

### Managing and controlling your money effectively and complying with regulations on accounting

For your hall to be financially sustainable you need to be working towards generating enough income to support what you do and keep up the condition of the building. To do this you need to manage and control your money effectively, adhere to any statutory requirements that apply to you and comply with generally accepted accounting practices.

Achieving level one will mean that you produce financial records that meet your statutory and funders requirements and you understand your financial position.

	<b>Statement</b>	<b>Use this space to record any actions you need to take and/or the locations of your evidence</b>	<b>We do it</b>	<b>We can prove it</b>	<b>Complete (initialled and dated by assessor)</b>
<b>1</b>	<p>Your annual accounts are presented in a clear and understandable way and meet your constitutional, legal and funders' requirements.</p> <p><i>Examples of evidence:</i></p> <p>Annual accounts</p> <p>Governing document</p> <p>Funders' conditions</p>	<p>Annual accounts on website and Appendix 1.2</p> <p>Articles on website and Appendix 1.1</p> <p>Details of all grants supplied to auditors.</p>	Y	Y	
<b>2</b>	<p>If you are neither a charity or company your accounts are approved and presented to members in accordance with your governing document.</p> <p><i>Examples of evidence:</i></p> <p>Copies of annual accounts</p> <p>Minutes of meetings</p>	n/a	Y	Y	
	<p>As a charity your accounts are approved by trustees before filing your accounts with OSCR in good time.</p> <p><i>Examples of evidence:</i></p> <p>Copies of annual accounts</p> <p>Minutes of meetings</p> <p>Entry on OSCR website</p>	<p>Annual accounts on website and Appendix 1.2</p> <p>Minutes of all meetings on website and Appendix 1.2</p> <p>Entry on OSCR website</p> <p>Appendix 1.3</p>	Y	Y	
	<p>As a company your accounts are approved by trustees before filing with Companies House in good time.</p> <p><i>Examples of evidence:</i></p> <p>Copies of annual accounts</p> <p>Minutes of meetings</p> <p>Entry on Companies House website</p>	<p>See above plus entry on Companies House website</p> <p>Appendix 1.2 and 1.6</p>			

<b>3</b>	<p>You meet all legal requirements regarding fund-raising for events such as raffles and street collections.</p> <p><i>Examples of evidence:</i></p> <p>Raffle license</p>	<p>All fund-raising events are completed within 24 hours and so do not require fund-raising licence. Other licences such as performing rights licence are obtained. Appendices 1.7, 1.8</p>	Y	Y	
<b>4</b>	<p>You meet the requirements of HM Revenue and Customs and make the most of tax concessions.</p> <p><i>Examples of evidence:</i></p> <p>Tax returns</p> <p>PAYE statements</p> <p>VAT returns</p> <p>Gift Aid returns</p>	<p>We have no liability to tax because we are a registered charity. We are not required to be registered for VAT because we are below the threshold and we do not wish to be registered because our VATable expenses would not materially exceed our VATable income. We do not run Gift Aid because we have no substantial single donors to make the administration practical.</p>	Y	Y	
<b>5</b>	<p>You meet any requirements of funders for claiming, spending and reporting on money received.</p> <p><i>Examples of evidence:</i></p> <p>Applications for funding</p> <p>Funding (grant) claim forms</p> <p>Records of spend in relation to funding (grants)</p> <p>Copies of terms and conditions from funders</p>	<p>See supporting documents in the accounting records</p>	Y	Y	

6	<p>You keep up to date financial records and pay bills and issue invoices on time.</p> <p><i>Examples of evidence:</i></p> <p>Accounts book/spreadsheet</p> <p>Records of invoices and payments</p> <p>Regular bank reconciliations</p>	<p>Regular accounts at minuted Board Meetings at least every 3 months. See Minutes on Website and Appendix 1.2</p> <p>All invoices paid and all receipts banked within 30 days of receipt</p> <p>Records updated at time of payment/banking. Spreadsheet ensures that cash balances and accounts are always updated real-time.</p> <p>Bank recs completed before each report to the Board.</p>	Y	Y	
7	<p>Your management meetings review the financial situation at least quarterly.</p> <p><i>Examples of evidence:</i></p> <p>Minutes of meeting</p> <p>Current balance sheet</p> <p>Treasurer's report</p>	See above	Y	Y	

	Things to think about	Where to get help
<b>1</b>	<b>Your annual accounts are presented in a clear and understandable way and meet your constitutional, legal and funders' requirements.</b>	
	<b>For charities:</b> your accounts need to be prepared and scrutinised in accordance with OSCR regulation.	<p>OSCR accounting regulations <a href="http://www.oscr.org.uk/ScottishCharityAccounting.stm">www.oscr.org.uk/ScottishCharityAccounting.stm</a></p> <p>Your local Third Sector Interface or Council for Voluntary Service can give you help and information on producing charity accounts <a href="http://tinyurl.com/cvsnetwork">http://tinyurl.com/cvsnetwork</a></p> <p>SCVO - Money <a href="http://www.scvo.org.uk/information/running-a-voluntary-organisation/money/">www.scvo.org.uk/information/running-a-voluntary-organisation/money/</a></p> <p>Voluntary Arts Network briefing 88 – Glossary of Accounting and Financial Terms for Voluntary Arts <a href="http://www.voluntaryarts.org/uploaded/map2252.pdf">www.voluntaryarts.org/uploaded/map2252.pdf</a></p>
	<b>For Companies Ltd by Guarantee:</b> your accounts need to be prepared and scrutinised in accordance with company regulation.	<p>Business link- Understanding the Companies Act 2006 <a href="http://tinyurl.com/BGcompaniesact">http://tinyurl.com/BGcompaniesact</a></p>
	<b>For Voluntary Associations (that are not charities):</b> There is no regulator for your accounts and you are only answerable to your members. You'll need to provide accounts in line with your constitution. The OSCR guidance for receipts and payments accounts may be a good model to use as it's familiar to funders.	<p>OSCR receipts and payments guidance <a href="http://www.oscr.org.uk/meeting-our-requirements/charity-accounting/receipts-and-payments/">www.oscr.org.uk/meeting-our-requirements/charity-accounting/receipts-and-payments/</a></p>
<b>2</b>	<b>Your accounts are approved by trustees before filing with Companies House or OSCR, or in accordance with your governing document.</b>	
	<p>There is no need to lay accounts before an AGM for approval before sending to OSCR or Companies House unless your governing document specifically requires it. But if you are a company you must send members a copy before they are due to be filed with the registrar of companies.</p> <p>It is normal to consider the accounts at the AGM and make them easily available to members.</p>	<p>Companies House – Accounts guidance <a href="http://tinyurl.com/companieshouseaccounts">http://tinyurl.com/companieshouseaccounts</a></p>

	Things to think about	Where to get help
<b>3</b>	<p><b>You meet all legal requirements regarding fund-raising for events such as raffles and street collections</b></p>	
	<p>It's important that your fundraising is accountable and transparent. The Institute of Fundraising has drawn up codes that will help keep you legal.</p> <p>If you are holding a raffle with pre-printed tickets sold before the draw you'll normally need to small lottery licence from you local council.</p>	<p>Institute of Fundraising – Codes of practice  <a href="http://www.institute-of-fundraising.org.uk/Codes_and_regulation/Codes/">www.institute-of-fundraising.org.uk/Codes_and_regulation/Codes/</a></p> <p>Institute of Fundraising - Raffles and lotteries  <a href="http://www.institute-of-fundraising.org.uk/About+Fundraising/information/raffles-and-lotteries">www.institute-of-fundraising.org.uk/About+Fundraising/information/raffles-and-lotteries</a></p>
<b>4</b>	<p><b>You meet the requirements of HM Revenue and Customs and make the most of tax concessions</b></p>	
	<p><b>Income tax and national insurance</b>            It is the employer's duty to deduct income tax from the pay of employees whether or not directed to do so by the tax office. Take care to check the tax status of all people working in the hall regardless of how much or little they are paid. If you are in any doubt whether income tax is payable or not contact your tax office. National Insurance contributions are related to employee's earnings and are collected along with income tax under the PAYE procedures.  <a href="#">Crosscheck Section 2:1</a></p>	<p>SCVO - Employment related taxes and expenses  <a href="http://www.scvo.org.uk/information/tax-vat/employment-related-taxes/">www.scvo.org.uk/information/tax-vat/employment-related-taxes/</a></p> <p>SCVO - Payroll and expenses  <a href="http://www.scvo.org.uk/information/financial-services/payroll-services/">www.scvo.org.uk/information/financial-services/payroll-services/</a></p> <p>Cash-online - Payroll  <a href="http://www.cash-online.org.uk/content/1/25/">www.cash-online.org.uk/content/1/25/</a></p> <p>Business Gateway – Paying your staff  <a href="http://tinyurl.com/2chu3ld">http://tinyurl.com/2chu3ld</a></p>
	<p>If you are a charity, using Gift Aid means that for every pound that's given to you in <b>donations</b> (not hire charges) you'll get an extra amount from the HMRC.</p>	<p>HMRC - Gift Aid  <a href="http://www.hmrc.gov.uk/charities/gift_aid/index.htm">www.hmrc.gov.uk/charities/gift_aid/index.htm</a></p> <p>Institute of Fundraising - Gift Aid  <a href="http://www.tax-effective-giving.org.uk/?pageid=About_Gift_Aid.xml">www.tax-effective-giving.org.uk/?pageid=About_Gift_Aid.xml</a></p>
	<p><b>Corporation and Capital gains tax</b>            If you are a registered charity you'll be exempt from payment of corporation and capital gains tax.</p>	<p>SCVO - Corporation and capital gains tax  <a href="http://www.scvo.org.uk/information/tax-vat/corporation-tax-and-capital-gains-tax/">www.scvo.org.uk/information/tax-vat/corporation-tax-and-capital-gains-tax/</a></p> <p>DIY Committee Guide - Charities, Tax and Trading  <a href="http://www.diycommitteeguide.org/article/charities-trading-tax-subsidiaries">www.diycommitteeguide.org/article/charities-trading-tax-subsidiaries</a></p>

	<p>VAT is a complicated area. Most village halls won't be registered for VAT unless their income meets the threshold. Charities are eligible for some special concessions which enable them to buy goods at zero or lower rates, including disabled access and fuel.</p> <p>As all VAT regulations are subject to regular updating and change it is vital for voluntary organisations to constantly review their VAT position, possibly with the help of their professional advisers.</p>	<p>SCVO - VAT <a href="http://www.scvo.org.uk/information/tax-vat/vat/">www.scvo.org.uk/information/tax-vat/vat/</a></p> <p>ACRE Information sheet 6 Village Halls and Registration for VAT <a href="http://tinyurl.com/ACREpubs">http://tinyurl.com/ACREpubs</a></p> <p>Acre Information sheet 26 Coping with VAT on Fuel and Power <a href="http://tinyurl.com/ACREpubs">http://tinyurl.com/ACREpubs</a></p> <p>HMRC - Guidance for charities <a href="http://www.hmrc.gov.uk/charities">www.hmrc.gov.uk/charities</a></p>
<b>5</b>	<b>You meet any requirements of funders for claiming, spending and reporting on money received</b>	
	<p>It is important that you meet the terms of any grant fund that receive and record the income and expenditure properly and enter as restricted funds if required</p>	<p>SCVO - Reporting to funders <a href="http://www.scvo.org.uk/information/money/reporting-to-funders/">www.scvo.org.uk/information/money/reporting-to-funders/</a></p> <p>Fit4Funding – Restricted funding accounting <a href="http://www.fit4funding.org.uk/help-and-advice/spending/restricted-funding/">www.fit4funding.org.uk/help-and-advice/spending/restricted-funding/</a></p>
<b>6</b>	<b>You keep up to date financial records and pay bills and issue invoices on time</b>	
	<p>It's important to keep on top of financial transactions and record keeping, pay bills and issue invoices on time. You'll need this information so that you can give accurate report to the committee.</p>	<p>Cash-online provides information on basic financial skills needed to run successful charities and voluntary organisations <a href="http://www.cash-online.org.uk">http://www.cash-online.org.uk</a></p> <p>SCVO - Financial management <a href="http://www.scvo.org.uk/information/running-a-voluntary-organisation/money/financial-management/">www.scvo.org.uk/information/running-a-voluntary-organisation/money/financial-management/</a></p>
<b>7</b>	<b>Your management meetings review the financial situation at least quarterly</b>	
	<p>Good management of your hall means that your need up to date, regular and accurate reports on your financial situation</p>	<p>SCVO – Charity accounts and financial reporting <a href="http://www.scvo.org.uk/information/financial-reporting/charity-accounts-and-financial-reporting-for-voluntary-organisations/">www.scvo.org.uk/information/financial-reporting/charity-accounts-and-financial-reporting-for-voluntary-organisations/</a></p>

<p><b>Section complete</b> <input type="checkbox"/></p> <p><b>Signed</b></p> <p><b>Date</b></p>
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