

The **Institution**
of **Structural**
Engineers

Regional Group Treasurers' Guidance

July 2014

KEY INFORMATION FOR REGIONAL GROUP TREASURERS

Interface with the Secretariat

- The Treasurer's main contact within the secretariat is the Finance Assistant, to whom all invoices (following authorisation by the Treasurer) must be promptly forwarded for payment, using the request for payment form in the Treasurers' area of the Institution's website (<https://www.istructe.org/my-account/treasurers-area>). Please see the Appendix for a detailed guide on how to use the Treasurers' area.

Allowable Expenses

- UK Regional Group Committee members may reclaim, via the Treasurer, reasonable expenditure incurred on behalf of the UK Regional Group (including travelling expenses to Regional Group Committee meetings).
- When the Treasurer claims expenses, their form must be endorsed by the Chairman (this can be done via email).
- Panel and Committee expenses come out of the HQ budget and expense claims for these to be forwarded to the relevant Panel/Committee secretary.

VAT/HMRC Requirements

- A VAT invoice must be issued for any money received or to be received. This applies even though there may be no VAT charge on the transaction, such as in relation to courses, conferences and symposia, where the transaction is 'exempt' from VAT. It is absolutely essential that copies of all VAT invoices (whether or not payment has been received) are forwarded to the Finance Assistant upon issue – preferably electronically.
- Purchase invoices received by the UK Regional Group are to be made out to "Institution of Structural Engineers", and not to any individual or other organisation. This is so the Institution is HMRC compliant and can reclaim the VAT back on the invoices.

Courses, Symposia, and Conferences

- Such events are regarded by Her Majesty's Revenue & Customs (HMRC) as 'exempt' as far as VAT is concerned. This means that VAT must not be charged on the ticket price, and that any invoices issued must be marked 'Exempt' in the VAT column.

Entertainment of Speakers

- The cost (of up to **£35 each**) of entertaining the speaker(s) and up to three UK Regional Group committee members, following a technical meeting, may be met from the Institution's funds via the UK Regional Group budget.
- List of attendees must be provided on the expense claim form.

UK Regional Group Budget

- The financial year for the Institution is the calendar year.
- The secretariat will ask the Treasurer during the summer to complete a budget request, backed up by assumptions and narrative, in respect of the following year for return by **30 September**.
- Amounts to be net of VAT other than in respect of courses, conferences and symposia, and entertainment (for which VAT cannot be).

GUIDANCE INFORMATION FOR REGIONAL GROUP TREASURERS

1. Role and responsibilities of the UK Regional Group Hon Treasurer

Regulation 7.2.6 requires each UK Regional Group Committee to appoint from among its members, *inter alia*, an Honorary Treasurer, whose main duties are set down in Regulations 7.2.7 and 7.2.9:

7.2.7 The honorary treasurer of each UK Regional Group (other than a UK Regional Group in the Republic of Ireland) shall submit to the Resources Committee annually on request a statement of proposed expenditure for the following financial year. Subject to approval of the statement by the Resources Committee, the Institution shall pay invoices, authorised by the UK Regional Group honorary treasurer, up to the total approved. Further expenditure may only be incurred by the UK Regional Group with the agreement of the Resources Committee.

7.2.9 The honorary treasurer of each UK Regional Group shall furnish to the Chief Executive on request financial statements relating to its activities.

These duties may be expanded in UK Regional Group Regulations, and will normally include giving financial reports to the Committee and the AGM.

2. Role and responsibilities of the UK Regional Group Chairman and Committee in relation to finance

Concerning the UK Regional Group's finances, the Treasurer is the only channel of communication with the secretariat (and through the secretariat with the Resources Committee and the Executive Board)

The main roles of the Chairman and other members of the Committee are therefore

- To co-operate with the Treasurer in the formulation of the annual budget request,
- To pass invoices promptly to the Treasurer for authorisation, and
- To receive financial reports from the Treasurer.

3. The Institution's charitable status

The Institution is a registered charity, number 233392. The Charities Act 1993 requires charities' status to be stated

- in all notices, advertisements and other documents soliciting money or other property,
- in all cheques and orders, and
- in all invoices and receipts.

The Treasurer, with other appropriate Committee members, must ensure compliance.

4. Control and administration of the UK Regional Group budget

The financial year (for the Institution and the UK Regional Groups) is the calendar year. The secretariat will ask the Treasurer during the summer to complete a budget request pro forma in respect of the following year, for return by 30 September. This is in respect of all UK Regional Group activities, other than events of a purely social nature (e.g. a golf day or a river trip) which must be run under the aegis of individuals and not the Institution or its trading company (IStructE Ltd). The budget is to be as accurate as possible, and it is not appropriate to allow for 'contingencies'. Amounts must be net of VAT - other than in respect of courses, conferences and symposia, and entertainment (for which VAT cannot be recovered).

With regard to the UK Regional Group annual dinner or dinner-dance, while the cost of the entertainment of official guests is a reasonable use of Institution funds, the subsidising of expenditure relating to UK Regional Group members and their guests is not. In budgeting for such events, therefore, the Treasurer must include in the ticket price all fixed overheads (room hire, toastmaster, administration, etc.) plus *per capita* overheads (food, wine, etc.). To encourage attendance, the ticket price for students may cover *per capita* costs only.

UK Regional Group budget requests are considered by the Resources Committee at their late-October meeting, whose decision will subsequently be notified to Treasurers. The new budget will operate from the following 1 January, and it is the Treasurer's responsibility to ensure that records of income and expenditure are kept such that they can provide financial reports to the UK Regional Group and ensure that costs are kept within budget.

Records of all monies received from the UK Regional Group and of all payments made on behalf of the UK Regional Group are of course kept by the secretariat. Printouts of this information are available on request.

If it appears that the authorised total budget figure will be insufficient, approval to a supplementary budget is to be sought in sufficient time with a detailed request setting out why additional funds are being requested, including explaining whether it is due to costs being exceeded or a shortfall in income.

5. Interface with the secretariat

The Treasurer's main contact within the secretariat is the Finance Assistant, to whom all invoices (following authorisation by the Treasurer) are to be promptly forwarded for payment, using the request for payment form in the Treasurers' area of the Institution's website. Scanned copies of the original invoices must be attached, as these form part of the Institution's VAT records; the Treasurer must keep a photocopy of each invoice, for their own records. BACS or cheque payment (we prefer to pay via BACS) runs are done every two weeks – a schedule of payment run dates can be found in the Treasurers' area.

The Finance Assistant sends to Treasurers a monthly summary of actual expenditure in the year to date, showing variances against budget. Treasurers should raise any queries as soon as possible with the Finance Assistant, for their early resolution.

The other person within the secretariat with whom the Treasurer normally liaises is the Financial Accountant, who prepares the budget for submission to the Resources Committee and Board, which considers UK Regional Group budget requests.

6. Use of UK Regional Group-generated funds

The UK Regional Group is legally part of the Institution. It follows that funds raised by the UK Regional Group belong to the Institution as such, in the same way as subscriptions or other income.

Where funds allow and sufficient ambition is shown, we seek to approve each UK Regional Group's expenditure requirements as set out in its annual budget request. The Institution wishes to encourage UK Regional Groups to organise appropriate activities, and recognises the value of the efforts of those who undertake their organisation. The UK Regional Group may therefore wish to cross-subsidise one activity from a surplus made within the same or another year. Within reason, this is appropriate, but it must be disclosed in advance on the annual budget pro forma.

UK Regional Groups that wish to establish a designated fund through donations made for a specific purpose must obtain the prior approval of Finance and the Resources Committee, to which detailed proposals must be submitted in good time.

7. VAT

The Institution is registered for VAT, its number being 238 7045 52. The UK Regional Groups are legally part of the Institution. Therefore their finances are subject to the same HMRC rules and procedures as the Institution.

8. Sales invoices

A VAT invoice must be issued for any money received or to be received. This applies even though there may be no VAT charge on the transaction, such as in relation to courses, conferences and symposia, where the transaction is 'exempt' from VAT. In these cases the VAT column on the invoice is to be marked 'Exempt'.

A template invoice can be found in the Treasurer's area of the Institution's website.

Sponsorship invoices

Invoices for sponsorship need to be raised by HQ as this is done through the trading subsidiary of the Institution due to the commercial nature of the income. Once a sponsorship arrangement has been agreed, please forward the following details to HQ in order for an invoice to be raised and forwarded to the sponsor:

- Name and address
- Event details (name, date, etc.)
- Net amount to be invoiced
- Any other details the sponsor may wish to appear on the invoice.

A copy of the invoice will be forwarded to the Treasurer only if the Treasurer requests a copy.

Please note that VAT is charged on all sponsorship income.

9. Banking arrangements

The Institution banks with Barclays Bank plc.

The Treasurer is to promptly pay all cheques and cash received by the UK Regional Group into the Institution's bank account using their own uniquely numbered paying-in book, or by forwarding cheques to the Finance Assistant for banking. Banking can be done at any UK Regional Group of Barclays or Woolwich

Following the banking of funds into the Institution's main bank account, copies of sales invoices are to be forwarded to HQ within one week. A schedule of banking form is available on the Institution website in the Treasurers' area. If other income (such as donations) is banked, this form will supply HQ with the required information for the correct posting of VAT. Copy invoices are to be attached to the schedule, or forwarded by email.

10. Administrative expenses

Administrative activities such as minute-taking and the keeping of accounting records should be undertaken by the UK Regional Group Honorary Officers. It is, nevertheless, recognised that there may be a legitimate case for a UK Regional Group to incur certain external administrative costs associated with particular projects, and these are to be built into the budget.

11. Prizes

A few UK Regional Groups have funds in the form of an endowment, the income from which is used to fund prizes and scholarships. The funds are held by the Institution, and interest is credited annually on the fund value at the prevailing interest rate. The Treasurers of UK Regional Groups with such funds can request at any time a statement of their value, from the Finance Accountant.

When requesting a payment from such a fund, the Treasurer should state the fund's name on the request for payment form.

UK Regional Groups without endowed funds who wish to award prizes should include the requested expenditure in the annual budget.

12. Benevolent Fund

UK Regional Groups are legally part of the Institution, which is a registered charity. Funds generated by the Regional Groups form part of the Institution's funds. The designation of these funds is decided by the secretariat.

It is, however, possible for UK Regional Groups to act merely as collection agents for donations to the Benevolent Fund. For example, money may be raised through raffles at social events specifically for the Benevolent Fund. It is also possible for a UK Regional Group to show on an event booking form a specific donation to the Benevolent Fund. However Regional Groups **must** state on all documents used for fundraising what charity they are raising funds for. This is due to both the Institution and the Benevolent Fund being registered charities; donors need to be informed which charity they are giving funds to.

Wherever possible, monies collected for the Benevolent Fund should be kept separately from the Institution's monies. Naturally, such contributions should be passed to the Benevolent Fund as soon as possible after each event.

13. Petty cash

All payments are settled by HQ by cheque or BACS. It is not necessary for the UK Regional Group to hold any petty cash. Small items of expenditure are to be aggregated if appropriate, and then reclaimed via the Treasurer in the normal way.

14. Reciprocal hospitality between institutions and UK Regional Groups

The Institution allows limited inter-institution and inter-UK Regional Group hospitality to be received by the UK Regional Group Chairman and other Committee members. In practice, one adjacent UK Regional Group's social event and up to four such events run by other institutions in the UK Regional Group area in a year may be attended by any one member of the Committee who wishes his/her expenses in connection therewith to be reimbursed. Prior approval to such expenditure (possibly including an overnight stay) is to be given by the Committee.

15. Related party transactions

The rules which the Institution applies to the payment for services by members, in order to ensure compliance with charity and taxation legislation, are:

- The payment must be for a particular and significant service rendered,
- It must be considerably lower than the commercial rate for that service,
- It may not be paid to members of the Executive Board unless specifically authorised by the Executive Board,
- It must be properly agreed beforehand, and authorised subsequently,
- It must be declared, by both the Institution and the recipient, to the Inland Revenue, and
- It may have to be listed individually in the Institution's annual accounts.

Such payments may be made by the Institution or the UK Regional Group, for example, for leading CPD courses.

When forwarding to the secretariat a request for such a payment to be made, the Treasurer must ensure that these requirements have been complied with.

16. Security and retention of documents and equipment

Treasurers (and other UK Regional Group officers) must take reasonable care of the Institution's property and records, wherever they are kept. The Institution papers held by UK Regional Group officers are insured against fire, theft and flood on the same basis as documents held at the London headquarters.

The UK Regional Group may wish to acquire equipment. The proposal must be agreed by the Committee, including arrangements for purchase, safe storage and maintenance.

Donations may be sought from firms and organisations, but if so it must be made clear in publicity that any 'surplus' donations will form part of the Institution general funds. Alternatively, a request for expenditure may be included in the annual UK Regional Group budget, for consideration by Finance and the Resources Committee.

Any equipment whose replacement cost exceeds £500 should be notified by the Treasurer to the Director of Corporate Services, for insurance purposes.

17. Treasurer's report to UK Regional Group AGM

The Institution's financial year (including the UK Regional Groups) ends on 31 December. The Institution's annual report and accounts must include all its activities and financial transactions (including the UK Regional Groups') for the year under review.

It is recommended that the Treasurer makes a brief report to the UK Regional Group AGM on the financial position over the year, with particular reference to the outcome against budget. They may wish to highlight costs or revenues associated with particular activities, especially where these are new or expanding. They may like to draw attention to successful financial outcomes and cost-effective arrangements.

Other members of the Committee will no doubt report on the UK Regional Group's activities as such. The purpose of these reports (which may be oral or written) is, of course, to give useful information to UK Regional Group members.

18. Audit

UK Regional Group income and expenditure is included in the Institution's annual accounts, which are subject to audit by professional accountants. This audit may include inquiries being made of Treasurers on a sample basis, as is done in respect of the records held by the secretariat. There is no need for a UK Regional Group to conduct its own audit.

19. Treasurers' conference

Treasurers work closely with their UK Regional Group Committees and liaise with the Finance Accountant and some other members of the secretariat. However, they tend not to have dealings with other Treasurers. Communication from the secretariat normally has to be in writing.

It is therefore helpful (for both Treasurers and secretariat) for there to be a periodic conference – as held for other UK Regional Group officers – where updates can be given, matters discussed and problems resolved. Treasurers are invited to suggest items for the agenda. These are therefore practical working sessions. They are chaired by the Director of Corporate Services of the Institution and are attended by relevant staff members.

It is important for all concerned that the Treasurer makes the effort to attend and contribute to the discussions. Expenses are to be reclaimed from HQ, not via the UK Regional Group.

Appendix Procedural Guide

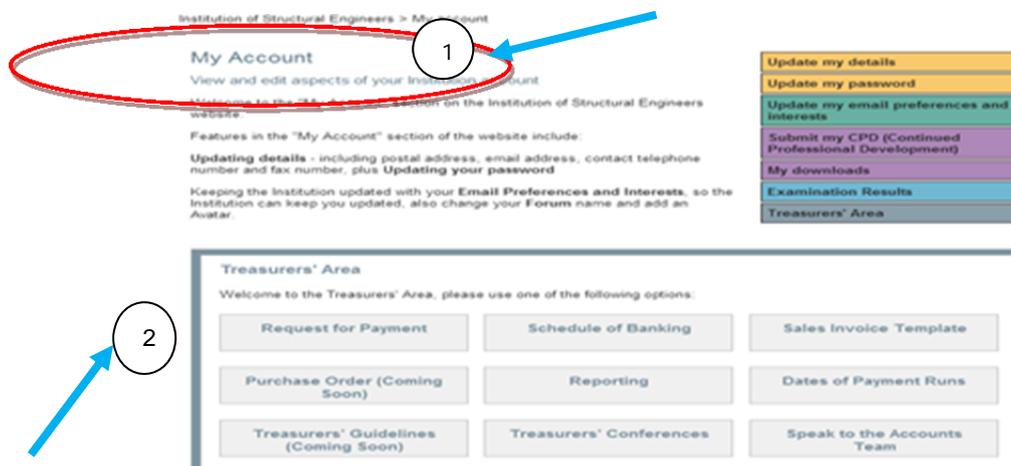
All sections referred to in this guide can be found on the treasurers' area of the website, please use this link to navigate to the correct pages <https://www.istructe.org/my-account/treasurers-area>. You will need your member login details to access the website.

This step by step guide will take you through:

1. The process of how to submit a Request for Payment (RFP) form online.
2. How to issue a sales invoice
3. What expenses can and can't be claimed
4. What to do with panel and committee expenses

1. Request for Payment Guide

1. Log on to the treasures area of the website. Use your normal log on details to access the treasures area.
2. Click on 'Request for Payment'
3. Select your regional group using the drop down menu
4. Enter your reference (e.g. Expense claim MR S SMITH)
5. Enter the name of person/company we are paying
6. Enter the amount to be paid
7. Select method of payment i.e. bank or cheque payment. If a bank payment is required please make sure the account number and sort code are correct. The sort code needs to be set out in this format 00-00-00
8. Enter the amount to be paid against the correct cost code
9. Select if you are attaching a document to the RFP
10. State the reason for the payment please put as much information in this box as you can.
11. Upload any documents that relate to the RFP (Invoice/ Expense claim form)
12. Authorise the RFP by filling in your name and entering the date.
13. If you wish to receive a copy of the form, enter your email address (this will auto populate)
14. Check that all details are correct on the form, once you are happy press submit and the form will be sent to accounts to be processed.



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VAT Code	Allocate Payment to	£
4	9600 - Printing/stationary (excluding VAT)	
4	9605 - Committee meeting (excluding VAT)	
4	9606 - Technical meeting (excluding VAT)	
4	9607 - President visits/inaugural meeting (excluding VAT)	
4	9614 - Public relations (excluding VAT)	
4	9615 - Postage/telephone (excluding VAT)	
4	9620 - Prize Awards (excluding prize funds) (excluding VAT)	
4	9621 - Contributions to other bodies (excluding VAT)	
4	9625 - Junior members (excluding VAT)	
4	9630 - Careers and student activity (excluding VAT)	
4	9635 - Sundry expenses (excluding VAT)	
1	9650 - Annual dinner (excluding VAT)	
0	9651 - Symposia/courses (including VAT as VAT cannot be reclaimed on symposia)	
0	9699 - Entertaining (including VAT as VAT cannot be reclaimed on entertaining)	
	VAT	

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Submit Request for Payment

2. Sales invoices

A VAT invoice must be issued for any money received or to be received. This applies even though there may be no VAT charge on the transaction, such as in relation to courses, conferences and symposia, where the transaction is 'exempt' from VAT. In these cases the VAT column on the invoice is to be marked 'Exempt'.

A template invoice can be found in the Treasurer's area of the Institution's website. When raising invoices, the Treasurer will need to make sure that the invoice has;

1. A unique invoice number (regional prefixes are to be used, please see table 1 below)
2. The date the invoice is issued
3. Name and address of person being invoiced
4. A description of activity
5. The amount

A copy of the invoice must be sent to the customer, HQ, and retained by the Treasurer. Copy invoices should also be retained by the Treasurer to be used as a record of outstanding payments.

It is absolutely essential that copies of all VAT invoices (whether or not payment has been received) are forwarded to the Finance Assistant upon issue – electronically preferably. This is so the Institution can adhere to HMRC legislation for the retention of VAT paperwork that supports its quarterly VAT returns made.

If an invoice need to be 'cancelled', a credit note must be issued (and a copy forwarded to the Finance Assistant), with an explanation provided.

Table 1

Regional Invoice Number Prefixes

Regional Group	Invoice Prefix
Bedfordshire & Adjoining Counties	BAC
Devon & Cornwall	DC
East Anglia	EA
East Midlands	EM
Lancashire & Cheshire Counties	LC
Midlands Counties	MC
North Thames	NT
Northern Counties	NC
Northern Ireland	NI
Peterborough	PET
Scotland	SCT
South Eastern Counties	SEC
Southern Counties	SOU
Surrey	SUR
Thames Valley	TV
Wales	WAL
Western Counties	WC
Yorkshire	YOR



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Invoice

Client Name
First line of address
Second line of address
City
Postcode

Invoice Number: AA1234 (1)
Invoice Date: dd/mm/yyyy (2)

Quantity	Description	VAT Code	Net Value	Total Value
1	Annual	S	£800.00	£800.00
1	Conference	E	£400.00	£400.00
1	Sponsorship	S	£2,000.00	£2,000.00
1	Publications	O	£50.00	£50.00
1	Publications	O	£50.00	£50.00

Payment to be made within 14 days of receipt
Please use the invoice number as a reference when paying
by BACS

	Standard	Rate	Supply	VAT	Total Net:	£3,100.00
S	Standard	20%	£2,600.00	£520.00	Total VAT:	£520.00
O	Zero	0%	£100.00	£0.00	Total Gross:	£3,620.00
E	Exempt	0%	£400.00	£0.00	Deposit:	£0.00
	Total		£3,100.00	£520.00	Total Due:	£3,620.00 (5)

Payment Details:
By Cheque: Institution of Structural Engineers
or
By BACS to Account Name: Institution of Structural Engineers
Account No: 00517909; Sort Code No: 20 06 05

and kindly forward Remittance to accounts@istructe.org or Fax 0207 201 9161

3. Allowable Expenses

When submitting an expense claim, the form on the opposite side of the page must be filled out and the relevant receipts attached.

As the institution does not operate a fixed scale for claiming expenses, we ask that members use their discretion and travel to and from meetings as economically as possible.

What can be claimed?

1. Travel expenses. The institution asks that you use the same method of transport that you would normally use. Standard class rail tickets, economy air tickets are to be used when traveling and booked in advance to get the best possible price. If you wish to upgrade, you will have to pay the difference.
2. Use of a personal car to travel to a meeting is allowed. If the speaker or a member of the committee is claiming back mileage it is paid at **40p per mile**. When submitting an expense claim with mileage on please check that the correct amount has been applied, if not the claim will be sent back to the Treasurer.
3. When travelling for long periods of time the cost of reasonable refreshments may be claimed. You will need to attach all copies of your receipts to your claim form.
4. If you or a committee member pays for a venue or company directly please keep all copies of the invoices and receipts. These will need to be attached to your expense claim form.
5. The Treasurer of a UK regional group may claim expenses back, you will need the chairman of the region or if the chairman is unavailable any other committee member, to authorise your expense claim form.

What cannot be claimed?

1. Overnight accommodation can only be reserved if it is absolutely essential e.g. the speaker for an event resides outside of the region the group operates in.
2. Expenses regarded as being unreasonable or outside the spirit of the guidance will be disallowed, e.g. kennel fees or excessive amounts spent on entertainment after an event.
3. Presence at other Institution events (e.g. the Presidential address, dinner, technical meetings and the AGM) does not carry entitlement to expenses as attendance is voluntary.
4. Expenses relating to attendance at other regional events (such as regional technical meetings, courses and social functions) do not carry entitlement to expenses as attendance is voluntary.

We ask that all expense claims are sent to us within 3 days of you receiving them. This ensures that members are not waiting for long periods of time and are reimbursed promptly.

1-When filling out the form, please make sure that the correct company you are claiming from is circled.

Expenses Claim Form

Please submit one form per company

I am claiming expenses for: Institution/ISTRUCTE Ltd/SER Ltd (Please circle one)

Travel expenses

Important: You must answer these questions before mileage expenses can be paid.

I use my private car on Institution business YES / NO (delete as appropriate)
If yes - I have class 1 insurance cover which includes business use YES / NO (delete as appropriate)

2-If a private car has been used to carry out institution business, please make sure this section is filled in.

Date	HQ contact and meeting attended	Journey details (include start and end of journey)	Net £	VAT £	Total £

3- Use this section to fill in all details of the expense claim. The date, if you met anyone at HQ (please put there name on the form), the details of your journey, the amounts and the total are all required on the form.

Other expenses

Date	HQ contact and meeting attended	Net £	VAT £	Total £

Grand total:

Preferred payment method is by direct bank credit

If you haven't previously given us your bank details, please do so below (for overseas payments please also include your swift or routing code).

Account name
Bank sort code
Account number

4-If a bank payment is required, please fill out this section.

Alternative method - Please make cheque payable to:

Name
Address
Email address (for remittance advice)

5- If a cheque payment is required, make sure this box is filled out with the correct address and name.

I declare that this is a true statement of expenses incurred on Institution business and complies with the current expenses policy. Details of the policy can be found at www.istructe.org/expenses

Date of claim: Signature of claimant
Print name

6- Sign and date the claim. If a UK regional group treasurer is claiming back their own expenses please make sure the chairman/ or committee member signs the claim off

Institution staff only

Cost Centre	£	Approved	Date	Cost Centre	£	Approved	Date

4. Panel and Committee Expenses

Panel and Committee expenses do not come out of your regional budget and regional group treasurers are not to authorise them. You should advise regional members that they will need to forward their claim to HQ where it will be processed.

If however the expense claims have items relating to regional activities then please code these accordingly and forward on to HQ where they will be passed on to the relevant member of staff to complete the process.