

# Treasurer's Handbook



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# CHAPTER 1: INTRODUCTION

We are delighted that you have decided to bring your skills, experience, and enthusiasm to IET as one of our many volunteers. We absolutely depend on people like you to maintain our place at the forefront of engineering and technology. You are part of an exceptional team of over 4,000 volunteers, working in the UK and internationally.

Whether you are new to the position or already proficient in the role, this handbook provides you with the essential information that you will need to fulfil your responsibilities as ‘**Treasurer**’ of an IET Local Network. As ‘Treasurer’ of a Local Network, you are the named individual responsible for financial management and compliance, although ALL Local Network (“LN”) members have a duty to ensure that the charitable funds allocated to them are spent responsibly and in accordance with IET’s charitable objectives. As such, ***this handbook provides a necessary resource for all LN members.***

There are some specific rules that apply to the securing, spending, recording, and reporting of charitable funds and these apply to all IET Local Networks. This handbook is divided into five further chapters as follows:

**Chapter 2: Funding** – This section looks at IET Funding for your Local Network, Generating and Spending Surplus Funds and How to account for any facilities that have been donated to you e.g., free use of a room or lecture theatre.

**Chapter 3: Expenditure** – This section looks at Expense Claims, Government Procurement Cards, Invoices from Suppliers, and Authorising Expenditure.

**Chapter 4: Capital Assets** – This section looks at the buying, management, and disposal of Capital Assets (e.g., equipment) as well as what to do if an organisation wishes to donate you an asset.

**Chapter 5: Financial Management** – This section looks at other financial management and compliance responsibilities for UK and Non-UK Local Networks respectively.

**Chapter 6: Insurance** – This section briefly touches on the different types of insurance that Local Networks need to consider.

There is also a lot more information and a wide range of useful resources to explore on the Volunteer Gateway – your dedicated area of our website – at [www.theiet.org/volunteers](http://www.theiet.org/volunteers)

Please remember that there is a friendly, helpful team on hand to help too. If you are unsure about anything, please ask your staff contact or other volunteers in your area.

Your feedback is especially helpful in improving the IET’s volunteering experience. Please take the opportunity to share your suggestions and ideas with us. Please also tell us your individual stories as this is an excellent way to encourage and inspire other people to get involved.

# CHAPTER 2: FUNDING

## 2.1 Overview

**This Chapter covers the following:**

- Section 2.2 – IET Funding for your Local Network
- Section 2.3 – Generating and Spending Surplus Funds
- Section 2.4 – Donated Facilities & Services (for Donated Assets, please refer to Chapter 4)

## 2.2 IET Funding for your Local Network

The IET is a registered charity whose charitable purpose is:

*“To promote the general advancement of science, engineering and technology and to facilitate the exchange of information and ideas on these subjects amongst the members of the IET and otherwise.”*

One of the ways in which we deliver these charitable objectives is through the provision of funding to volunteer groups (termed “Local Networks”, “LNs” or “Communities”), both in the UK and overseas. Our Local Networks play a crucial role in helping the IET deliver its charitable objectives and realize its vision of “*Working to engineer a better world*”.

The distribution of such funding is governed by the Communities Resourcing Committee (“CRC”) and, in turn, one of five regional Communities Committees (“CCs”). These Committees are in place to ensure that we support our Local Networks in making as effective and efficient use of resources as possible in delivering this charitable activity.

Delegate or attendance figures for each community activity are an essential metric used to measure success and prove the value of community activity in terms of sharing technical knowledge, engaging with non IET members whilst helping the IET fulfil its charitable remit.

Participation figures from community activities are one of the key pieces of information that the CRC and CCs use when allocating funding to communities. These figures provide the funding bodies with information that communities are delivering activities for IET members and reaching an audience beyond the IET’s membership. Over time metrics also provide evidence of how a community is developing and extending its reach.

There are different options in how we can fund an IET Local Network: -

- Regular annual funding (for existing Local Networks)
- ‘Event by Event’ / Single Activity funding (for new Local Networks or ad-hoc activity)
- Additional resource funding

### 2.2.1 Regular annual funding (for existing Local Networks)

The principal way in which an existing IET Local Network is funded is through regular ‘annual



funding’. Most of our long-standing LNs apply for this funding in advance. This is a good option for a group of volunteers that have a longer-term vision and the volunteer input to support the realization of that vision. It can enable volunteers to theme a series of events or activities.

The IET supports several Local Networks around the world that deliver an annual programme of activities on behalf of the IET. Often these groups start by delivering just one or two activities, but once they become established and have built up an active team of volunteers some apply to become regularly funded communities, submitting an annual plan and managing the accompanying budget.

The following timetable applies to annually funded, existing Local Networks: -

Planning timetable

The community year runs from 1 January to 31 December and although specific dates may alter slightly, the planning and budgeting cycle for regularly funded communities follows the same pattern every year. The key milestones in the planning and budgeting process are as follows:

<b>Communities Planning Cycle</b>	
<b>January 2023</b>	<p>Start of the session. LNs start to manage spend for the new session against their final approved budget. <u>Once the 31st of December 2022 bank statement is received</u> then from January, we will be transferring 50% of your approved funding to those networks that operate with an IET bank account – please see Section 5.3)</p> <p><b>Non-UK LN Return Due (31 January 2023):</b> (i) Bank statement on 31 December 2022; and (ii) CTAPS returns for the 3 months ended 31 December 2022 – please see Section 5.3</p> <p>Going forwards CTAPS returns will run from January to December, therefore the Bank Statement on 31 December 2022 and the CTAPS return for the period 1 January 2022 to 31 December 2022 will be due for submission on 31 January 2022 – see Section 5.3</p>
<b>March / April 2023</b>	<p>CRC reviews guideline budgets for 2024 and agrees regional split with the CCs.</p> <p><b>Non-UK LN Return Due (30 April 2023):</b> Audited Statutory Accounts (ONLY applicable where a local obligation exists for statutory accounts to be produced and audited). Where possible, we would request that your Statutory Accounts year-end date should align with that of IET’s year-end date (i.e., 31 December) – please see Section 5.3</p>
<b>June 2023</b>	<p>Each Community Committee notifies each LN in their region of guideline budgets for 2023.</p> <p><b>Planning paperwork available to all Communities</b></p> <p>LNs prepare their plan and budget for the forthcoming session. Consultation with staff at this time is recommended as staff can offer advice and support.</p> <p>Here are a few examples of matters to consider giving your application the best chance of success:</p> <ul style="list-style-type: none"> <li>• Ensure that you give the CC enough information about what you want to do, how you will do it, how you will promote the IET brand, products, and services adequately and appropriately and how you will deliver value for money.</li> <li>• Ensure that you demonstrate that your activity is in line with the IET’s charitable objectives and therefore something that the Committee can fund.</li> </ul> <p>Demonstrate that your Local Network is organised and has a clear focus on delivering content and activities; Demonstrate your track record of delivering</p>

	activities and use of resources, that you have communicated and worked well with the staff team and CC, that you have made any submissions on a timely basis and that where corrective action has been needed you have addressed it promptly and appropriately.
<b>June 2023</b>	LN's outside the UK receive the second 50% of their approved funding – please see Section 5.3
<b>August 2023</b>	• Completed plan and budget paperwork to be returned by email to your Community Manager (“CM”)
<b>August 2023</b>	CMs review and clarify plans in liaison with LN leadership teams.
<b>September / October 2023</b>	The annual plans are carefully assessed by the appropriate regional CCs. They will review the plans and metrics for each Local Network.
<b>October / November 2023</b>	Letters go to each LN approving plans and confirming final budget allocations for the forthcoming session.
<b>November 2023</b>	Communities Resourcing Committee reviews planning and budget process and prepares for 2024 cycle
<b>December 2023</b>	Appeals End of year bank statements

### 2.2.2 ‘Event by Event’ / Single Activity funding (for new Local Networks or ad-hoc activity)

You also have the choice of applying for funding for a single activity, these applications can be made at any time and multiple applications can be made in a year.

This is a very flexible system which does not require a group of volunteers to plan far ahead. It enables volunteers to be nimble and react quickly to changing circumstances. There is a reduced administration burden, and it can be easier to find volunteers to help on an event-by-event basis or for a one-off event or activity.

<https://www.theiet.org/involved/volunteering-for-the-iet/volunteer-hub/resources/good-practice-guides/managing-money/>.

Once your application has been submitted:

- It will be assessed by regional CC volunteers who will decide whether they are satisfied with the return on investment for the IET.
- If your application is **APPROVED** you can go ahead and deliver your activity, your CC will require metrics and a budget evaluation to be returned to them.
- If your application is **REJECTED** feedback will be provided to enable your application to be changed.

For new local networks that wish to transition from event by event to become annually funded you will need to demonstrate that your Local Network is sustainable, that you will be able to deliver your activity with the resources that you are requesting and the volunteers that you have recruited.

### 2.2.3 Requesting additional resources

Any LN in receipt of funding from the IET can make a request to the regional CC for additional resources. This can be particularly useful if circumstances change for the LN, or if the volunteer group wishes to take advantage of an opportunity that had not been foreseen during the funding application process.

The additional resources that can be requested are:

- Additional staff support.
- Help with volunteer recruitment.
- Additional funds.

If you require any of these then please complete the Additional Resource Request Form.

<https://www.theiet.org/involved/volunteering-for-the-iet/volunteer-hub/resources/good-practice-guides/managing-money/>.

## 2.3 Generating and Spending Surplus Funds

### 2.3.1 Background

Most LN activities should be free to attend for delegates as they contribute towards the IET's charitable remit of providing public benefit. However, in certain circumstances it is acceptable for LNs to run income generating activities. This is subject to ensuring compliance with local trading laws and appropriate assessment of any potential tax exposure for the IET.

With prior approval, Local Networks (LNs) are permitted to stage fee paying events such as conferences and seminars that generate a surplus of income over expenditure. These operate in a broadly similar way to events organized by the IET's commercial Event team in the UK, (except that they are organized independently utilizing the voluntary effort of local members).

Income is typically generated by a combination of sponsorships from local businesses, sale of exhibition space, and ticket sales. Many of these events achieve a high profile in their locality and are of significant benefit to the IET in terms of raising awareness of the IET and serving the needs of members and non-members in that region.

### 2.3.2 Governance

The bodies responsible for approving requests to deliver activity likely to generate additional income are the Communities Committees (CCs). The CCs have responsibility for all LN activity that takes place in their region, and it is the CCs that will be responsible for making any surplus funds available for reinvestment.

Each CC (or the CC Finance Sub-committee where they exist) must keep a detailed record of the surplus generated by LNs within its area. CC's will need to take responsibility for local record keeping and liaison between the events team, the Communities Finance Manager and the IET Finance Department.

### 2.3.3 Applying to deliver an income generating event.

Any LN that wants to deliver an event likely to generate income must make an application to their local CC. A surplus funds request form will need to be completed and then reviewed by the Community Manager (CM) that supports the LN and then sent to the relevant CC. The CC should pass the application back to the CM once reviewed and the CM will pass on the application to both the UK events team and the IET Finance Department for further review and approval.

<https://www.theiet.org/involved/volunteering-for-the-iet/volunteer-hub/resources/good-practice-guides/managing-money/>.

IET Finance Department review – Any LN that wants to deliver an activity to generate additional income should ensure that:

- they are compliant with local trading/compliance laws.
- the IET will not be liable for direct tax (see Section 2.3.7).

- indirect tax (e.g., VAT or GST) will be applied appropriately (see Section 2.3.7) for any sales and/or sponsorship transactions.
- their application details budgeted income and expenditure.
- their application details in what form (e.g., cash, cheque, bank transfer) they intend to collect income; and
- their application details how the collection of income will be managed and controlled.

UK Events Team review – The Events team need to be aware of significant events being held in the IET's name to ensure that there is no clash with other IET events or activities being planned in that area or on that subject. The review also enables the team, who have a huge amount of experience with events management, to offer advice and support on the best way to run the event.

If the IET Finance Department and the Events team are both comfortable with the event proposal, the CM will forward it to the relevant CC that will eventually be responsible for making any surplus funds available for reinvestment.

If an application is denied:

- The CC will contact the LN and explain why the application was turned down and suggest possible changes that might result in a positive outcome.

If an application is approved:

- The CC will contact the LN and highlight any requirements that approval may be dependent on, for example – changing the date to avoid a clash with other IET activities, or collaboration with other IET departments – like Strategic Engagement Partnerships (SEP) or Publishing.

#### **2.3.4 Delivering an income generating event**

The LN should deliver the event, liaising with staff and other volunteer groups as appropriate to ensure that every opportunity to promote the IET's brand, products and services is capitalized upon.

After the event, the volunteers must submit a detailed set of accounts to the CC showing all income and expenditure on that event and highlighting the net surplus. These accounts must be received within one month of the completion of the event.

In addition to the CC, the accounts will be reviewed by the IET Finance Department to ensure that any funding and other costs subsidized by the LN's normal charity funded allocation is deducted from the income calculation to obtain the true surplus balance generated.

Where an approved event that was anticipated to generate a surplus instead makes a loss; the net loss will be deducted from the LN's funding allocation for that year reducing its balance accordingly.

#### **2.3.5 Applying to spend surplus funds.**

If an LN wants to spend surplus funds in the same accounting year or in subsequent accounting years, it should submit a request to both its CM and CC. Surplus funds must be utilized within 2 years of generation, excluding the year in which the funds were generated.

Proposals to spend surplus funds can be put forward at any time during the year. If possible, events should be identified during the annual planning round to enable the CC to manage its budget and ensure that it has the funds available when they are required.

The type of events that can be funded will follow the same rules as other LN funding regarding



allowed/disallowed types of expenditure.

The application submission will be assessed by the CC in the usual way (see above for details).

You may put in a request to re-purpose funds towards another event. This will need to be approved by the CC.

### **2.3.6 Treasury management**

Management of actual currency in bank accounts held by non-UK LNs, and exchange transactions to forward money from the IET central accounts (treasury), will not be changed by this policy. This process operates autonomously within the spending approval process to optimize transaction costs etc. incurred in moving money between different currencies. For non-UK LNs, the basic principle remains to hold only enough cash in local accounts as is required for short term (i.e., in year) expenditure commitments.

### **2.3.7 Tax considerations**

Local networks (LNs) must ensure that they are compliant with local trading laws and relevant tax legislation in their jurisdiction.

#### Direct tax

LNs are branches of IET and are likely to be subject to tax on any profits in their local territory. Local tax advice may need to be sought to determine whether activities are taxable or whether a charitable exemption can be claimed. Local returns and registrations may need to be filed to maintain compliance.

Broadly speaking where LNs are carrying on business activities which are wholly within the charitable objectives of the IET, then there should be no additional UK corporation tax liability. Additionally, profit from such charitable trade is exempt from UK tax, if it is used for IET charitable purposes. Therefore, please ensure that all Local Network Activity is used for IET charitable purposes. If there is any doubt, please contact Ian Davis, IET Finance Department, [IDavis@theiet.org](mailto:IDavis@theiet.org)

#### Indirect tax

Local networks (LNs) wanting to attract donations and/or sponsorship will need to consider local laws with respect to whether indirect tax (e.g., VAT or GST) is applicable.

Generally, in the UK, if a charity receives sponsorship or another form of support it will normally be making a taxable supply for VAT purposes if, in return, it is obliged to provide the sponsor or supporter with a significant benefit. However, in some cases the benefit may amount to no more than a simple acknowledgment of support and as such, would not be a supply for VAT purposes. Where the benefits are such that they are not simple acknowledgments of thanks but are tangible benefits then the payment is consideration for those supplies and VAT will be due on the full payment received.

Local Networks (LNs) should consult, as necessary and as far as possible in advance of a transaction/event, with the IET Finance Department [IDavis@theiet.org](mailto:IDavis@theiet.org) where there is any doubt over the correct indirect tax treatment.

## 2.4 Donated Facilities & Services

### 2.4.1 Introduction

This section applies to ALL Local Networks (i.e., both UK & non-UK LNs). This section deals with donated facilities & services only. For donated assets or goods, please refer to Chapter 4.

### 2.4.2 Background

To comply with the UK Charities Statement of Recommended Practice 2015 (“Charities SORP 2015”), the IET is required to monitor any donated facilities and services received. The donation of such facilities and services (e.g., the free use of a lecture theatre or committee room) provides an economic resource for use by the IET to further its charitable aims and objectives.

If your Local Network is given facilities and services for its own use, which it would otherwise have purchased, then an assessment must be made to determine whether this needs to be reported to the IET’s Finance Department for inclusion in the IET’s financial statements. In making this assessment, please consider the following:

- the materiality (i.e., the magnitude and nature) of the donation concerned; donated facilities or services of less than GBP 500 (or equivalent) do not need to be reported, however, you may wish to report such donations below this level for more accurate record keeping within your own Local Network.
- whether the value of the donation can be measured reliably - facilities, such as office accommodation or services supplied by an individual or an entity as part of their trade or profession, can usually be reasonably quantified. However, a valuation for the contribution of IET volunteers does not need to be included. Donated facilities and services are valued at the amount you would pay in the open market for an alternative item providing equivalent benefit. The value should not exceed the price you would pay in the open market. Commercial discounts offered in the normal course of trade should not be recognized or disclosed as a donation.
- whether the costs in undertaking a valuation are significant - if the costs involved in undertaking a valuation of the donation are significant compared to the donation itself, then please consult with the IET Finance Department as to whether a valuation should be performed. It may be possible to argue that the costs of such a valuation outweigh the benefits to a user of the IET’s financial statements.

**With reference to the above considerations, please report donated services or facilities through the completion of the ‘Donated Facilities & Services Form’ below.**

Once completed, it should be sent to:

(For UK Local Networks) Michele Seres, Financial Analyst [MSeres@theiet.org](mailto:MSeres@theiet.org)

(For non-UK Local Networks) Ian Davis, Finance Manager [IDavis@theiet.org](mailto:IDavis@theiet.org)

Appendix A: Donated Facilities & Services Form

Local Network name:	
Form completed by:	
Description of facilities/services provided:	
Name and address of third party providing the facilities/services:	
Dates from/to that the facilities/services were provided for:	
What were the donated facilities used for?	
Estimated value (net of VAT/GST):	
Estimated value (including VAT/GST):	
Account code: (UK LN use only)	
Activity code: (UK LN use only)	
Local Network Treasurer name:	
Local Network Treasurer signature approval <sup>1</sup> :	

**For UK Local Networks, please submit this form to Michele Seres, Financial Analyst**  
[MSeres@theiet.org](mailto:MSeres@theiet.org)

**For Non-UK Local Networks, please submit this form to Ian Davis, Finance Manager**  
[IDavis@theiet.org](mailto:IDavis@theiet.org)

<b>INTERNAL USE ONLY</b>	Reference number
<i>IET Head office use only:</i>	

<sup>1</sup> In approving the donated facilities form, the Local Network Treasurer confirms that the estimated values herein are considered reasonable.

# CHAPTER 3: EXPENDITURE

## 3.1 Overview

This Chapter covers the following:

- Section 3.2 – Expense claims
- Section 3.3 – Government Procurement Cards (GPCs)
- Section 3.4 – Invoices from suppliers
- Section 3.5 – Authorising expenditure

As noted in Chapter 1, ALL Local Network members have a duty to ensure that the charitable funds allocated to them are spent responsibly and in accordance with IET's charitable objectives. The 'Expenses Policy for Volunteers' is an essential read for all Local Network volunteers. This document provides detailed guidance on allowable expenditure and the expenditure authorisation/approval process. This is supplemented by further information on these topics in Section 3.5 below.

You should also ensure that expenditure is kept within the allocated and approved budget and is in line with the individual items specified in the application or plan when funding was applied for. If you are intending to make significant changes to the approved activity plan, then further approval needs to be sought from the CRC/CC.

## 3.2 Expense claims

Where you have incurred IET business expenditure in support of an LN activity on your personal debit/credit card, reimbursement of this communities committee (CCEMEA, CCA, CCSA, CCAP or CCUK) approved expenditure is made through the completion and submission of an '**Expense Claim**' within 3 months. Any expense claims submitted past the 3 months deadline will be rejected. Please note that one expense claim needs to be completed per event, per person, they cannot be accumulated.

For Non UK LN members claiming expenses directly from their Local Network, please use the <https://www.theiet.org/involved/volunteering-for-the-iet/volunteer-hub/resources/good-practice-guides/managing-money/>.

For UK LN members or community volunteers putting expense claims in directly to the IET (rather than their Local Network), please use the <https://www.theiet.org/involved/volunteering-for-the-iet/volunteer-hub/resources/good-practice-guides/managing-money/>.

### 3.2.1 Expenditure coding

#### UK Local Networks

UK LNs should code their income and expenditure in accordance with the guidance below. Every expense claim form, invoice and Barclaycard statement should include two codes which will enable the IET Finance Department to capture and analyse information accurately for your monthly reports:

- An Account Code (4 digits)
- An Activity Code (10 characters)

Account codes - these divide up your income (17XX) & expenditure (23XX) by type. These codes are common to all UK Local Networks:

1710	LN Delegate Income
1715	LN Sponsorship Income
1720	LN Advertising
1730	Donated Facilities/Services to Local Networks
2383	L.N. Admin Printing & Stationery (incl. production of newsletters)
2384	L.N. Admin Postage & Telephone (internet, delivery charges and telephone reimbursement)
2385	L.N. Admin Committee Travel (mileage claims and all public transport)
2386	L.N. Admin Committee Accommodation (incl. any equipment required)
2387	L.N. Admin Committee Refreshments
2388	L.N. Admin Miscellaneous
2391	L.N. Activities Accommodation (incl. AV equipment or coach hire for an event)
2392	L.N. Activities Refreshments
2393	L.N. Activities Entertaining Speakers
2394	L.N. Activities Speaker Expenses (their expenses e.g., travel)
2396	L.N. Awards & Prizes
2397	L.N. Donations
2398	L.N. Public Relations & Publicity

Activity Codes – these start with the four letters of your Network’s section e.g. **ACMN** – Anglian Coastal Main, and are followed by:

- **19** – The year. Please record **20 for 2020**, and so on.
- **EV** (for an Event) or **AD** (admin) or **AW** (Awards/Prizes) or **PR** (Promotional Activity).
- **01** – The Event (EV) number i.e., 01, 02, 03 etc. For AD, AW and PR please record **00**.

For any queries in relation to coding, please contact Michele Seres (Financial Analyst) at [Mseres@theiet.org](mailto:Mseres@theiet.org)

#### Non-UK Local Networks

Non-UK LN Treasurers record income and expenditure on an excel form known as CTAPS (Centre Treasurer Accounting Package). For further information, see **Chapter 5**.

### **3.3 Government Procurement Cards (GPC)**

Government Procurement Cards (GPC cards) are usually used by UK LNs for incurring IET business expenditure as, for the most part, non-UK LNs typically operate through a local bank (see **Chapter 5**). For LNs that operate GPC cards, funds are held centrally, and volunteers are required to account for any IET business expenditure incurred on their card. A maximum of two GPC cards can be allocated to each LN. The appointment of a GPC cardholder should be requested through Charlotte Morrish at [charlottemorrish@theiet.org](mailto:charlottemorrish@theiet.org) who will email you the form.

An official “Barclaycard Application” form and IET’s “GPC - Terms and Conditions of Use” form will then be sent out to you. These forms should be read, completed, signed, and returned together by email to Charlotte Morrish at [charlottemorrish@theiet.org](mailto:charlottemorrish@theiet.org) who will then issue the card. The credit limit on the card will be agreed prior to issue and is subject to approval by the IET Finance Department.

## 3.4 Invoices from suppliers

Where funds are held centrally (as with UK Local Networks – see Chapter 5), the Treasurer (or volunteer responsible) can set their supplier up on the IET's head office accounting system. Invoices should be submitted to the Local Network in the first instance for checking and authorisation by a Local Network authorised signatory. The invoice should then be submitted to the Finance Accounts Payable Department either in hard copy to Finance Accounts Payable Department, The IET, Futures Place, Kings Way, Stevenage, SG1 2UA or in soft copy to [financeap@theiet.org](mailto:financeap@theiet.org)

Prior to authorisation and submission, the authorised Local Network Signatory should check that:

- The invoice includes an Account Code and an Activity Code (as per Section 3.2 above); and
- The invoice for payment is in the name of 'The Institution of Engineering and Technology' (rather than in the name of an individual). The Local Network name can be listed too on the invoice provided 'The Institution of Engineering and Technology' name is listed.
- Please ensure that the invoice is as detailed as possible. For example, please state which refreshments have been purchased, rather than just stating that refreshments were ordered.

Where the supplier already exists in IET's head office accounting system records, the invoice will be processed through our head office workflow approval for payment. Where the supplier does not yet exist, a new supplier form will need to be completed. Please contact [financeap@theiet.org](mailto:financeap@theiet.org) for a copy of this form and further details.

Where funds are held locally, in an IET Local Network bank account (as with most Non-UK Local Networks), the Treasurer can arrange for the supplier to bill the Local Network directly (i.e., in the name of the IET Local Network and not in the name of an individual) and payment of the invoice can be settled locally.

## 3.5 Authorising expenditure

### 3.5.1 Set-up and Changes of authorised signatories

A Local Network should identify a minimum of two designated authorised signatories within their own LN (this typically includes the Treasurer and the Chairman) for the purposes of approving expenditure (e.g., invoices, Barclaycard statements or expense claims).

The "Authorised Signatory Set-up & Changes" form further below should be completed on set-up or change of signatory and should be authorised by the Local Network Treasurer (or the Chairman where it is the Local Network Treasurer completing the form). Once approved, the form should be sent to [financeap@theiet.org](mailto:financeap@theiet.org) for central record keeping and reference by IET staff. The approval enables the Local Network Member to manually authorize the payment of invoices and business expense claims, on behalf of their Local Network only, with immediate effect. Submitted changes supersede all previous authorizations for that position.

If you are a designated authorised signatory for your Local Network, when approving/authorizing expenditure, please ensure the following:

- check that the expense claim adds up / is arithmetically accurate.
- check that the expense is in accordance with IET's 'Expenditure Policy for Volunteers', including that the nature of the expense is allowable.
- check that the claim is appropriately supported by original receipts.
- check that the claim does not include any personal expenditure. If a receipt includes both IET business related expenditure and personal expenditure, the business expenditure element only should be highlighted for the purposes of the claim.
- check that the level of cost appears reasonable with reference to the nature of the expense.
- check that the expense claim does not contain any fixed allowances, as only expenditure incurred can be claimed; and
- check that you are happy that the goods / services have been received (where applicable).
- (For UK LNs ONLY) check that the expense claim, Barclaycard statement or invoice that you are authorizing includes appropriate Account Codes and Activity Codes.

Also, note that no individual should be approving / authorizing their own expenses.

### **3.5.2 Allowable expenditure**

<https://www.theiet.org/involved/volunteering-for-the-iet/volunteer-hub/resources/good-practice-guides/managing-money/>

Please refer to the above-mentioned web pages, in the first instance, for consideration of allowable expenditure. Supplementary guidance to this is listed below:

#### Annual Dinners

Annual Dinners are a great way of interacting with the engineering community and can provide individuals and companies with valuable networking opportunities. If a Network wants to host an Engineering Dinner, in the first instance they must discuss the proposal with their Community Manager to understand and assess whether it is a viable option.

Engineering Dinners are large scale events and require a lot of time from volunteers involved. If a Network wants IET staff support to help deliver the event, then they must follow guidelines to ensure it's a professional networking event.

The IET will not provide support for any social events as it goes against the IET's charitable remit. In this instance, the event would need to be managed through the Network's social account and must be self-funded – budget must not be spent to support this event.

*What makes a Community Annual Dinner a social event?*

- The event consists of a dinner only.
- If entertainment of any sort is included (comedian, magician etc.)
- Networking opportunities are not included as part of the event.
- The dinner does not host an engineering talk.

*What should I be doing to make my Community Annual Dinner a Professional Networking event?*

- Ensure the evening includes plenty of networking opportunities.
- Include an interesting talk on an engineering topic impacting society.
- Invite sponsors and exhibitors to partake in the event.
- Promote IET products and services through a dedicated IET stand.

If you have any queries regarding Annual Dinners, please contact your Community Manager.

#### Expenses and payment for members

Under the terms of the IET constitution, members cannot receive any remuneration or other personal financial advantage from their membership. Likewise, the Charities Act makes clear that any private benefits gained from a charity must be incidental which means they are a necessary by-product of carrying out the charity's aims.

#### Payments to individuals

Any proposed payments to individuals and proposed employment contracts must be included in the LN plan and can only be made if approved by the Communities Resourcing Committee OR one of the five regional Communities Committees AND the IET Human Resources Department. Children must not be employed in any circumstances. It is IET policy that no Trustee or any member of a committee or Board of the IET is to be employed or paid except under exceptional circumstances agreed in advance with the IET Human Resources Department and IET Finance Department. If payment is agreed outside the UK, LN volunteers must also comply with local laws.

#### Official guests

The cost of an official guest at an LN Prestige Dinner or essential attendance at a dinner for the purpose of entertaining official guests can be funded if there is a clear benefit to the IET. These costs must be declared in the main activity programme sheet of an LN's budget plan.

#### Social activity and 'Friends of' accounts

Social activity falls outside the IET's aims and objectives as set out in the IET's Royal Charter and Bye Laws and no expenditure in connection with organizing and running social functions can be supported by charitable funds. However, it is recognized that there is a value to social



activity and LNs can undertake activity of this kind if it is entirely financially self-supporting. To deal with activities of this kind, a 'Friends of the IET' or 'IET social funds' bank account can be opened to deal with all income and expenditure associated with all social activity planned by the LN. Money should under no circumstances be moved between the main Local Network account and this 'Friends'/ 'Social' account. An account of this nature should not be treated as a savings account and any funds accumulated should be used to enable the LN to subsidize future social activity. **Please note that 'Friends of' accounts must remain separate from IET LN/ TN accounts. Under no circumstances should funds be transferred between them. Lastly, we do not need to see any of the bank statements.**

### Speakers

Speaker fees should not be funded with IET money. Committee members can entertain speakers at a meal after the lecture. If there is one speaker then two members can be reimbursed for accompanying them, if there are two speakers then three members can accompany etc. Speakers can be thanked for their contribution with a gift of IET branded items, but it is not possible to give them an ex-gratia payment, honorarium, or other kind of gift (including in lieu of claiming expenses) as a 'thank-you', without prior approval from the CRC/CC AND IET Finance Department. Guidelines for speakers claiming expenses should be agreed with the relevant member of IET staff prior to engaging the speaker in IET activities, speakers are usually eligible to claim travel expenses only.

### Refreshments

Refreshments at LN activities and committee meetings should be light, for example: tea, coffee and biscuits, or soft drinks and snacks. The cost of refreshments should be a small proportion of the total cost of that activity. The cost of holding a dinner/reception (except for Annual Dinners that meet the criteria for Professional Networking events – see Section 3.5.2 'Annual Dinners') must be completely funded through sponsorship and/or be self-funded by the delegates. Where dinners/receptions include funding through sponsorship (see Section 2.3), the LN and the sponsor will need to agree and be clear on how the funds are to be used and whether such funds are supporting 'charitable activity', where funds flow through an IET bank account, or 'social activity', where funds do not flow through an IET bank account. Local tax law will also need to be considered (see Section 2.3.7).

The cost of alcohol and any related service charge (e.g., as part of a dinner, drinks reception, post-lecture event or otherwise) is not a cost that falls within the IET's charitable remit and is therefore not an allowable or eligible expense (except as specified in the Volunteer Expenses and Travel Policy).

### Telephone and internet costs

Claims can be made for the cost of telephone calls and Voice over Internet Protocol (VoIP) services (e.g., Skype) incurred wholly, exclusively, and necessarily during IET business, but should be accompanied by a copy of itemized bills with IET related entries highlighted. The IET will not reimburse internet costs on a percentage of use basis or reimburse or subsidize broadband rental or connection charges. Third party software and services are not fundable unless they've been given approval by the relevant Communities Committee.

### Annual General Meeting

It is not a legal requirement for communities to hold an AGMs (unless it is a requirement by law in a country), but if a community does wish to hold one it should be combined with a charitable event to make it cost neutral. If an AGM is held in conjunction with a dinner, the cost of the dinner is not recoverable from IET funds as it is not a charitable event.

#### Gifts

IET branded items, gifts, prizes, or awards of low value (no more than GBP 50) presented to speakers, volunteers, delegates, staff, guests, or any other body in relation to any IET charitable activity or social activity can only be purchased with IET funds with prior approval from the Community Manager AND the CRC/CC. **Please note that vouchers are not permitted as they have a cash value.**

#### Sponsoring or grant funding third party events/activities.

LN's can provide financial support for events and activities arranged by other organisations if they can demonstrate that such monies are spent in accordance with IET's charitable objectives.

Such proposed activity must be declared and detailed in the LN's budget plan. It should be made clear whether the financial support is a funding grant (i.e., a grant which is simply furthering the charitable objectives of the IET) or sponsorship (i.e., where the LN is receiving tangible benefit in return).

Payments must be to a named Institution, not an individual and the integrity of the IET brand must always be upheld.

It may be necessary to put a formal contract/agreement in place for such an arrangement; to seek advice on this or for more information on sponsoring / funding third party events and activities, please contact your Community Manager.

#### Donations to charities

LN's can make donations to charities if the organisation shares the IET's charitable aims and objectives, for more information please contact your Community Manager.

#### Activity in UK schools

One of the primary objectives of the IET is to encourage young people to choose science, technology, engineering, and math's (STEM) subjects at school, college and university and engineering as a career. LN's can play a significant part in helping to achieve this aim.

For activities that are not curriculum based or exclusively targeted at school children but are likely to attract parents and members of the public as well, for example children's Christmas lectures, LN's should include this in the main plan and funding will be awarded in the normal way from the CRC or CCs.

The funding for projects and activities that are curriculum based and involve UK school students aged 5 to 19, and their teachers, is administered by the IET Education 5-19 department. The scheme offers up to £5,000 per project and applications are welcomed from any organisation able

to develop and deliver inspirational engineering and technology related educational activities to this audience; however, they must have the support and endorsement of the Local Network in the area where they propose to work.

LN's are also able to put forward a proposal and apply for this funding directly as well. An application will be considered on its merits and the capability of the provider to deliver an impactful programme of activities that meet the objectives of the IET and the needs of the students and teachers. LN's should also refer to the IET's Policy on 'Safeguarding children and vulnerable adults'.

At present there is one round of applications per year, taking place in the Spring. This will consider applications for projects taking place between May and April. For more information, an application form, and detailed criteria, please contact [ieteducation@theiet.org](mailto:ieteducation@theiet.org)

There is more information about the work of the Education 5-19 team and UK Schools Liaison Officers on the website, and if you are in any doubt about how to categorize activity that you are planning, please contact a member of staff.

Personal Protective Equipment can either be supplied directly from suppliers or can be paid to the venue who will procure the PPE.

#### Schools' activity outside the UK

LN's outside the UK should include the cost of any schools' activity in the main plan as separate funding is not available outside the UK.

#### Prizes and awards

Offering prizes at local educational establishments and holding competitions for students and young professionals can raise the profile of the IET to students and academic staff, help LN's build local partnerships with academia, and encourage young professionals to become involved with the LN and the IET. For more information about the different types of awards (including Present Around the World competitions) and the prizes that LN's can offer, including the total prize fund that should be made available in each case, please go to the [Volunteer Hub \(theiet.org\)](http://theiet.org). See also 'Gifts' section above.

For UK and non-UK Local Networks, the 'Awards and Prizes form' can be found further below.

### AUTHORISED SIGNATORY SET-UP & CHANGES FORM (LOCAL NETWORKS)

#### **Use of form**

To set-up and change authorizers for the payment of invoices and business expense claims within a local network.

Local Network Name (BLOCK LETTERS)	Position (Chairman, Treasurer etc.) (BLOCK LETTERS)	Full Name (BLOCK LETTERS)	Specimen Signature	Authorised to sign Invoices & Expenses	Signatory Limit
				✓	GBP 2,000 (or equivalent)

Approved by: Signature	Full Name (BLOCK LETTERS)	Date

**ONCE APPROVED, PLEASE SEND THIS FORM TO: [financeap@theiet.org](mailto:financeap@theiet.org)**

## Awards and Prizes Form

### The Institution of Engineering and Technology

Futures Place

Kings Way

Stevenage

SG1 2UA

01438 313311

01438 313311

[www.theiet.org](http://www.theiet.org)

Once fully completed, please send this form to Accounts Payable, Finance Department. Email: [financeap@theiet.org](mailto:financeap@theiet.org)

This is to certify that \_\_\_\_\_

has been awarded the sum of \_\_\_\_\_ on \_\_\_\_\_ (Date of ceremony)

In relation to: \_\_\_\_\_ (Name of award)

At the following educational \_\_\_\_\_ (Place of study)

Signed \_\_\_\_\_ AUTHORIZING OFFICER  
(On behalf of \_\_\_\_\_ Local Network)

Print Name

Name:	To be completed
Address	by recipient
Town	
County	
Postcode	
Member No.	
Email	
Bank account details	
Bank name	
Bank address (in full)	
Bank Account Name	
Bank Sort code (UK only)	
Bank Account Number	
Swift Code (non-UK only)	
IBAN (Europe only)	

# CHAPTER 4: CAPITAL ASSETS

## 4.1 Overview

This Chapter covers the following:

- Section 4.2 – Definition of a Capital Asset
- Section 4.3 – Recording Capital Asset Movements
- Section 4.4 – Capital Asset Purchases
- Section 4.5 – Capital Asset Disposals
- Section 4.6 – Capital Asset Stewardship
- Section 4.7 – Donated Assets

## 4.2 Definition of a Capital Asset

A capital (or 'fixed') asset (whether purchased or gifted to the IET) is a valuable tangible or intangible asset which will be used by the organisation for a period of more than the current year. Any queries on these Capital Assets should be directed to [fabienneprack@theiet.org](mailto:fabienneprack@theiet.org)

Those volunteers who handle IET data as part of their role will also need to complete an updated data protection training module that relates to the EU General Data Protection Regulations. Further information can be viewed on the IET Volunteer Gateway <https://www.theiet.org/volunteers/active/training/online.cfm>

## 4.3 Recording Capital Asset Movements

An assets log of capital asset movements across the world is maintained by the Communities Team. It is a requirement that the whereabouts of all IET capital assets held are recorded. It is therefore essential to let the Communities team know when:

- new assets are acquired or disposed of.
- capital assets are transferred from one owner to another owner: and
- capital assets are transferred from one location to another location.

LN Treasurers should perform a physical verification of assets held by their LN members on at least an annual basis to verify the existence and location of each asset and that it is in a usable condition. Results of such inspections should be reported to the Communities Team at [fabienneprack@theiet.org](mailto:fabienneprack@theiet.org)

## 4.4 Capital Asset Purchases

The purchase of capital assets can be budgeted for each year as part of the Annual Local Network Plan where GBP 100 (or equivalent) or less in value. No asset should normally be purchased via a finance lease/hire purchase agreement. Maintenance of capital assets is the responsibility of the Local Network.

Where the purchase of a capital asset is greater than GBP 100 and therefore required outside of a Local Network's Annual Budget, a separate online purchase request form should be completed <https://forms.office.com/r/tKPQBxJ75y> the Communities Team at will then forward it to the relevant Community Committee ("CC") for approval.

Per IET's Policy for Purchasing Goods and Services, for all intended purchases over GBP 1,000 (or equivalent) quotes from three separate suppliers should be obtained wherever possible.

Where the budget is approved, purchases will be effectively funded from a Central Communities Budget (reference F331014). Funds may be transferred to the Local Network

bank account so that the expenditure can then be approved via the usual route.

*For IET staff reference: Local Network Assets between GBP 100 and GBP 2,500 in value should be coded to work order F331014 and account code 2482. Local Network Assets of GBP 2,500 or greater should be coded to work order F331014 and account code 5999.*

## **4.5 Capital Asset Disposals**

Assets may require disposal for a variety of reasons, including disrepair, disuse, or replacement. Local Networks are expected to actively consider disposal of assets which no longer provide operational value to the organisation. Local Networks should also have due regard to and comply with any local legislation in respect of the disposal of capital assets.

Any loss/theft of an asset should be reported immediately to the IET Community Team Authority for disposal should be obtained by completing the following online form <https://forms.office.com/r/zeqVgd9Kyz>

## **4.6 Stewardship**

Please ensure that all property is always properly secured and not left in vehicles unattended or overnight.

## **4.7 Donated assets.**

If any donated assets are offered by third parties, these should be reported to the IET Community team, prior to acceptance.

# CHAPTER 5: FINANCIAL MANAGEMENT

## 5.1 Overview

This Chapter covers the following:

- Section 5.2 – Guidance for UK Local Networks
- Section 5.3 – Guidance for Non-UK Local Networks
- Section 5.4 – Internal Audit

Funds allocated by the CRC/CC can either be held centrally by the IET (typically the case for UK LNs) or locally in a bank account in the name of the IET LN (typically the case for non-UK LNs).

## 5.2 Guidance for UK Local Networks

Funds for UK LNs are held centrally within the IET's own bank account. The IET Finance Department operates a central bookkeeping service that manages the administrative processes and provides regular reports to LNs, allowing LN members to focus on the management and control of the LN budget.

### 5.2.1 Management Reports

Management reports are produced in Excel format from the IET's finance system one week following the end of the month. These reports are emailed to the Treasurer and Chairman of each UK Local Network using the contact details held by the Finance team. The reports comprise a summary page, an activity page and a detailed income and expenditure transaction listing.

#### Summary Report (Example)

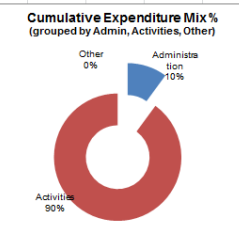
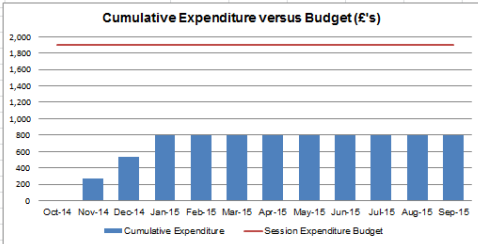
The summary report shows the year-to-date income and expenditure of the network (or section), by account code and by month, and shows comparison to the annual budget.



Management Report - October 2014 to January 2015

G503021 Scotland North Tayside

Code	Account Description	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Cumulative	Mix2	Mix2
<b>Income</b>																
1710	LN Delegate Income	-	-	-	-	-	-	-	-	-	-	-	-	-		
1715	LN Sponsorship Income	-	-	-	-	-	-	-	-	-	-	-	-	-		
1720	LN Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-		
1730	Donated Facilities (value)	-	(100.00)	-	-	-	-	-	-	-	-	-	-	(100.00)		
		0.00	(100.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(100.00)		
<b>Expenditure</b>																
2383	L.N. Admin Printing & Stationery	-	-	-	-	-	-	-	-	-	-	-	-	-		
2384	L.N. Admin Post & Tel	-	-	-	-	-	-	-	-	-	-	-	-	-		
2385	L.N. Admin Committee Travel	-	-	-	-	-	-	-	-	-	-	-	-	-		
2386	L.N. Admin Committee Accom	-	-	-	-	-	-	-	-	-	-	-	-	-		
2387	L.N. Admin Committee Refreshments	-	-	-	-	-	-	-	-	-	-	-	-	-		
2388	L.N. Admin Miscellaneous	-	40.00	40.00	-	-	-	-	-	-	-	-	-	80.00	10%	10%
2391	L.N. Activities Accommodation	-	100.00	100.00	140.00	-	-	-	-	-	-	-	-	340.00	43%	
2392	L.N. Activities Refreshments	-	124.50	124.50	124.50	-	-	-	-	-	-	-	-	373.50	47%	
2393	L.N. Activities Ent. Speakers	-	-	-	-	-	-	-	-	-	-	-	-	-		
2394	L.N. Activities Speaker Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-		90%
2396	L.N. Awards and Prizes	-	-	-	-	-	-	-	-	-	-	-	-	-		
2397	L.N. Donations	-	-	-	-	-	-	-	-	-	-	-	-	-		
2398	L.N. Public Relations and Publicity	-	-	-	-	-	-	-	-	-	-	-	-	-		
		0.00	264.50	264.50	264.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	793.50		
	Donated Facilities (value reversal)	-	100.00	-	-	-	-	-	-	-	-	-	-	100.00		
	<b>NET POSITION</b>	0.00	264.50	264.50	264.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	793.50		



Session Budget	1,900.00
Balance to Spend	1,106.50
<b>% of Budget to Spend</b>	<b>58%</b>



## Activity Report (Example)

The Activity Report shows year-to-date income and expenditure by activity (using the activity codes referred to in Section 3.2). This information is only as accurate as the codes given at the point of submitting invoices and expense claims. If these are used properly, this can be a valuable report showing the cost of each event.

Activity Summary - October 2014 to January 2015					G500500 Bristol Main	
Activity	Description	Jan-15 Actual	Year to date Actual	Annual Budget	Budget Remaining	
<b>Income</b>		0.00	0.00	0.00	0.00	
<b>Expenditure</b>						
BSMN13AD00	Administration	0.00	275.00	0.00	(275.00)	
BSMN14AD00	Administration	0.00	50.00	670.00	620.00	
BSMN14AW00	Awards and Prizes	0.00	50.00	450.00	400.00	
BSMN14EV01	Evening Lecture: Tribology	0.00	344.40	450.00	105.60	
BSMN14EV02	Evening Lecture: The Military Delta - Regulating	0.00	393.60	450.00	56.40	
BSMN14EV03	Evening Lecture: Brunel Institute	0.00	0.00	450.00	450.00	
BSMN14EV04	Christmas Lecture	0.00	0.00	625.00	625.00	
BSMN14EV05	Evening Lecture: Nuclear	0.00	0.00	505.00	505.00	
BSMN14EV06	Evening Lecture: TSR2	0.00	0.00	263.00	263.00	
BSMN14EV07	Evening Lecture: Rapid Prototyping with Rolls	0.00	0.00	225.00	225.00	
BSMN14EV08	Evening Lecture: Various options (TBD)	0.00	0.00	500.00	500.00	
BSMN14EV09	Education Engagement: Royal Bath and West S	0.00	0.00	1,000.00	1,000.00	
BSMN14EV10	Competition & AGM: TBD	0.00	0.00	675.00	675.00	
BSMN14EV12	Visit: Rotork	0.00	0.00	100.00	100.00	
BSMN14EV13	Visit: Helicopter Museum	0.00	0.00	100.00	100.00	
BSMN14EV14	Visit: Glastonbury Festival Engineering	0.00	0.00	100.00	100.00	
BSMN14PR00	Public Relations	0.00	0.00	400.00	400.00	
<b>NET</b>		0.00	1,113.00	6,963.00	5,850.00	
<b>Net Cost</b>		0.00	1,113.00	6,963.00	5,850.00	

## Transactions Report (Example)

This shows the transaction detail of the numbers in the Summary and Activity reports above. This report can be referred to answer a query on one of the Summary numbers, or to determine whether an invoice or expense claim has been processed.

Transaction Listing						G501225 East Midlands Lincoln				
Trans Date	Trans No	Account	Account Description	Activity	Activity Descripct	Amount	Text	Supplier	Period	
15-Jul-14	7052916	2391	L.N. Activities Accommodation	EMLN14EV03	Presentation	350.00	2014 Lecture by Phillipas Davis of Reaction Engines 15/10/14	The Royal Aeronautical Societ	201501	
14-Nov-14	7049182	2385	L.N. Admin Committee Travel	EMLN14AD00	Administration	65.35	T/C TRSP & IET Connect in London	Mr D Wells ICT Tech TMIET	201411	
19-Dec-14	7052022	2385	L.N. Admin Committee Travel	EMLN14AD00	Administration	65.34	T/C Lincolnshire Engineers Panel at Lincoln University	Mrs J Smith BEng(Hons) CEng	201412	
16-Jan-15	546424	2391	L.N. Activities Accommodation	EMLN14EV03	Presentation	350.00	14 YEACC EXP: 2014 Lecture 15/- Royal Aeronaut	N/A	201412	
16-Jan-15	546429	2391	L.N. Activities Accommodation	EMLN14EV03	Presentation	(350.00)	REV: 14 YEACC EXP: 2014 Lecture 15/- Royal Aeronaut	N/A	201501	
30-Jan-15	7054063	2385	L.N. Admin Committee Travel	EMLN14AD00	Administration	91.80	T/C East Midlands Regional Committee at Novotel Long Eaton	Mr T G Hemsall IEng MIET	201501	
<b>NET</b>						Cumulative Total	572.49			

## 5.3 Guidance for Non-UK Local Networks

### 5.3.1 Managing a local bank account

Where LNs are operating outside the UK, consideration will be given to the set-up of a local bank account for the management of grant funding provided by the IET. LN bank accounts can be opened at any mainstream International Clearing Bank in the name of the IET LN, however, approval must first be given by the CRC/CC and the IET Finance Department.

The bank mandate must include at least three signatories with a stipulation that any withdrawal requires two signatures. The Treasurer should maintain a copy of this bank mandate and ensure that as existing signatories retire, these are appropriately replaced. The Treasurer should make sure that they are able to regularly review the bank statement position (e.g., on-line viewing access).

The IET does not permit any overdraft, loan, or credit facilities for Local Network bank accounts.

At the beginning of each session (1 January), the Treasurer should send to the IET Finance Department details of all new bank accounts or changes to existing bank accounts used by the LN and any LN subsections that handle their own finances.

### 5.3.2 Phased funding receipts

LNs with locally held funds are likely to receive funds into their bank accounts in phases. Where an annual funding application is made, the first 50 per cent of approved funding will be transferred at the start of the session in January. The second 50 per cent of approved funding will be released in June. This second payment is available once full satisfactory independently reviewed CTAPS returns are received for the previous session from the LN (and all its subsections, where applicable) – please see Section 5.3.6 below. The June 50% payment will be reduced to account for any unspent funds recorded in the accounts from the previous session; this makes it unnecessary for LNs to return unspent funds at the end of the

session. This offset mechanism ensures that LNs have enough cash on hand to cover current year requirements whilst minimizing currency exchange costs. The approved allocation amount will therefore be the sum of the following:

- First instalment (50% of approved funding)
- Second instalment (50% of approved funding LESS the closing cash book balance in CTAPS on 31 December, i.e., the end of the previous session)

### 5.3.3 Managing expenditure

All expenditure should be supported by original receipts or invoices. The Treasurer should retain these original receipts (or scanned copies) in one central location for record keeping and audit purposes.

All expenditure should be approved by at least one LN authorised signatory prior to executing payment. The approval process is detailed further on our web pages.

<https://www.theiet.org/involved/volunteering-for-the-iet/volunteer-hub/resources/good-practice-guides/managing-money/>.



The Treasurer has responsibility for ensuring that:

- a record of such approvals is maintained.
- their LN has a minimum of two designated authorised signatories at any point in time; and the process is suitably followed for set-up and change of authorised signatories ( Section 3.5.1)

Once an expense has been approved by at least one LN authorised signatory, the payment can be made. The execution of the payment (i.e., withdrawal) requires two signatories, as stipulated on the bank mandate. Both signatories should ensure that the payment has been approved/authorised. Such payments could be made via cheque or via bank transfer. Where a cheque book is maintained, the Treasurer maintains responsibility for ensuring it is held in a secure location.

#### **5.3.4 CTAPS (Centre Treasurers Accounting Package) cashbook**

Treasurers should record all income and expenditure for their Local Network on an excel spread sheet known as CTAPS, sometimes referred to as the LN cashbook. The cashbook has an income section which allows Treasurers to record items like funding allocations from the IET, delegate income, sponsorship received from local partners and interest received from the bank. There is also an expenditure section to record any costs related to LN activities like venue hire, refreshments, awards and prizes and speaker expenses.

Provisions:

All year end provisions must be supported by relevant documentation (normally supplier invoices). Any provisions brought forward unspent in part or in full should be released to the income and expenditure section of the CTAPS in the current year.

Detailed instructions about how to complete CTAPS is available within the document itself.

The Treasurer should reconcile the bank statement position to the CTAPS cashbook records monthly.

***Please note below the following due dates. These items should be submitted to the IET UK Finance Department (Non-UK Local Network contact) – see Chapter 7: Staff contacts.***

#### **Non-UK LN Return Due (31-January 2023):**

- (i) Bank statement on 31 December 2022; and
- (ii) CTAPS returns for the year ended 31 December 2022.

**Non-UK LN Return Due (30 April 2023):** Audited Statutory Accounts (ONLY applicable where a local obligation exists for statutory accounts to be produced and audited). Where possible, we would request that your Statutory Accounts year-end date should align with that of IET's year-end date (i.e., 31 December).

#### **5.3.5 Statutory audit**

Non-UK local LNs must consider whether they are obliged to have a statutory audit under local legislation. If this is the case, the IET Finance Department should be notified of the statutory deadline and the relevant extract of legislation specifying this requirement. In addition, the audited accounts (in their statutory format) should be submitted to the IET Finance Department once completed and, in any event, in April of each year.

#### **5.3.6 Independent review**

LNs with a local bank account are required to have an independent review (or honorary audit) conducted of their CTAPS cashbook each year. The Treasurer (or named volunteer responsible for finance) should ensure that all income and expenditure has been recorded

in the CTAPS cashbook prior to this honorary audit. Honorary audits may be conducted by one or more individuals, who must be independent of the preparer of the CTAPS form and not be an authorised signatory of the Local Network. It is preferable, but not mandatory, that they have appropriate financial experience.

The scope of such work should include the following procedures:

- Ensure all totals throughout the CTAPS cashbook add up.
- Agree the CTAPS cash balance to bank statement (investigating any significant timing differences to ensure they are valid e.g., a cheque that has not yet cleared the bank).
- For a sample of expenditure items:
  - o checking that the expenditure has been properly approved/authorised.
  - o checking relevant details (including dates & amounts) to original supporting receipts.
  - o checking that the expenditure incurred is in accordance with what is allowed with reference to IET policy and guidance (including the 'Expenses policy for Volunteers').
  - o checking that where the expenditure relates to a capital asset that the 'Capital Assets' guidance in Chapter 4 has been followed.
- For a sample of income items, checking that amounts have been recorded in the appropriate period and agree with the receipt amount recorded in the bank statement.
- Checking with the Treasurer (or named volunteer responsible for finance) whether all Donated Facilities/Services received have been appropriately disclosed on the CTAPS cashbook in accordance with the guidance in Chapter 2 of this handbook.
- Reporting all uncorrected errors/exceptions/instances of non-compliance identified to the IET Finance Department. It should be determined whether exceptions/non-compliances identified during testing are of an isolated nature or indicative of further errors in the CTAPS. Where potentially indicative of further errors in the CTAPS, the honorary auditor should attempt to further define, quantify, and report on the nature and extent of the error. In doing this, the auditor should consider whether additional sampling is required.

#### Sample selection guidance:

The initial sample selected should be at least 10% (by number of transactions) of the entire population, except that:

- Any sample population that is used must include at least 10 sample items or the total universe of items, whichever is less.
- All items greater than GBP 500 (or equivalent) should be selected (up to the maximum sample population specified herein); and
- No sample population needs to include more than 25 items.

If the independent preparer has any concerns regarding this honorary audit, please contact Ian Davis at [IDavis@theiet.org](mailto:IDavis@theiet.org)

#### Sign-off

The completion of such work should be evidenced via name and signature in the honorary auditor spaces provided in the CTAPS cashbook. Once signed, the audited CTAPS should be submitted in January (as noted above).

## 5.4 Internal audit

Periodically, the IET Finance Department may also initiate local audits of LN records to help strengthen local financial control and verify compliance with IET Policies. Local Networks will be notified in advance of such internal audits taking place.

# CHAPTER 6: INSURANCE

Insurance has become a complicated subject, both in terms of the necessary cover, and in terms of total monetary limits. It is therefore vital that any assistance is sought at the earliest possible time from the IET Finance Department if you are in any doubt about the level of cover required or in place. In all cases, no liability should be admitted, either in writing or verbally, without the prior written agreement of the Finance & Planning Director's Office or the Insurers.

There are a few different types of insurance that communities need to consider:

- Public liability
- Personal accident
- Business travel
- Loss or damage to property.

There are central insurance policies that cover communities, volunteers, and members. This insurance policy covers all Communities worldwide.

If you have any questions, please contact Charlotte Morrish from the Finance Director's office – [charlottemorrish@theiet.org](mailto:charlottemorrish@theiet.org)

## CHAPTER 7: STAFF CONTACT

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