

**CROHN'S &
COLITIS UK**

**NETWORK
VOLUNTEERING
PACK FINANCIAL
INFORMATION**



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](http://www.crohnsandcolitis.org.uk/vr).

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NETWORK VOLUNTEERING FINANCIAL INFORMATION

UNRESTRICTED, DESIGNATED AND RESTRICTED FUNDS

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

BACKGROUND

Unrestricted Funds are those where the donor has not specified for a particular purpose. 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 and matches the cash held by the networks.

Restricted Funds are those where money has been given by supporters (not networks) to be used for expenditure on specific purposes.

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.

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GIFT AID DECLARATIONS & SPONSOR FORMS

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

Gift Aid is recorded at Head office as an income stream.

If you do run events where gift aid is possible. Then declarations are required for all donations on which Gift Aid is to be claimed. The declaration needs to contain:

- the donor's name and full home address
- A statement that the donor is a UK taxpayer
- The name the charity (or be made in circumstances where the charity is identified)
- State the amount of 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

The process

Money from donations on which Gift Aid is to be claimed should be 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 Supporter Engagement Manager to process the Gift Aid claim on behalf of the Charity.

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.

Please ensure that all invoices/ receipts are addressed to CCUK Head office in Hatfield.

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FINANCIAL RECORDS

All financial documents should be kept for 6 years.

ACCOUNTING YEAR & AUDIT

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

For chaired networks, a person with some financial experience should **audit the annual accounts**, they do not have to be a registered auditor or qualified Accountant. This person 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 twice a year (June and December).

All returns are issued electronically by finance with instructions and should be returned to the Finance Team in line with instructions. The Charity's auditors may also request copies of bank statements for the remainder of the year as part of their audit routines.

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.

CHAired NETWORKS

The network via the Treasurer will keep a proper record of all income and expenditure. 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.

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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 2 managers in the finance team, are signatories on each bank 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 £1k) plus any planned activity for the following year. Any funds over £5k should be sent to the Crohn's and Colitis UK office.

CHAired NETWORKS

There are only 3 chaired networks at the charity. These should keep in place: -

- 3 Organising Team members are signatories on the accounts, who should not be members of the same family. The bank mandate must also include two Directors at Head office (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 request that networks retain enough money in their accounts to be able to operate for 12 months, (usually up to £1k) plus any planned activity for the following year. Any monies over £5k should be sent to the Crohn's and Colitis UK office.
- Designated funds are maintained at head office, to reflect the balance of cash held by the networks.

NETWORK VOLUNTEERING FINANCIAL INFORMATION

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.