



DCAS SERVICES:

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

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NEWSLETTER SPRING 2019

CHANGES TO INCOME TAX BANDS AND RATES FROM APRIL 2019

	Tax year 2018-19		Tax year 2019-20	
	Income tax bands of taxable income (£ per year)	Income tax rates	Income tax bands of taxable income (£ per year)	Income tax rates
Basic rate	£0-334500	20%	£0-£37,500	20%
Higher rate	£34,500-150,000	40%	£37501-£150,000	40%
Additional rate	Over £150,000	45%	Above £150,000	45%
Higher Rate Threshold			£50,000	

NATIONAL INSURANCE CONTRIBUTION THRESHOLDS

	2018-2019	2019-2020
Weekly Lower Earnings Limit	£116	£118
Weekly Primary Threshold	£162	£166
Weekly Secondary Threshold	£162	£166
Weekly Upper Earnings Limit	£892	£962

Statutory Payments

The weekly rates for **Statutory Adoption, Maternity, Paternity and Shared Parental Pay** increase to **£148.68 pw** for payment weeks beginning on **7th April 2019**

Statutory Sick Pay increases to **£94.25 pw** from 6th April 2019

Automatic Enrolment Pension Contributions

The final statutory increase in contributions is **due from April 2019** to a **minimum of 8%** in total. The employer must contribute a **minimum of 3%** with the employee making good the remainder.

Small Employers Relief Threshold remains unchanged at **£45,000**

Employment Allowance remains at **£3,000**

Employee Personal Allowance rises to **£12,500 per year**

Setting Objectives - A SMART Move?

All trustees must ensure that their charity complies with the law, and should be able to demonstrate that it is legally compliant, well-run and effective in carrying out its **purposes**.

Your charity's purposes are important for anyone joining, supporting or benefiting from your charity, so that they can understand what it does, who it helps, where and how it works

All charities have a goal which they want to ultimately achieve, but to have any sense of achievement, along the way a charity needs to assess its progress in manageable chunks called objectives, or **targets**

The setting of these targets is important

- ♦ to ensure that the intended purposes of the charity are being followed
- ♦ so that progress towards them can be monitored
- ♦ to give valuable information for any changes that might be needed to service delivery in the future

Setting targets the **SMART** way

You can't measure your results without knowing what you're trying to achieve, so you could try the SMART model:

Specific – any target should be clearly and precisely specified

Measurable – standards should be set against which progress can be measured

Agreed – all Management Committee members, staff and volunteers should agree to, and be fully committed to, these targets

Realistic – targets must be realistic i.e. achievable, but not too easy or too challenging

Time-bound – the charity must specify a time for completion

Here are some example targets which are clear, precise and measurable:

"We will relocate our services to Derby by moving to suitable premises, costing no more than £2,500 p.a., and we will complete the move within six months"

"We will increase the number of Service Users by 15% during the next year"

"We will achieve a Quality Mark within the next 12 months"

"We will increase our Reserves by £5,000 within 6 months"

"We will recruit a Fundraising Officer during the next financial year"

"We will present our Annual Accounts to our Independent Examiner within 3 months of the end of the Financial Year"

Margaret's Page

Managing a Charity's Finances:

Restricted, Unrestricted and Designated Funds

A charity can only succeed in meeting its aims if it manages its money properly. This means that the Trustees should agree and regularly review their plans for achieving the charity's aims, and the finances needed to support them.



Trustees should

- ♦ agree where funding will come from
- ♦ agree what happens if funding is reduced or stops
- ♦ plan for how to reduce or avoid gaps in funding, for example, by having several sources of funding
- ♦ have a Reserves Policy

Trustees **must** know which funds are Restricted, Unrestricted and Designated

Understanding The Difference

Restricted Funds refer to funds held under 'specific trusts', which means that they are held for a specific charitable purpose. The restriction carries the weight of the law, and so restricted funds can only be lawfully spent on the specific charitable purpose for which they were provided. There is no requirement for Restricted Funds to be held in a separate bank account.

'**Specific Trusts**' can refer to any legacies which have been left to the charity, endowments which the charity holds, or grants which may have been awarded from funders such as **National Lottery**, **Children in Need** and **Comic Relief** which are to be used by the charity for a particular project only.

Unrestricted General Funds can be spent at the discretion of the trustees to further **any** charitable purpose of the charity. This means that these funds can be spent in their own right, or can be added to a restricted fund which does not have enough money to cover its expenditure.

Designated funds are still unrestricted, but have been set aside by the trustees for a particular future project or commitment. The designation is for administrative purposes only and carries no legal authority.

These differences are especially important when producing the year end accounts, and reporting to Funders on how the money was spent.

*Therefore, you **MUST** have a system in place within your accounting records which clearly shows how costs have been split between individual restricted funds. Please get in touch with me if you need any help on this matter.*

Don't Ignore the Workplace Pension



Automatic Enrolment Opting Out

An eligible jobholder who is automatically enrolled into a workplace pension scheme may decide to opt out of the scheme. Opting out could, however, mean losing valuable retirement benefits.

Key points

- If you don't want to join your employer's workplace pension scheme at this time, you can opt out. You will need to complete and return an Opt out form.
- Any money you have paid into the scheme will be repaid in full if you opt out within one month of being automatically enrolled
- If you opt out later than the one month period for a refund, any contributions that you and your employer have paid into your pension pot would normally remain invested until you can draw retirement benefits
- Employers are required to automatically re-enrol eligible jobholders into the workplace pension scheme, normally every three years, but members can decide to opt out once enrolled
- You will lose valuable retirement benefits if you decide to opt out or stop contributions to the scheme.

*The **Pensions Advisory Service** can give you more information*



Ted Cassidy started up CAS here in Derby in 1991, and he worked as Community Accountant until he retired in 1997.

Since then he has continued his links with DCAS in the background, acting as our Independent Examiner, and continuing to offer great support to the service whenever it has been needed.

Ted has now announced his retirement from this role, and we wish both him and his wife Una a long and happy retirement.

In recognition of the important roles that Ted has held in support of DCAS, supported by Una, the Trustees have announced that they have appointed them **Honorary Presidents of Derby Community Accountancy Service.**

Derby Community Accountancy Service gratefully acknowledges the support of the charities who have recently awarded us grant funding to further our work in the voluntary sector:
The Fitton Trust, All Saints Derby General Charity and The Open Gate Trust