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NEWSLETTER WINTER 2019

Charity Annual General Meetings (AGMs)

Do all charities need to have an AGM?

Not all charities have members, or need to have an AGM - you will need to check what the Governing Document says. The charity trustees are only bound to act on decisions taken by the members where the governing document directs that those matters have to be decided at such a meeting.

It is important that charity trustees are clear about the status and purpose of the AGM and that this is clearly communicated to those attending.

What is the purpose of an AGM?

The aim of the AGM is to provide the charity trustees and/or officers with the opportunity to explain their management of the charity to the members. It also provides the members of the charity with an opportunity to ask questions before voting on business items on the agenda. A charity's AGM is held once a year and members of the charity can attend and vote. The governing document will state when it must be held. This may be in a particular month or within a certain period after the end of the financial year.

The business that must be considered by the AGM will usually be specified in the governing document or by underlying legislation, however, the charity trustees can include any other additional items of business they feel appropriate.

Potential problems

Although the majority of AGMs run smoothly, the Charity Commission recommends that, prior to the AGM, the charity trustees consider whether they need to establish procedures for dealing with disputes at the meeting. This could include:

- * details of the point at which the meeting should be adjourned
- * guidance to members on conduct required in relation to contentious issues, and
- * how to fill vacant posts (for example, the circumstances in which it will be appropriate to accept nominations for officers or other committee members from the floor either in addition to, or in place of, nominations made in advance of the meeting)

MARGARET'S PAGE

Legal Requirements for Accounting Records

All Charities

(whether registered with the Charity Commission or not) must prepare accounts and make them available on request. All charities must keep accounting records, and prepare annual accounts which must be made available to the public on request.



All Registered Charities (and not exempt or excepted charities)

must prepare an annual report and make it available to the public on request. All registered charities will be contacted by the Charity Commission, shortly after the end of their financial year, and are required, depending on their income, to complete either a full annual return or to complete the relevant sections to update their details.

Charities where the gross income **does not exceed £25,000** in the relevant financial year can choose which type of accounts to prepare; either receipts and payments accounts or accruals accounts. There is no requirement to have the accounts independently examined or audited, unless the charity's governing document stipulates it, but the Charity Commission does have the power to require an audit in exceptional circumstances.

All CIOs and all other registered charities with a **gross income exceeding £10,000** are under a legal duty to complete and return the online annual return form to the Charity Commission.

Charities with a gross income of **more than £25,000** in their financial year are required to have their accounts independently examined or audited.

Keeping Accounting Records

These records (for example cash books, invoices, receipts, Gift Aid records etc)

MUST be retained for at least 6 years

Where **Gift Aid** payments are received, records will need to be maintained for **6 years** with details of any substantial donors and to identify 'tainted charity donations' in accordance with HMRC guidance.

An Independent Examination

This is an external review of a charity's accounts and is carried out by an independent person with the requisite ability and practical experience to carry out a competent examination.

An examination involves a review of the accounting records kept by the charity, and a comparison of the accounts presented with those records. This means that all cash books, bank statements, invoices and receipts must also be made available for checking by the Independent Examiner.

Please contact us at the office if you need any further help or advice

Get Your Business Ready To Employ Staff: A Step By Step Guide

Check what you need to do as an employer before you can take on staff

Step1:

Decide what type of employee you need, and check you can afford to take on employees, considering:

- ⇒ Full-time and part-time contracts
- ⇒ Fixed-term contracts
- ⇒ Agency staff
- ⇒ Freelancers, consultants and contractors
- ⇒ Zero-hours contracts
- ⇒ Employing family, young people and volunteers

Step2:

Make your workplace safe and accessible for employees. Consider how you will:

- ⇒ Prevent discrimination
- ⇒ Make your workplace accessible for employees with disabilities or health conditions
- ⇒ Keep employee information and data safe
- ⇒ Ensure Fire safety
- ⇒ Ensure Health and safety
- ⇒ Find out what you need to check when you employ someone

Step3:

Register as an employer and set up PAYE:

- ⇒ Choose how to run payroll
- ⇒ If you decide to run payroll yourself, choose payroll software

Step4:

Check your responsibilities around workplace pensions:

- ⇒ What is automatic enrolment?
- ⇒ Does automatic enrolment apply to me?
- ⇒ How can I find out what I'll need to do?
- ⇒ Ongoing duties
- ⇒ Understanding your costs
- ⇒ Guidance and support

Step5:

Get Employers' Liability insurance:

- ⇒ You must get Employers' Liability (EL) insurance as soon as you become an employer - your policy must cover you for at least £5 million and come from an authorised insurer.
- ⇒ You may not need EL insurance if you only employ a family member or someone who is based abroad.
- ⇒ You can be fined £2,500 every day you are not properly insured.
- ⇒ You can also be fined £1,000 if you do not display your EL certificate or refuse to make it available to inspectors when they ask.

Step6:

Recruit and employ staff:

- ⇒ Advertise the role and interview candidates
- ⇒ Check they have the right to work in the UK
- ⇒ Find out if they need a DBS check
- ⇒ Check if they need to be put into a workplace pension
- ⇒ Agree a contract and salary
- ⇒ Tell HMRC about your new employee

Starting A New Employee

You usually have to pay your employees through PAYE if they earn £118 or more a week (£512 a month or £6,136 a year)

You must tell HMRC about your new employee on or before their first pay day:

- * Get their personal details and P45 to work out their tax code
- * If you don't have their P45, use HMRC's 'starter checklist'
- * Check what to do when you start paying your employee

You only need a starter checklist from your employee to work out their tax code if they do not have a P45, or if they left their last job before 6 April 2018

You do not need to operate PAYE on volunteers if they only get expenses that are not subject to tax or National Insurance

Operate PAYE on students in the same way as you do for other employees

Student loan repayments

You should make student loan deductions if any of the following apply:

- ◆ your new employee's P45 shows that deductions should continue
- ◆ your new employee tells you they're repaying a student loan, for example on a starter checklist
- ◆ HM Revenue and Customs (HMRC) sends you form SL1 or form PGL1 and your employee earns over the income threshold for their loan

More detailed information can be found here <https://www.gov.uk/new-employee>

The Andrew Buxton Memorial Award 2019 Winners: Derby Association of Community Partners (DACP)



Dennis Rees of the Derby Association of Community Partners (DACP)

is pictured receiving the certificate on their behalf when he visited our office in November

The organisation also received a cheque for £100 as part of their prize

*Congratulations and well done to all the team at **DACP!***

**DCAS would like to thank
Foundation Derbyshire
for their continuing support for our
organisation's work**



Foundation
Derbyshire