



DCAS SERVICES
 - Independent Examinations -
 - Payroll Services -
 - Advice -
 - Training & Support -
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NEWSLETTER SPRING 2016

TAX AND NATIONAL INSURANCE CHANGES FOR 2016/2017

BANDS OF TAXABLE INCOME AND CORRESPONDING TAX RATES

	2015/16	2016/17
Basic Rate	20%	20%
Higher Rate	40%	40%
Additional Rate	45%	45%
Basic Rate Band	£0 – 31,785	£0-32,000
Higher Rate Band	£31,785– 150,000	£32,001 – 150,000
Additional Rate	Over £15,000	Over £15,000
Personal Allowance	£10,600	£11,000

NATIONAL INSURANCE CONTRIBUTION THRESHOLDS

Weekly Lower Earnings Limit	112	112
Weekly Primary Threshold	155	155
Weekly Secondary Threshold	156	156
Weekly Upper Earnings Limit	815	827

NATIONAL INSURANCE RATES 2016-2017

Employee (Primary)		Employer (Secondary)	
Weekly Earnings	NI Rate (%)	Weekly Earnings	NI Rate (%)
Below £112	0		
£112 -155	0	Below £156	0
£155-827	12	Above £156	13.8
Above £827	2		



**MANY THANKS TO THE UNIVERSITY OF DERBY
 COMMUNITY FUND WHO HAVE SPONSORED THIS
 EDITION OF OUR NEWSLETTER**

People and Skills

Trustee Payments and Expenses

The concept of unpaid trusteeship has been one of the defining characteristics of the charitable sector, contributing greatly to public confidence in charities. This does not mean that a trustee can never receive any payment or benefit from his or her charity; there are sometimes good reasons why it can be in a charity's interests to make a payment to a trustee. Trustee boards need, though, to minimise the risks to their charity's reputation and operation.

Expenses are normally refunds by the charity of costs a trustee has had to meet personally (or which have been met on his or her behalf) in order to carry out trustee duties. In some cases, these expenses may be paid in advance. A refund of properly incurred expenses is not a trustee payment, nor does it count as any kind of personal benefit.

Any reasonable costs that allow trustees to carry out their duties can be classed as legitimate expenses such as:

- ◇ the reasonable cost of travelling to and from trustee meetings
- ◇ reasonable refunds for the cost of meals taken while on charity business
- ◇ the cost of postage and telephone calls on charity business
- ◇ the reasonable cost of childcare, or care of other dependants (for example, an elderly parent) whilst attending trustee meetings

Trustee Payments are a financial or other measurable benefit paid to a trustee, or to a 'connected person' from a charity's funds in return for work the trustee has carried out for the charity. In most cases, this involves paying a trustee for services over and above normal trustee duties - for example, plumbing, painting the charity's premises, or legal or accountancy work. But it can also include payment for serving as trustee, and payment to a trustee as an employee of the charity in a separate role (for example a chief executive, head teacher, or religious leader who also sits on a charity's board).

If a trustee board is considering whether to make a payment to a trustee (as opposed to reimbursement of expenses) there are six key factors to consider:

- ◇ who will receive the payment - will it be a trustee, or a person or business connected with a trustee?
- ◇ what is the payment expected to cover?
- ◇ is the payment clearly in the best interests of the charity?
- ◇ is there a legal authority for it?
- ◇ what conditions must be met if the payment is to be made?
- ◇ how will any conflict of interest be managed?

More details: <https://www.gov.uk/government/publications/trustee-expenses-and-payments-cc11>

Top Tips

How To Reduce Your Accounts Bill

Your accountant will need to see all the relevant documents concerned with your accounts, so it makes sense to have a checklist of jobs that will help you to present a complete set of accounts, saving your accountant time, and you some money!

Have you:

- ◆ done a Bank Reconciliation?
- ◆ added up your Cash Book?
- ◆ checked that all your spreadsheet formulas are correct?
- ◆ printed off your spreadsheets?
- ◆ recorded the income and expenditure for ALL your accounts?
- ◆ included the relevant year's bank statements?
- ◆ brought your petty cash book up to date?
- ◆ included all your cash receipts?

Remember that we be will presenting the *Andrew Buxton Award* to the group which shows us the best kept set of accounts for this year

Maggie Mallender

It is with great sadness that we have to tell you of the loss of our dear friend and colleague Maggie Mallender.

Maggie worked with us at DCAS when it first came into being in 2002. During the intervening years she worked with many charities in Derby and the surrounding area, passing on her considerable knowledge of workable book-keeping procedures with determination and fun!

We will all miss Maggie very much, and extend our condolences to her family, many colleagues and friends.



Statutory Holiday Entitlement and Pay

Leave Entitlement

Almost all workers are legally entitled to 5.6 weeks' paid holiday per year (known as statutory leave entitlement or annual leave). An employer can include bank holidays as part of statutory annual leave.

For those working part-time or unusual hours, there is a handy calculator which can be used to calculate holiday entitlement. This can be found at:

<https://www.gov.uk/calculate-your-holiday-entitlement>

An employer

- must NOT round down the holiday entitlement, but may round it up.
- can provide more paid holiday - this will be in the employment contract and is called 'contractual leave entitlement'
- must provide holiday pay during the statutory leave

Holiday Pay

Workers are entitled to a week's pay for each week of leave they take.

A week's pay is worked out according to the kind of hours someone works and how they're paid for the hours. This includes full-time, part-time and casual workers.

Calculating average hourly rate

To calculate average hourly rate, only the hours worked and how much was paid for them should be counted. Take the average rate over the last 12 weeks. If no pay was paid in any week, count back a further week, so that the rate is based on 12 weeks in which pay was paid.

Rolled-up holiday pay

Holiday pay should be paid for the time when annual leave is taken. An employer cannot include an amount for holiday pay in the hourly rate (known as 'rolled-up holiday pay').

IF A CONTRACT STILL INCLUDES ROLLED-UP PAY, IT NEEDS TO BE RE-NEGOTIATED

More information can be found here:

<https://www.gov.uk/holiday-entitlement-rights/holiday-pay-the-basics>

For specific information about your holiday pay entitlement, you will need to contact the Advisory, Conciliation and Arbitration Service (ACAS)

ACAS East Midlands is located at: Apex Court, City Link, Nottingham NG2 4LA

DERBY CAS IS FUNDED BY DERBY CITY COUNCIL

Derby City Council has withdrawn all funding to the Voluntary Sector from June 2016, so the banner above appears for the last time in our Newsletters. HOWEVER, Derby Community Accountancy Service IS STILL IN BUSINESS to serve your needs