

**CROHN'S &
COLITIS UK**

**FIGHTING
INFLAMMATORY
BOWEL DISEASE
TOGETHER**

**NETWORK
VOLUNTEERING
PACK FINANCIAL
INFORMATION**



2019

NETWORK VOLUNTEERING FINANCIAL INFORMATION

All the documents listed below are available individually for editing (where applicable) via the Volunteer Resources section; please see www.crohnsandcolitis.org.uk/vr.

The following is specific to volunteering in a Crohn's and Colitis UK Local Network and is aimed at Lead Volunteers (Coordinators and Chairs) and Finance Volunteers (Link Volunteers and Treasurers). More general information, support and resources can be accessed online via the Volunteer Resources www.crohnsandcolitis.org.uk/vr.

CONTENTS

Unrestricted, Designated and Restricted Funds	03
Local Grants	03
Gift Aid	04
VAT	05
Financial Records	05
Accounting Year and Audit	05
Financial Returns	05
Accounts	06
Banking Process	06-07
Local AGM & Annual Report	07

UNRESTRICTED, DESIGNATED AND RESTRICTED FUNDS

There are three types of ‘funds’ held by a charity - unrestricted, designated and restricted - to which donors can give.

BACKGROUND

Unrestricted Funds are those where the donor has not specified for a particular purpose. Members’ subscriptions, General Fund donations and general fundraising for Crohn’s and Colitis UK fall into this category. The Trustees can decide how to use these funds if they are used to meet Crohn’s and Colitis UK’s objectives.

Designated Funds are those funds for which the Trustees have chosen to allocate to a particular purpose. Network income and expenditure is treated as designated funds available for the local networks.

Restricted Funds are those where money has been given by donors to be used for a specific purpose.

LOCAL GRANTS

Networks may choose to give money towards local services; this is known as a ‘Local Grant’. The following is a list of circumstances in which a network may choose to give a local grant:

- they have received a donation restricted to use in the local area
- they wish to raise the profile of the Network by donating funds and generating publicity
- they wish to ‘give something back’ to a local hospital in recognition of their IBD services
- they wish to motivate supporters to do more fundraising by stressing the local benefit

Local grant requirements, procedure and eligibility can all be found in the Local Grants policy. The policy also contains examples of grants that have been approved from 2010 up until the present day. It is important that networks report to supporters how money has been spent and also receive feedback from the recipient of the grant - please consult the **Local Grants policy** throughout this process.

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NETWORK VOLUNTEERING FINANCIAL INFORMATION

GIFT AID DECLARATIONS & SPONSOR FORMS

Gift Aid is a fantastic way of generating extra funds for the Charity.

Following a review of Gift Aid processes, it was determined that It is time consuming and sometimes impossible to administer Gift Aid on individual donations specific to Local Networks, so it was decided that Gift Aid would remain at Head office as an income stream. At the same time, it was also decided that the processing charges for Network income received at head office (and subsequently transferred to the Network) would be waived and the Network would receive the income gross.

Declarations are required for all donations on which Gift Aid is to be claimed. Donors can provide the declaration in advance of, at the time of or any time after the donation, as long as it is within four years. The declaration needs to contain:

- the donor's name and full home address
- name the charity (or be made in circumstances where the charity is identified)
- identify the gift or gifts to which the declaration relates, and
- confirm that the identified gift or gifts are to be treated as Gift Aid donations.

It is most common for declarations to come via sponsor forms (often used for events, runs, walks etc.) which can be found online at www.crohnsandcolitis.org.uk/vr

COORDINATED NETWORKS

Money from donations on which Gift Aid is to be claimed should paid into the bank as usual. The Gift Aid declarations should be sent to the network's Volunteer Coordinated Network Treasurer who will then liaise with the Income Generation Team to process the Gift Aid claim on behalf of the Charity.

CHAired NETWORKS

Money from donations on which Gift Aid is to be claimed should paid into the bank as usual. The Gift Aid declarations should be sent to the Charity (c/o The Income Generation Team) who will then process the Gift Aid claim on behalf of the Charity.

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NETWORK VOLUNTEERING FINANCIAL INFORMATION

VAT

Charities are not exempt from paying VAT and it is due on the purchases of goods and services just like any other purchaser, but unfortunately, only a portion of this can be reclaimed from HMRC. Annually, the charity incurs in the region of £200k of VAT that cannot be reclaimed. In addition to this, there are some streams of income on which output VAT needs to be accounted. eg sales of merchandise, run registrations etc and we need to be compliant in ensuring that this output VAT is captured correctly.

The Charity is continually working to find ways of mitigating against irrecoverable VAT.

VAT on network expenditure is not currently reclaimed and we are looking into making this possible, which may mean the introduction of quarterly financial returns.

FINANCIAL RECORDS

All financial documents should be kept for 6 years. Please send anything older to the Charity's office. If your network is still chaired the records need to be sent to Head office once the transition to a coordinated Treasurer is complete.

ACCOUNTING YEAR & AUDIT

Crohn's and Colitis UK's accounting year is the calendar year 1st January to 31st December.

A person with some financial experience should audit the annual accounts, they do not have to be a registered auditor or qualified Accountant. The auditor should be appointed at the network local AGM.

FINANCIAL RETURNS

The financial returns form part of the records required by the Charity's auditors to ensure the proper use of funds. Chaired network Treasurers and Coordinated Treasurers are required to complete the financial returns. All returns are issued electronically by finance with instructions and should be returned to the Finance and Corporate Services Team in line with instructions. The Charity's auditors may also request copies of statements for the remainder of the year as part of their audit routines. In 2019 the information was also requested at mid-year and there are plans for this to be increased to quarterly.

NETWORK VOLUNTEERING FINANCIAL INFORMATION

ACCOUNTS

COORDINATED NETWORKS

The Volunteer Coordinated Network' Treasurer will keep a proper record of the networks' accounts e.g. recording all income and expenditure. The network Organising Team should be kept regularly informed of the financial status of the network. These records will be kept up to date so that another member of the Organising Team can take over the Link Volunteer's responsibilities at short notice, should it become necessary through illness or some other reason.

New coordinated networks starting between January - December of any year must ensure that all payments and receipts are forwarded to the Volunteer Coordinated Network' Treasurer (allowing preparation time) before 31st December of that year.

CHAired NETWORKS

The network via the Treasurer will keep a proper record of each item of money received or spent. The Organising Team should be kept regularly informed of the financial status of the network. These records should be kept up to date so that another member of the Organising Team can take over the Treasurer's responsibilities at short notice, if that becomes necessary through illness or some other reason.

BANKING PROCESS

COORDINATED NETWORKS

Bank accounts are administered by the Volunteer Coordinated Network' Treasurer.

- Each coordinated network holds a paying-in book to pay in any donations.
- The Volunteer Coordinated Network' Treasurer and Finance Manager are signatories on the account
- Payments may be made online (Lloyds accounts only) against invoices for network expenditure or Organising Team volunteers' expense claims. All online payments require dual authorisation
- At the end of the year Crohn's and Colitis UK asks networks to retain enough money in their accounts to be able to operate for 12 months, (usually up to £1,000). Any additional monies should be sent to the Crohn's and Colitis UK office before the year end, unless they are being held for agreed Local Grants. Funds sent back to the central charity will be held in a designated fund for 3 years from 31 December of that year, and may be recalled by the network at any point during that time if there is need or if there is a local project for which the network requires funds, subject to the Local Grants policy. Any unutilised funds will be transferred to General Funds after 3 years.

NETWORK VOLUNTEERING FINANCIAL INFORMATION

CHAired NETWORKS

Crohn's and Colitis UK are in the process of moving all network bank accounts to Lloyds and for those accounts to be managed by coordinated Treasurers, there are very few chaired networks remaining, for these:

- It is recommended that up to 3 Organising Team members are signatories on the accounts, who should not be members of the same family. The bank mandate must also include the Director of Support Services and the Director of Finance and Corporate Services (5 signatories in all).
- Cheques must be signed by two signatories.
- All monies in the account belong to Crohn's and Colitis UK, but the network can use the money to fund their local activities and can use some funds to make local. All local grants and purchases must first be approved by Crohn's and Colitis UK as per the Local Grants policy.
- At the end of the year Crohn's and Colitis UK asks networks to retain enough money in their accounts to be able to operate for 12 months, (usually up to £1,000). Any additional monies should be sent to the Crohn's and Colitis UK office before the year end, unless they are being held for agreed Local Grants.
- Funds sent back to the central charity will be held in a designated fund for 3 years from 31 December of that year, and may be recalled by the network at any point during that time if there is need or if there is a local project for which the network requires funds, subject to the Local Grants policy. Any unutilised funds will be transferred to General Funds after 3 years.

LOCAL AGM & ANNUAL REPORT

COORDINATED NETWORKS

All networks are asked to produce a report detailing activities for the past twelve months. Coordinated networks are asked to communicate this to supporters via their newsletter. In addition, quarterly reporting will take place to provide an accurate log of activity. This information is used to report to the Charity's Board of Trustees who, in turn compile a report of all activities to the Charity Commission/ OSCR. It also helps us write bids and raise vital funds.

CHAired NETWORKS

Chaired networks hold a Local AGM to fulfil network obligations; report on activities and elect the Organising Team. Networks are advised to arrange Local AGMs as part of an educational talk/event. The Local AGM section should last no longer than 10-15 minutes and can be hosted like any other meeting.