracking.

[Simple cash and bank spreadsheet download](#)

Follow the links to the download pages.

THE BRIBERY ACT 2010

This Act came into force on 1 July 2011 and applies to charities either directly, or as potential associates to commercial companies. The Charity Commission have updated Chapter 3 of the compliance toolkit (see Section M).

[Charity Commission's Compliance toolkit index - Chapter 3](#)

Here are 6 key principles:

- Proportionate procedures
- Top-level commitment
- Risk assessment
- Due diligence
- Communication (including training)
- Monitoring and review

All charities should give the subject some consideration and at least put a policy and related procedures in place.

The Act applies mainly to facilitation payments perhaps made overseas but for example it could apply to gifts and hospitality in a very small charity.

There is potential for incurring criminal penalties (e.g. fines or imprisonment) but there is also a defence of having applied the six principles above. See also CC News 20 July 2011

[CC Guidance - Avoiding problems in running your charity \(risk management\)](#)

GIFT AID SMALL DONATIONS SCHEME

From April 2013 HMRC will allow up to £5,000 worth of small donations (under £10 per person) to be Gift Aided without the need of declarations. This will give each charity an extra £1,250 a year. To be eligible the charity will need to have been making claims for 3 years. So if you haven't yet registered with HMRC for claims, do it now, and then make sure you begin to process claims.

SERIOUS INCIDENT REPORTS TO THE CHARITY COMMISSION

The number of serious incident reports sent to the Charity Commission last year almost doubled to 849. It's estimated that fraud loses the sector £1.3bn a year. The Commission thinks that there is substantial under-reporting of fraud. These common factors contribute to the problem: passive trustees, lack of awareness of governance responsibilities, poor financial controls and lack of safeguards for vulnerable

beneficiaries.

NEW TOOLS TO HELP CHARITIES FILE INFO ONLINE

As well as its online written guidance, the Charity Commission has developed video tutorials to help charities submit information online. The Charity Commission aims to provide all its services online by 2012.

http://www.charitycommission.gov.uk/RSS/News/pr_ar11.aspx

*** Training ***

A brief reminder about our upcoming training events -

The Vital Role of the Treasurer

Date: Monday 12th December 2011

Duration: Full Day

Time: 9.30am - 16.30pm

Venue: WVSC Offices

Trainer: John Higson

The course is suitable for existing or potential treasurers of all voluntary sector groups as well as Boards looking to appoint a treasurer. The course will provide participants with:-

- A guide to the roles and responsibilities of the treasurer
- An outline of how to fulfill these tasks, including policies & procedures and accounts & reporting
- A knowledge of statutory obligations.

How the Computer can help you with your Accounting

Date: Tuesday 10th January 2012

Duration: Half day

Time: 9.30am - 12.30pm

Venue: WVSC Offices

Trainer: John Higson

The course will be beneficial for Board members and finance officers of small to medium size voluntary sector organisations, CIC's and other bodies. Participants will be provided with:-

- An introduction to the use of spreadsheets
- A knowledge of the use of accounting packages
- A detailed examination of the package QuickBooks and how it can be of help.

All of our courses are offered at competitive rates, starting at £70 per person. For more information on course costs, or any other queries, please contact us on the details below.

GET IN TOUCH...

If you have any queries or for more information then feel free to contact John or Chloe on the details below:

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