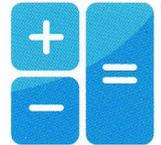


DERBY COMMUNITY ACCOUNTANCY SERVICE



DCAS SERVICES:

- * Independent Examinations
- * Payroll Services
- * Advice
- * Training & Support



☎: 01332 364 784

✉: casbitcderby@hotmail.com

<http://derby-community-accountancy.org.uk/>

NEWSLETTER SPRING 2018

CHANGES TO INCOME TAX BANDS AND RATES FROM APRIL 2018

	Tax year 2017-18		Tax year 2018-19	
	Income tax bands of taxable income (£ per year)	Income tax rates	Income tax bands of taxable income (£ per year)	Income tax rates
Basic rate	£0-33,500	20%	£0-£34,500	20%
Higher rate	£33,500-150,000	40%	£34501-£150,000	40%
Additional rate	Over £150,000	45%	Above £150,000	45%

NATIONAL INSURANCE CONTRIBUTION THRESHOLDS

	2017-2018	2018-2019
Weekly Lower Earnings Limit	£113	£116
Weekly Primary Threshold	£157	£162
Weekly Secondary Threshold	£157	£162
Weekly Upper Earnings Limit	£866	£892

RATES FOR NATIONAL LIVING WAGE AND NATIONAL MINIMUM WAGE

Year	25 and over	21 to 24	18 to 20	Under 18	Apprentice
From April 2017	£7.50	£7.05	£5.60	£4.05	£3.50
From April 2018	£7.83	£7.38	£5.90	£4.20	£3.70

Statutory Payments

The weekly rates for **Statutory Adoption, Maternity, Paternity** and **Shared Parental Pay** increase to **£145.18 pw**

Statutory Sick Pay increases to **£92.05 pw**

More details here:

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2018-to-2019>

Margaret's Page

Have you ever wondered what we do when we carry out an Independent Examination of Accounts? I've prepared an itinerary of the basic steps that we follow, so that you can see what is involved, and maybe you can see where time can be saved to speed up the process!



1 Prepare a Plan of Work—*this usually consists of a checklist, and ensures that all the parts of the accounts that need to be considered are present and correct, and can be ticked off on completion*

2 Obtain Background Information—*A Letter of Engagement is issued to set out the terms and scope of the work which will be carried out. Checks show us what the charity's activities are, all personnel involved, and any changes that have occurred over the year, so we need copies of the constitution, minutes of meetings and any promotional publications related to the charity*

3 Inspect the Accounting Records—*to establish whether adequate accounting records have been maintained, and that the accounts agree with the records, we check:*

- * *all entries in the Cash Book (manual or digital) together with all receipts, vouchers, invoices, bank statements, passbooks, cheque books, paying-in slips which support those entries*
- * *the list of fixed assets (eg buildings and vehicles owned by the trust) with date of purchase and any changes during the year*
- * *the List of Debtors—outstanding invoices issued by you which have not been paid*
- * *the List of Creditors—outstanding invoices from suppliers not yet paid by your charity*

4 Perform an analytical review—*we look for any unusual items or anomalies by looking at the figures, comparing to last year's and looking for explanations as to why any things have changed*

5 Post-Balance Sheet events—*eg if any assets have been sold or acquired; any new creditors –eg a loan that may have been taken out; if debts are being recovered*

6 Check the form and content of the accounts—*accounts prepared on an accruals basis need to clearly identify Incoming Resources and Expenditure, Assets and Liabilities, Restricted and Unrestricted funds. Also direct charitable expenditure, fundraising, publicity and management administration costs should be shown separately*

7 Review and establish suitable accounting policies—*we need to ensure that appropriate accounting policies have been applied, and consider any judgements made in preparing the accounts*

8 Review the Trustees' Report—*we check for any inconsistencies, and agree any amendments with the management board*

9 Review and assess all conclusions drawn from the evidence obtained from the examination, and consider the implication on the report provided—*we consider any negative findings, clearly explain them, summarise the financial implications, summarise any necessary adjustments and ensure the accounts comply with regulations*

10 Fulfil the statutory duty to report to the Charity Commission—*we have a statutory duty to report any signs of mismanagement, breach of trust or misuse of charity property that we might have identified during the examination of accounts*



CHARITY COMMISSION FOR ENGLAND AND WALES

A Charity's Governing Document is the legal document that creates the charity.

It is, in effect, the rulebook (*like a constitution*) which explains why and how your charity is run, and contains full details of:

- its name - *a good name choice will reflect what you do as a charity*
- its charitable purposes ('objects')
- what it can do to carry out its purposes ('powers'), such as borrowing money
- who runs it ('trustees') and who can be a member (if appropriate)
- how meetings will be held
- how many trustees to appoint and how
- the frequency and form of any meetings of trustees
- how many trustees are needed to make decisions
- the form that any Annual General Meeting will take, and who may attend
- how you look after your charity's money, land, property or Investments and keep accounts
- how you resolve internal disputes
- any rules about paying trustees, investments and holding land
- whether the trustees can change the governing document, including its charitable objects ('amendment provisions')
- how to close the charity ('dissolution provisions')

All Trustees should hold a copy of the Governing Document, so that they can refer to it whenever it is needed. Good governance in charities is fundamental to their success. It enables and supports a charity's compliance with the law and relevant regulations. It also promotes a culture where everything works towards fulfilling the charity's vision.

Guidance on writing a Charity's Governing Document can be found in this document

How to write your charity's governing document (CC22b)

available from the Government website www.gov.uk

Claiming Tax Back On Donations

A Gift Aid Declaration allows charities and community amateur sports clubs (CASCs) to claim tax back on eligible donations.

It's important that you keep records of declarations and Gift Aid payments.

If you make a Gift Aid claim without collecting a declaration from the donor, HM Revenue and Customs (HMRC) may ask you to repay the equivalent amount in tax.

A declaration by a donor can be made in writing, verbally or online. Whichever format you use, donors must provide the required information for your Gift Aid claim to be valid, which **must** include:

- * *the name of your charity or CASC*
- * *the donor's name*
- * *the donor's home address*
- * *whether the declaration covers past, present or future donations or just a single donation*
- * *a statement that the donor wants Gift Aid to apply*
- * *an explanation that the donor needs to pay the same amount or more of UK Income Tax and/or Capital Gains Tax, as all charities and CASCs will claim on the donor's gifts in a tax year and that the donor is responsible to pay any difference*

All CASCs and charitable trusts and most charities must keep declaration records for 6 years from the end of the accounting period they relate to.

More detailed information, and sample declaration formats like the one shown above can be found on the government website

<https://www.gov.uk/government/publications/charities-and-casc-gift-aid-declaration-forms-for-multiple-donation>

Charity Gift Aid Declaration – multiple donation

Boost your donation by 25p of Gift Aid for every £1 you donate

Gift Aid is reclaimed by the charity from the tax you pay for the current tax year. Your address is needed to identify you as a current UK taxpayer.

In order to Gift Aid your donation you must tick the box below:

I want to Gift Aid my donation of £_____ and any donations I make in the future or have made in the past 4 years to:

Name of Charity _____

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

My Details

Title _____ First name or initial(s) _____

Surname _____

Full Home address _____

Postcode _____ Date _____

Please notify the charity if you:

- want to cancel this declaration
- change your name or home address
- no longer pay sufficient tax on your income and/or capital gains

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code.

DCAS would like to thank Foundation Derbyshire for their continuing support for our organisation's work by funding the production of this newsletter



Funded by:
**Foundation
Derbyshire**