



UNISON
**BRANCH FINANCES
HANDBOOK
2026**



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Branch accounting cycle

	Financial accounting	Financial planning	Honoraria (if applicable)
Last year			
Oct		Financial planning and budgeting for following year	
Nov			
Dec			
This year			
Jan	Financial reporting Bookkeeping (recording and analysing) Financial management		
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct		Financial planning and budgeting for following year	Remember to include honoraria in the budget if there is likely to be any
Nov			
Dec			
			Branch committee to agree honoraria proposals
Next year			
Jan	Finalise this year's accounts and annual return		AGM to vote on branch committee honoraria proposals
Feb			
Mar			

Congratulations on becoming a UNISON branch treasurer. You are part of a team of elected volunteers who share a collective responsibility to look after and report upon the union's funds at branch level. It is an important job, and you will be responsible for reporting to your members how the branch committee has spent their money. Also, you will be responsible, under Trade Union legislation, to submit your branch's financial data for consolidation with all other branches, regions and the national union into our annual financial statements.

In this chapter we hope to provide you with an overview of being a branch treasurer before you begin, and to help you avoid some of the problems and pitfalls experienced by some newly elected treasurers. The aim is to provide you with a foundation from which to move forward to some of the more technical aspects of the role.

This handbook is a comprehensive reference document, which you will be able to refer to from time to time throughout your time as branch treasurer.

We have our own rules and policies, are regulated by the Trade Union and Labour Relations Act (TULRA) and must comply with the requirements of HM Revenue and Customs (HMRC).

Since UNISON formed in 1993 we have sought to help and support our treasurers by developing:

- accounting technology solutions
- a comprehensive training programme (the learning pathway)
- a dedicated help and support team

Online Branch Accounting (OLBA) was first introduced in 2010, became mandatory in 2014 and is now used by all our branches. OLBA is not just an accounting system but an organising tool that UNISON devised specifically for branch treasurers to keep records of their income and expenditure, assets and liabilities and to manage budgets in an easy way – even if they do not have a background in Finance. Branches are still required to keep all their supporting documents, especially invoices, expense claims and receipts should they be required by our auditors and/or HMRC.

OLBA's reporting system facilitates the printing of reports for branch committees

and members; whether it is a summary of the branch's transactions or their income and expenditure or a budget report comparing the budget to actual income and expenditure. More importantly, OLBA enables each branch to file their annual return (as required by our rules) via a year-end procedure without additional form filling (aside from the actual return which must be completed). It therefore remains vital that branches maintain and update their accounts on OLBA on a regular basis.

Our branches are required by rule to set annual budgets and this enables us to target help and support in a number of different ways. The system is web-based so it can be accessed anywhere as long as you have access to the internet – from the branch office, from home, from your workplace – 24 hours a day. In other words wherever and whenever is convenient for you.

Access is restricted to named users only and secured by login and password protection unique for every user. OLBA holds personal data, and you have a responsibility under General Data Protection Regulation (GDPR) as:

- The information you have access to as branch treasurer will contain personal data and therefore must be handled in line with data protection legislation.
- All data must be kept securely.
- Access to OLBA is for you only and log in details must not be shared with anyone else.
- In the event of a data protection breach, for example data is lost or stolen; you must report what has happened immediately to dataprotection@unison.co.uk.
- UNISON is the data controller for the data you are processing. This means data must be returned to UNISON officials immediately upon request.

There is more information on how to handle data in line with GDPR in the [UNISON Branch Data Protection Handbook](#).

There is also a short e-learning module that we have written specifically for activists who handle data in branches. It is on the UNISON e-learning site and can be accessed via this link: <https://e-learning.unison.org.uk/> and it is stage 2 of the learning pathway for treasurers (see page 14).

Our dedicated OLBA team based at the UNISON Centre help and support branches with a broad and varied range of finance questions and issues - whether on tax, VAT, member expenses, or even just “I am not sure how to record this in OLBA.” There is an online help functionality built into the system as well as step by step guidance for users. Further training and updates are provided on a regular basis and particularly for new branch officers.

OLBA also stores important documents that you as treasurer will need to read, particularly the year-end closedown routine we issue each year. We also provide copies of your branch accounts going back to the date your branch started on OLBA. In this way everything you need to reference as treasurer is stored or accessible in one place.

Later in this chapter is the Treasurer’s Toolkit. This lists all the documents that should have been passed to you or that you will have access to from branch archive records, and the purpose of these documents. This is followed by our learning pathway that sets out the training we have in place to help you in your role. Finally, there is a list of things to do - important things you should undertake as soon as you can.

Each treasurer is referred to National rule G4.3.2. This rule requires a branch treasurer, at the end of their appointment (and at any other time when so required by the General Secretary) to return to the branch all accounts, financial records and money belonging to the union - to be delivered to the branch chairperson, or to such person as the General Secretary may appoint.

We will now look at the first five tasks you need to tackle (administration, accounting, archiving, authority, and bookkeeping and management accounting) before you begin.

ADMINISTRATION

It is essential to allocate some time each week to administrative tasks to avoid building up a backlog, which will make the work more difficult if not dealt with on a regular basis. As part of this, you need to decide where you want to keep everything

and where and when you can be contacted during the day.

Take a look at the Treasurer’s Toolkit (on page 12) and compare this to what has been passed to you. We recommend that you talk to the branch auditors about any improvements they might suggest. They are a very good source of information so do not be afraid to approach them.

You may need physical files for unpaid bills and separate files for all receipts and payments. Also a lockable cash box (or a safe) is required for storage and security, especially for cheque and paying-in books, credit card(s) and petty cash if this is used by the branch.

Branches should consider the scanning of receipts and maintaining digitised records as a back up to paper records if possible. As Treasurer, you must ensure you have an appropriate workspace. Some branches have their own office and/or storage areas and you must check that these are appropriate and work for you. Make sure that you let all branch officers know where you have decided to store archive records and have their location minuted in branch (meeting) records. If you do find it necessary to keep some records at your place of work, make sure you maintain these records in subsidiary files and regularly incorporate these with your main filing system.

Finally, look through the toolkit once more. This is an ideal time to ensure you have sufficient supplies of those items you know that you will be using and, with the approval of your branch committee, to renew, update and/or replace them, as necessary.

ACCOUNTING

At the same time as you review administration, you should look at the last audited accounts for the branch. ‘Audited’ means that the branch auditors have examined the accounting records and signed an audit certificate expressing their opinion that the accounts give a true and fair view of the financial position of the branch.

You should not be expected to accept any responsibility for the accounting records or paperwork until the previous year’s records

have been audited (see also bookkeeping below). Similarly, if you have taken over part way into a year you should request an interim audit is carried out before you take over full responsibility. If auditors have not been appointed, or there are any outstanding issues with the accounts that you need clarification on, you need to contact your region who will advise you.

In accounting terms, what you are looking to do is to 'account for' – that is to prove or confirm – all assets and liabilities that were reported to the annual meeting of the branch (rule G3.4.2) or handed over to you when you were appointed. You may find that OLBA is not up to date when you do so, we ask you to bring records up to date and then have them audited up to the date you took over.

Speak to your auditors if you encounter any problems.

ARCHIVING

If the accounts have been audited and you are satisfied with the reported assets and liabilities, you can archive all last year's paperwork except those documents listed in the toolkit. If you are at all unsure about what to keep with the current year's paperwork and what to archive, take the opportunity to talk to the auditors.

Each branch must retain records for six years prior to the current year, in other words seven in total. This is a statutory requirement. Remember that OLBA will hold copies of the Income and Expenditure Account and Balance Sheet so please check to see how many years are held.

You will need to consider how the branch is going to store the accounting records. We suggested earlier that documents such as paid invoices and expense claim forms may be kept in a suitable physical file. However, we recommend branches consider the possibility of digital storage of these documents, not least because seven years of invoices etc. can take up a lot of room in the branch office.

Digital storage can be done in a number of ways including on the branch server, using cloud storage, or on a portable hard disk (which will need to be stored securely). Finally, you can upload your accounting

records into OLBA. Whichever method you choose, you must store the records in at least two of these locations, to mitigate against accidental deletion. And both locations must be accessible to at least two members of the branch.

The key objective of archiving is to comply with the six-year rule and, of course, rule G4.3.2 (the responsibility for handing over documentation) when your term in office comes to an end.

AUTHORITY

You need the branch to let your regional office know that you are the new treasurer so that UNISON's membership system can be updated and so that all future paperwork is sent to you. Your branch secretary or membership secretary should be able to do that. Please take care to nominate the email address to which you wish emails to be sent, as this will be the address to which the OLBA team will send any messages.

As soon as your region has updated your branch's membership records, contact the OLBA team (see contact numbers) or email olba@unison.co.uk to secure your access to OLBA and arrange training.

Now is also a good time to review who in the branch will authorise and approve claims. Again, think carefully about what will suit your branch and discuss your thoughts with the branch committee.

You will need to change the authorised signatories to all bank accounts and permissions for internet banking, that is who may register, authorise and approve payments. You may also need to change the address for the bank statements, depending on who receives them.

Signatories MUST be a member of the branch committee, otherwise they cannot be expected to know whether the payments they are signing represent bona fide expenditure authorised by the branch. No other signatories should be added outside this rule (especially staff that are employed by the branch.) For branches using Electronic/Online payments, branch employed staff may be added to the mandate, but their access must be limited to "upload" status.

All signatories must be approved by the branch committee, any changes being recorded in the minutes of the branch and reported to the AGM as part of the treasurer's annual report.

You will also need to update any cards held by the branch to reflect the new signatories. You will find details of all the accounts held by the branch in the home screen of OLBA. These will include credit cards/prepaid cards. This may involve closing these, destroying cards and opening new ones in the names of new officers.

Although wherever possible you, as treasurer, should always be a signatory on all cheques issued (except your own), or an approver of all internet payments, this may not always be possible, e.g., when you are on annual leave. We recommend you raise this issue with the branch committee, which should agree and minute arrangements to ensure there is no undue delay in payments. Remember it is far more important for you to ensure that the correct checks and balances and processes and procedures are in place (that we refer to later in this handbook) than it is for you to always sign cheques or authorise/approve expenses.

This is also an ideal time to review all your banking and investment arrangements and to check that these are all held in the correct name of the branch, including the word UNISON. If your branch has not registered for internet banking, we advise you to do so as soon as you can. You can obtain all the necessary paperwork to amend signatories and the branch name from your bank. To update details on your Unity Trust accounts go to www.unity.co.uk/update-your-account-details/. Please also read the Banking, Savings and Taxation chapter (Chapter 6).

Your branch should, by rule, hold their current account with Unity Trust Bank. If it has not already done so, we recommend your branch makes this transition. Unity Trust Bank has a dedicated team to advise on the most appropriate type of account(s) for a branch of your size, membership, income and reserves.

It can also provide details on internet banking which will enable you to manage your banking more easily and deliver real benefits and cost savings without compromising security.

Please visit the Unity Trust website (www.unity.co.uk) for further help and information or contact Unity's TU Team on 0345 140 1000.

You should consider the authority you need to make payments on behalf of the branch. You should be looking to secure the authority of the branch committee to make payments without always having to obtain approval each time. To this end you should introduce a budgeting process as soon as you can, especially if your branch does not already prepare a budget. If this is the case, please make reading the chapter on budgeting an early priority.

Some branches delegate the day-to-day management of their finances (including budgeting) to a subcommittee of the branch committee, commonly called the Finance Committee or Finance and Resource Management Committee. Such committee structures are encouraged but each branch should consider what works best for them. If such a committee does not exist, you may care to discuss this with the branch committee and to agree the best way forward for your branch.

BOOKKEEPING AND MANAGEMENT ACCOUNTING

Treasurers do not need to be qualified accountants but they do need to make sure that the branch OLBA records are kept up to date and reconciled. By keeping your records up to date you and all stakeholders will know what the branch's financial status is on a regular basis, thereby helping them to continue to plan, control and make decisions

Management accounting is the process of analysing branch costs, providing reports to the various committees to help them manage branch funds to achieve their aims and objectives.

To be able to provide an accurate and fair representation of branch finances it is essential that records are kept up to date.

It is recommended that all new treasurers, regardless of bookkeeping and/or management accounting experience, attend a UNISON training course.

THE TREASURER'S TOOLKIT

ITEM	MAIN PURPOSE	SOURCE
Branch Finances Handbook UNISON Rule Book UNISON Code of Good Branch Practice	Documents for day-to-day reference throughout the year	UNISON website
Online Branch Accounting System (OLBA)	Keep records of your receipts and payments, produce accounts and reports for committees and Head Office	Access by sending an email to olba@unison.co.uk
Computer with internet access. (N.B. A large screen will make use of OLBA easier.)	Access to OLBA, store electronic records (receipts/payments), produce reports	Any suitable IT store
Branch minutes	Independent evidence supporting payments. Good practice.	Branch secretary

ITEM	MAIN PURPOSE	SOURCE
Lever arch files	Filing: Last year's accounts and all supporting paperwork Current year budget Reports to branch committee Receipts, payments Correspondence Bank and card statements Unpaid bills	Any stationery store
Storage boxes	Store prior year records after audit	Any stationery store
Petty cash tin/safe	A secure place for petty cash, cheque book, prepaid card, credit card, charge card	Any stationery store
Petty cash vouchers	To issue in support of petty cash receipts and payments	Any stationery store
Blank expense claim forms	To issue to members who are likely to need to claim expenses	Branch
Cheque book	To pay bills, expenses	Unity Trust bank
Paying-in book	To bank cash and cheques paid to branch	Unity Trust bank
Calculator	We all need help adding up	Any stationery store
Hole punch	To aid filing	Any stationery store
Stapler	To attach receipts to expense claim forms	Any stationery store

Learning Pathway for Treasurers

Stage 1 **An Introduction for New Branch Treasurers e-note:**

Who is the course for?

- This online learning resource is for newly elected branch treasurers. The e-note is designed to be completed before attending OLBA training as it provides all the information branch treasurers need to get started in the role.

What will the course cover?

- This e-note will provide learners with information about the role and responsibilities of the branch treasurer; how finance works in UNISON; and getting started in the role.

Who delivers this course?

- This course is delivered online. To register go to <https://e-learning.unison.org.uk>

Stage 2 **Data Protection and the GDPR e-note:**

Who is the course for?

- This online learning resource is for all UNISON activists including branch treasurers. The e-note should be completed before attending OLBA training if this has not already been done. It provides guidance on what activists should do to ensure compliance with the law, especially when using OLBA, which may well contain sensitive personal information.

What will the course cover?

- This e-note covers the main data protection issues that you need to be aware of as a UNISON activist. It outlines the scope and requirements of the law and explains what you should do to ensure that you and your branch do not breach the GDPR (General Data Protection Requirements).

Who delivers this course?

- This course is delivered online. To register go to <https://e-learning.unison.org.uk>

Stage 3 **Introduction to OLBA:**

- Training for UNISON's online branch accounting system (OLBA) is delivered online.

Who is the course for?

- This training is aimed mainly at newly appointed branch treasurers and branch-employed staff who have access to OLBA in their role.

What will the course cover?

- This course introduces learners to UNISON's online branch accounting system (OLBA); functions in OLBA; how to record receipts and payments; how to put your budget on to OLBA and run

reports. Learners will have a demonstration of navigating around the system and will have the opportunity to work on live case studies.

Who delivers this course?

The course is delivered by the national finance team and is run online.

- The online Introduction to OLBA course is complemented by a series of videos which you can access online. This can be used as an alternative to registering for the Introduction to OLBA course.

How much will this cost?

- The Introduction to OLBA course is organised by UNISON's Learning and Organising Services (LAOS) department, who make a small administration charge to the branch.

Stage 4: Finance and the Organised Branch:

Who is the course for?

- This course is offered either as a one-day course or as part of a regional Branch Officer Weekend training for newly elected branch treasurers.

What will the course cover?

- The course looks at roles and responsibilities, understanding the role that finance plays in an organised branch and working through a financial case study.

Who delivers the course?

- This course is delivered by regional UNISON tutors.

How much will this cost?

- The cost for this course will depend on whether it is delivered as a one-day course or as part of the Branch Officer Weekend. Check with your regional education team to find out more.

Next steps

To find out more about courses where you are, contact your UNISON Regional Education team.

THINGS FOR A NEW TREASURER TO DO

For the coming year

- Check that your branch has arranged for you to be listed as branch treasurer on the UNISON Membership System (RMS)
- Contact the OLBA help team to secure your access to OLBA (olba@unison.co.uk)
- Register to access and work through the treasurers E-Note. <https://e-learning.unison.co.uk>
- Attend online OLBA training course (Introduction to OLBA).
- Find out when the branch committee meets and put a note in your diary when you need to prepare reports for the committee and budget holders.
- Brief the whole branch committee so they are all aware of their financial responsibilities, including budgeting and internal control.
- Prepare and agree a branch budget (see Chapter 2).
- Support the branch secretary and other committee members in the annual organising framework meeting with your region.
- Check the calculation of your branch funding entitlement (see Chapter 5).
- Review and agree your banking and investment policy with the Branch Committee.
- Review your branch insurance requirements and accordingly update them in OLBA.
- Implement any recommendations made by your auditors with the approval of the branch committee.
- Ensure any proposed expenditure is in accordance with UNISON policy.
- If in doubt seek assistance from your region.

During the year

- Ensure all income due to the branch is received and banked in a timely manner.
- Ensure all payments are authorised by budget holders (or those with delegated authority).
- Make sure all subscription income due in respect of your members is sent in its entirety to head office, except any locally collected subscriptions paid to the branch directly by individual members.
- Keep OLBA up to date and regularly reconcile the cash book to bank statements.
- Arrange for an interim audit.
- Prepare management accounts.
- Monitor and review budgets.
- Report to the branch committee.
- Ensure appropriate investment income is received.

Using OLBA - at the end of the year

- Prepare accounts for the branch annual meeting.
- Prepare annual return for head office.
- Have accounts and annual financial return audited.
- Present accounts to AGM for approval.
- Submit return to head office on time (see rule G10.1).

INTRODUCTION

In this chapter we introduce the concept of budget planning and setting, and financial management – i.e. managing the branch finances to achieve the financial objectives as agreed by the branch committee. The use of OLBA by branches is mandatory and budgeting is also mandatory (Rule D 2.10), not only to set a budget but also as part of the organising framework.

There are three key elements to successful financial management. These are:

- **Financial planning:** Has the branch sufficient funds in the short and medium term to meet these aims and objectives and have they set out limits on what will be spent where? Here we will be looking at budgets and cash flow forecasting.
- **Financial control:** What checks have been put in place to ensure that your branch is meeting its organisational goals, that assets are being used efficiently and effectively, and that the branch committee is acting in the best interests of its members within branch and national rules. Control also applies to the custody and security of assets. These may be by way of authorisation, access restriction, secondary checks and reconciliations, and reporting on variances.
- **Financial decision making:** What will be the key decisions about which areas of activity to support financially, which not to support, and those where a decision is to be deferred. Who will make the decisions? Decision making also includes when and where to make investments and whether to use reserves to meet any shortfall in revenues.

We will consider each of these elements within the overall structure of budgeting.

We recommend that you use the budgeting functionality included in the online branch accounting system that makes your tasks easier. Full training is included in our training and accreditation courses.

OVERVIEW

In simple terms a budget is your branch's organisational plan converted into money.

The money is what the branch is going to spend in achieving its objectives (planned expenses) matched to what the branch is going to receive (planned revenues). Obviously, an objective for each and every branch must be to ensure that it is able to meet planned expenses from planned revenues. (Usually revenues should be greater than or equal to expenses, but we will return to this topic later.) Meeting this objective will be difficult if not impossible without a formal plan, i.e., a budget, particularly where there are conflicting demands on the branch's financial resources.

Preparing, monitoring and reviewing the budget is the collective responsibility of the branch committee where each officer/ budget holder has specific roles and responsibilities within the overall budgetary processes.

THE BUDGET AND THE BRANCH COMMITTEE

Each year, every member of the branch committee shares a collective responsibility to report to the annual meeting of the branch on the branch finances and present branch accounts (rule G3.5.1). As the branch committee is responsible to the membership then it must:

- set a budget
- regularly plan, monitor and review and report on the branch finances and
- take corrective action if necessary.

In practice, there will be costs which treasurers will pay and process on their own e.g., branch employed staff salaries.

The budget should be a standing branch committee agenda item, and the committee must minute all decisions and actions. This will be useful for a number of reasons. As mentioned in *Starting Out*, a treasurer requires the authority to make payments on behalf of the branch. Agreeing a budget

and minuting decisions is by far the best way to do this so that the treasurer does not need to seek the approval of the committee for each and every payment made. Also, working in this way will help the auditors when they review systems and procedures.

THE BUDGET CYCLE

The annual financial cycle should become seamless even though there will always be monthly, quarterly and annual activities. The cycle will usually start around September with budget holders submitting their plans and then pass through reviewing and approval processes. Then the cycle moves on to monitoring, reporting and taking corrective action if necessary. See the branch accounting year chart on page 7.

For some branches preparing an annual budget may be sufficient, but the most effective budgetary system is to adopt three- or five-year planning cycles.

PREPARING A BUDGET

This section covers the first task in the branch accounting annual cycle: preparing your branch budget. Without it, no financial management or financial reporting can take place.

What follows are some principles to be considered. This guidance is for all branches, which vary widely. We recognise that the approach to be adopted by branches will vary to some extent based on the size of their income, their activist base, etc. Branches may need to simplify or streamline in some aspects of this area. They can discuss this with their regional officer to ensure they have sufficient governance in place while not creating a bureaucratic burden.

A good starting point would be the previous year's accounts. The process includes planning, control and decision making. Therefore our advice aims to help branches plan, prepare, monitor and review their budgets each year. Your branch should aim to set a balanced budget – that is where

planned revenues (income) = planned expenses (expenditure).

Planned expenses can be either

- capital, that is expenditure on a fixed asset (things that are not 'used up' in the day-to-day running of the business or meet the value criteria set by UNISON Finance e.g., property, fixtures and fittings, equipment etc. See Glossary for detailed definition) or to add value to an existing fixed asset
- revenue, which is expenditure on the day-to-day running of the branch (e.g., stationery, travel, salaries). Please take account of these differences when you read the section on preparing a budget.
- UNISON has adopted what we call objective-based budgeting – this comprises 4 objectives (cost areas)
- Committed
- Participation
- Growing the branch
- Optional/Discretionary

Within each of the above are mapped one of the areas of expenditure against which a branch sets how much they intend to spend or not (a full extract can be downloaded from the supporting documents icon in OLBA)

Building the Budget

We recommend that around August or September each year the treasurer puts together some of the key financial data for the branch committee and budget holders. The treasurer, using the budgeting data on OLBA should complete the section on planned revenues in as much detail as possible before moving on to the section on planned expenses.

For many branches planned revenues will simply be the funding they receive under rule H4.1, so please read Chapter 5 on branch funding for further information. In the budgeting module in OLBA you will find the forecast of your branch's funding for the next financial year. This forecast is based on current income; if you know there will be changes next year (e.g. members moving in from another branch or a change in your

funding rate) this should be incorporated into the budget.

In completing the section on planned expenses, remember that one of the keys to successful budgeting is to determine which items of expenditure are capital as opposed to revenue. This is because in the short term you will be able to exercise less control over fixed expenses (e.g. lease agreements) and is why we recommend three- to five-year planning. In the longer term it will be possible to vary all expenses.

Therefore committed expenses will be the first items to include within the budget and usually the treasurer should be able to complete that part without too much trouble. In addition capital expenditure should be planned so as to meet the demands of the branch. Generally the cost of such items is usually high, and it is good practice to manage finances so as to allocate some of your planned revenue each year towards meeting the repair, refurbishment or replacement of such assets. It is prudent to add such allocations to fixed expenses.

Having completed the section on planned revenues and calculated committed costs and any allocation to capital expenditure, what remains is money available to spend on all other expenses without recourse to your branch reserves. To complete the overall budget, the branch committee and budget holders will need to be involved.

We recommend the branch committee should delegate budget heads to the appropriate branch officers wherever possible. It will be their duty to prepare the necessary paperwork (their budget bids) for inclusion in the first draft budget which will be considered by the branch committee (or finance committee if delegated).

The treasurer will collate all budget bids, update OLBA, and submit the budget paperwork for consideration by the committee.

If budget heads are not delegated the remaining budget should be set by the branch committee.

Some branches will find it helpful to prepare phased budgets for management and reporting purposes. 'Phased' in this context means the budget takes into account when revenues are receivable or when expenses are payable; so the treasurer

may ask budget holders to prepare their budgets in calendar months. Asking budget holders to phase their budgets will also help complete a cash flow forecast. OLBA will initially phase the budget equally through the year, but this can be changed after the budget has been created. An example of this would be Conference costs, where a large proportion of the yearly expenditure is incurred in June, when the National Delegate Conference is held.

APPROVAL

The initial step of the approval process is to review the first draft to ensure that all budget bids are consistent with the branch's assessment. This is the responsibility of the branch committee, although it can delegate it to the treasurer.

If it is delegated, the treasurer will usually resolve any problems with budget holders before the branch committee considers the first draft. However, all budget holders should present their budget bids in detail to the branch committee in order to secure funding.

This is an ideal time for the branch committee to examine its overall organisational goals and whether to extend or narrow the scope of each budget bid. In doing so, the committee will need to consider both time and resources as some goals may extend beyond the next financial year or, just as important, the branch may not have sufficient funds to meet all the goals.

Planning over periods longer than one year will help the branch manage goals where costs need to be met beyond the current year. Moreover, the branch may decide to utilise any reserves to meet any shortfall or to postpone expenditure.

Planning over longer periods will help the approval process but the branch should only approve a budget when it is satisfied it reflects the branch committee's aims, values and objectives. Wherever possible, once a budget has been approved the budget holder should authorise all expenses made from that budget.

CASH FLOW FORECASTING

Budgeting would not be complete without reference to cash flow forecasting. This forecast is automatically prepared when you set your budget using how you phased the budget. The intention is to match planned revenues against planned expenses so that financial and management decisions can be taken.

In some cases the branch may well be able to meet all its planned expenses from planned revenues, but it may have cash problems in some months. For example, one of the core planned expenses for branches will be attendance at national and service group conferences. In particular nearly all branches will spend most, if not all, their conference budget by June each year – that is a whole year’s spend in the first six months. This may well cause a short-term cash flow problem.

Budget holders should be asked to give details of when they are likely to spend their budget allocation, to which the treasurer will add the amount for all fixed expenses. If there are identified short-term cash problems the branch can then consider a range of options that would otherwise not be open to them. These will include:

- utilising reserves to make up any shortfall
- deferring expenditure
- negotiating different payment terms.
- contacting a member of the Regional and Branch Development team (olba@unison.co.uk) who will be able to discuss further solutions to help the branch.

Finally, the cash flow forecast will identify when the branch can invest surplus funds to maximise income. This will be vital especially for those branches that need to increase their revenues.

Effective budgeting and financial planning can help a branch exercise control that aids decision making.

PUTTING YOUR BUDGET ONTO OLBA

Look at the budget spreadsheet on OLBA. (Periodic Accounting Tasks > Budgeting > Create/Add Objective Budget.) Unless your branch has already entered data, the spreadsheet will be full of zeros. There is a total column followed by a column for each of the twelve months.

Note that the rows represent Objectives, rather than Groups and Sub-Groups. The Objectives correspond to areas of activity within the branch, some of which are unavoidable, and some are discretionary.

You need to compile your budget by objective, not group.

However, within OLBA each group and sub-group is mapped to one of the objectives. (You can see the mapping by going to the Excel workbook named “Objectives, Groups, Sub-Groups and Payment Types”, which can be found in the Supporting Documentation folder on the home page). This allows OLBA to produce budget v actual reports.

Think about what you are likely to receive or spend in each objective taking into account the principles outlined in Chapter 2. You may need to speak to colleagues within the committee on their plans for next year.

You may possibly use the current year’s actual figures as a guide, but adjusted to account for inflation, expected increases/decreases in activity levels, expected industrial action, etc.

Some objectives will need a slightly different approach.

- Branch funding – you can estimate next year’s funding by applying your anticipated funding percentage to the current level of gross subs (Periodic Accounting Tasks > Budgeting > Income and Branch Funding Data). When you reach the year-end, you will have a better idea of what your funding percentage next year is likely to be, and the budget can be fine-tuned accordingly.
- Participation National – this is national conferences. The cost of that will depend on which conferences the branch is likely to attend, where they are

located, and how many candidates are likely to go.

- Staffing BES – this will essentially be the total cost of the employees' salary, including employer's national insurance and employer's pension contributions.
- If the employee is in the UNISON Pension Scheme, employer's pension can be estimated as gross salary x 27.7%. Employer's national insurance can be estimated as annual salary (less 10.3% salary sacrifice and less £5,000) x 15%. Do not forget to add any payroll bureau charges.

Once you have compiled the figures into a draft budget, it should be agreed at a branch committee meeting. If a budget is compiled in Autumn for inclusion in the Organising Framework, it will probably need to be updated in Spring, once the branch has a better idea of its branch funding entitlement and its conference commitments.

Putting the budget onto OLBA

Once the branch committee has agreed the budget, it should be entered onto OLBA.

Go to the budget spreadsheet that you looked at before.

Enter your yearly totals into the budget spreadsheet by overtyping the zeros in the total column.

As you do so, the total for the year will be spread ("phased") evenly across the twelve months.

This will do for most objectives. However, one or two objectives don't necessarily accrue evenly through the year. For example, the costs against Participation National certainly do not get incurred evenly – the phasing depends on when the conferences take place.

Likewise, newsletter costs will depend on when newsletters are likely to be issued.

Where costs for an objective do not accrue evenly through the year, the monthly totals for that objective can be individually tweaked, again by overtyping the monthly total that OLBA has produced.

If the branch revises its budget part way through the year, the figures can be revised accordingly in the budget spreadsheet.

Why put the budget onto OLBA?

Because each group and sub-group is mapped against one of the objectives, OLBA can produce a Budget v Actual report. (Periodic Accounting Tasks > Reports > Objective Budget vs Actual Report).

This report has five columns which show for each objective:

Total budget for the year

Budget for the year to date (which is based on the phasing in the budget spreadsheet)

Actual for the year to date

Variance (i.e. the difference between the two)

Remaining budget available for the rest of the year.

This report can provide a basis for discussion at branch committee meetings to help ensure that the branch remains on track financially.

The Budget Wizard

Rather than prepare a budget off-OLBA and then transfer the annual totals to the budget spreadsheet, some branches prefer to use the Budget Wizard. This device prepares the first draft of the budget by asking the user a (quite long) sequence of questions. The link to this is in the top right corner of the budget spreadsheet screen.

The e-learning in OLBA (<https://elearning.olba.org.uk>) includes a video (module 11) showing how the budget wizard is used.

MONITORING AND REVIEW

The treasurer usually monitors the budget to ensure there is no overspend, but more specifically to ensure that budget holders are carrying out their duties and responsibilities. More often than not, a budget that is significantly underspent is an early indication of inactivity.

As previously mentioned, the budget should be a standing item on the branch committee agenda. Before every committee meeting the treasurer must issue each budget holder with a copy of the management accounts showing activity between meetings as well as the year-to-date position. OLBA allows treasurers to select a variety of different reports by dates and/or cost areas.

Budget holders must review the management accounts and raise any issues directly with the treasurer who should provide a more detailed analysis if required. Budget holders should also be prepared to answer any questions when the committee meets. This is very often overlooked, or it gets assumed that it is the treasurer's role.

Preparing a phased budget will help to compare projected expenditure (phased budget) with actual expenditure. Typically each branch will want to set its own criteria for reviewing variances (differences) but at the very least the committee should review whether the assumptions made at the time it prepared the budget are still valid. If not, the committee is perfectly within its rights to amend the budget by releasing more funds or capping any further spending.

VALUE FOR MONEY:

General guidelines on what to consider when spending and the approval processes. Hypothetical examples have been cited based on past internal audit observations.

Value for Money

Branches are at liberty to spend on whatever they see fit for the benefit of their branch members. However, the branch committee has a responsibility to ensure the finances are not misused.

All expenditure should comply with UNISON guidance and fulfil UNISON objectives.

To avoid conflicts of interest, officers who may also be suppliers to the branch must declare their interest, and this should be minuted in the committee meeting minutes.

Failure to ensure value for money may lead to allegations of deliberate misuse for the advantage of a few officers, and therefore, it is important that all decisions and discussions are democratically made and are clearly minuted in branch committee minutes to ensure transparency is maintained at all times.

Below are hypothetical examples of expenditure. The list is not exhaustive but should provoke thought as to whether what is being proposed is a good use of members' funds and therefore 'value for money'. The general rule is that it should be fit (not excessive) for the purpose and meet safety standards if relevant.

Assets and equipment

Does the branch maintain a list of who holds what assets and equipment, and are these returned at the end of their role?

Mobile phone & phone contracts

Would the user be using this for private calls, and is this appropriate? Who monitors this? How much should the phone contract cost the branch? Should it be an iPhone, or will another lower specification phone do the job? Does the branch need a contract costing £XXX.00 (three figures) or can a better deal be found which is adequate for the branch business (some analysis of use may need to be done to determine this)?

Laptops

Do all committee members need one? Does it have to be a gaming standard (£XXXX.00 – four figures) or will a laptop that costs less do the job?

Furniture

Is it practical and does it meet an appropriate corporate standard? Does it have to be the trendiest?

Events

Have all members had an equal opportunity to benefit from the subsidised event or trip?

Travel and Accommodation

Have the right channels been used to ensure the branch is not disadvantaged, where UNISON-approved channels ensure fairness? Have plans been made in time to ensure the most beneficial rate has been paid?

INTRODUCTION

Financial reporting is the process of producing and distributing financial information to members of the branch committee, budget holders and members of the branch. The responsibility for producing such reports usually rests with the branch treasurer. Other officers can be given access (usually read-only) so they can also produce reports,

The reports module within the online branch accounting system (OLBA) enables your branch to select which optional reports it wants to produce,

This chapter explains the main types of financial reports that you can produce, the information they contain and the reasons for producing them. In this way each branch can then make informed decisions on its requirements so that the treasurer can plan for the forthcoming year. Usually these decisions will be on the timing and frequency of such reports.

The outputs of financial reporting are key to financial management.

BRANCH ACCOUNTS

The branch accounts are the report that is produced to inform the membership of the branch, as well as the wider union, how the branch has earned income and incurred expenditure during the year and its financial position at the end of the year. It comprises what is commonly known as the income and expenditure account (I&E) and the balance sheet.

UNISON rule G3.5.1 requires a report on the branch finances and the presentation of branch accounts at the annual meeting of the branch – to be held between January and March each year (rule G3.3).

INCOME AND EXPENDITURE ACCOUNT

As UNISON is a not-for-profit organisation, our branches are required to prepare an I&E account. This is similar to a profit and loss account except that, as the main purpose is not generating profit, a branch will record a surplus where income exceeds expenditure or a deficit where expenditure exceeds income.

In accounting there is also the accruals concept that requires revenues (income) and expenses (expenditure) to be recognised in the period in which they relate, not in the period in which they are received or paid. For branches however, the exception will be honoraria, which must be included in the I&E on a cash basis; that is in the year in which they are received or paid.

Typically the record of financial transactions maintained by branch treasurers is for a year at a time (between 1 January and 31 December). For many branches there will always be revenues and expenses that are received or paid outside of the period to which they relate (for example paying for accommodation in December 2024 for Conference in 2025 or accounting for expenses for travel in December 2024 when preparing the accounts in January 2025 even though the payment has not been made). Including these items in the accounts (in accounting known as 'accruing' the income or expenditure) converts what are essentially receipts and payments into income and expenditure. These are the type of accounts that we require our branches to prepare. The training courses will provide a more detailed explanation of recording and managing these transactions. Again our year-end closedown routine provides details of the officers you can contact in the event of problems.

The I&E tells a story about the financial activities of the branch committee, particularly its spending. To reiterate the point made in the budgeting chapter, the accounts should reflect the organisational goals of the branch and how much was actually spent on it. The committee is empowered to act and take such decisions on the membership's behalf. The accounts

are a transparent way to report on that delegated authority.

When the accounts are presented to the annual meeting of the branch, the membership has the opportunity to discuss current spending policy and whether to approve these.

BALANCE SHEET

While the I&E details the financial transactions for an accounting year, the balance sheet is a snapshot of the branch's assets and liabilities on a specific date. For UNISON branches the annual accounts will state the financial position at the end of the year i.e. 31st December.

In simple terms, assets are things of value that can be converted into cash (owned by the branch), while liabilities are obligations arising from past transactions or events (owed by the branch). Each year the financial position of the branch will change commensurately with the surplus or deficit for that year.

Usually over time, surpluses will exceed deficits and these build up what are commonly known as 'accumulated funds.' It therefore follows that a branch's accumulated funds must and will equal its assets less its liabilities. This is why the balance sheet is so called as it must 'balance.'

If the branch has prepared, agreed, monitored and revised its budgets then the branch accounts will reflect what the branch committee set out to do and will report this (in compliance with rule G3.5.1).

MANAGEMENT ACCOUNTS

Management accounts are the reports that are produced and used for planning and control and decision-making purposes. It would be difficult to run a branch efficiently and effectively without producing them. The process starts with preparing a budget and cash flow forecast, both of which were covered in detail in the chapter on managing your budget.

Management accounts enable the branch to compare accounts with original budgets and forecasts. OLBA has a range of reports that you will be able to produce for your branch and/or finance committee.

The treasurer should produce the management accounts for each planned branch committee meeting, usually several days in advance. This will give committee members and budget holders time to review them. The management accounts will bring together in one report:

- budgeted revenues and expenses compared with actual year-to-date totals
- forecast revenue and expenses to the year end.

They will also enable the branch to:

- take corrective action by highlighting variations in revenues or expenses
- make more effective use of current and future resources.

AUDIT

A chapter on financial reporting would be incomplete without reference to audit. A suggested audit programme for branch auditors to follow is stored in OLBA for you to download.

The auditors are tasked with preparing and presenting their report each year to the branch committee. Their report should comment on systems, documentation, observance of rules, use of branch funds, and administration, much of which is covered in the chapter on internal control.

The committee is responsible for considering and implementing any recommendations. The branch committee should schedule this meeting in its calendar, having first discussed it with the treasurer and the auditors so that they are comfortable with the timetable.

The committee must also have regard to the planned annual meeting and the national rule G10.1 when agreeing a date. We also suggest that branches consider quarterly or half yearly interim audits as this will help at the year-end, by having identified issues arising that can be addressed in advance.

INTRODUCTION

In this chapter we will look in more detail at the accounting processes, procedures and records for a representative UNISON branch. The intention is to put into context the topics introduced in Chapter 1 (Starting out) and to ensure you meet the requirements of sections 28 to 31 of the Trade Union and Labour Relations (Consolidation) Act 1992. This chapter will be of most interest to the branch treasurer, although the branch committee will need to discuss, agree and communicate the procedures it is to operate under to all activists, particularly budget holders. Full details on these are in Chapter 8 on internal control.

The accounting process starts with the production of an agreed budget. This part of the process was covered in detail in Chapter 2 – Managing your budget. The role of branch committee and budget holders within this process should be clear after reading this chapter. To all intents and purposes it is these groups that create financial activity and who require training in their roles and responsibilities.

The day-to-day accounting process is a series of activities that start with a transaction (a receipt or payment) and ends with the inclusion of that transaction within the branch accounts (I&E) and annual return (rules G3.5.1 and G10.1) through recording this under the appropriate heading in OLBA.

The branch treasurer is responsible for making all payments and banking all receipts or ensuring that this is done. The branch committee would be acting beyond its remit if it in any way attempts to circumvent this process unless it has justifiable reasons to vary or withdraw this authority. 'Justifiable reasons' in this context will be concerns about the custody and security of branch assets. If this is the case the branch must contact its region immediately.

PAYMENTS

The next section explains the process for payments from activity, through invoices and expenses, to authorisation and then payment. The branch committee should review and communicate to budget holders the requirements detailed in internal control, but it will be the treasurer who ensures they are complied with – in the knowledge that the auditors will review compliance and comment on any exceptions. The treasurer must report any attempt at circumventing these requirements to the branch committee.

All members of the branch will claim their expenses in the manner prescribed by the branch. This should include completion of an expense claim form – whether that be physical or electronic – and forwarding it to the person designated by the branch, usually the branch treasurer. If it is a physical form, receipts should be attached as appropriate. If the claim form is electronic, the claimant will need to send the receipts separately, or email scans of the receipts along with the expense claim form. Each branch will nominate members who can authorise and/or approve claims. A member will not be able to authorise or approve their own.

All payments should be made from the branch current account preferably by internet banking. Where this is not available, then by cheque, but never from a savings account; although a prepaid or credit card can be used to pay those organisations that require upfront payments (travel, hotel etc).

To this end, each branch's current account must be with Unity Trust bank and must be in the name of the branch. The system should be set up so that each internet payment must be approved by two signatories and where a cheque is issued, there must always be two signatures, one of which should be the treasurer's. Cheques **MUST** never be pre-signed.

The branch should nominate at least two other signatories in addition to the treasurer on its bank mandate, and it should change these without delay as required, following changes to the branch committee. A signatory must be an elected officer of the branch committee (rule G4.1.1). Internet banking payments can be set up with dual

or triple authority. This is explained in more detail in the chapter on banking but still requires at least two members of the branch to authorise and approve.

Payments must only be made on the submission of an invoice or an approved expense claim form and if appropriate, accompanied by supporting documentation wherever possible. All invoices must be approved by the budget holder or the person(s) nominated by the branch for this purpose. Budget holders cannot authorise their own claims for expenses or for goods or services purchased for use by them (e.g., mobile phone or laptop) or for use by the branch. Usually the purchase of goods and services will have been agreed by the branch committee.

We recommend that members do not cover multiple expenses or members expenses, other than their own personal expenses, via credit card or any other means and then claim a single payment from the branch to cover these costs. This may lead to suspicions and allegations of impropriety, especially where there is no audit trail and receipts are not provided in support of the amount the branch then pays out. This is sometimes done to keep things simple; however this is potentially a fraud risk and does not represent transparent practice. Should there be a need to cover costs in this way, a detailed claim form should be completed, with relevant receipts attached, and submitted to the branch treasurer for confirmation before a reimbursement is made, in order to provide a robust audit trail.

Budget holders are also responsible for coding all invoices and expenses (i.e., deciding which budget head will meet spend) especially where the amount to be paid covers more than one budget head. The treasurer should refuse to make any payment if this authority and/or budget details are not forthcoming or if a payment would exceed the agreed budget. In this latter case the branch committee may decide to delegate authority to officers (e.g., treasurer, chair, secretary) to take decisions between meetings to whom the treasurer will refer before making a payment.

In addition, a person approving a transaction ideally cannot also sign to pay for that transaction. Where there cannot be full 'independence' i.e., two other people sign the internet payment or cheque

off, then there must be an independent second approver. This is to comply with the 'separation of duties' rule. The second signature on an internet payment or a cheque must never be the same as the authorising signature. This is:

- to ensure that all payments are properly approved and paid in accordance with best practice guidelines;
- to safeguard branch funds from fraud which may result from a lack of separation of duties or collusion; and
- to protect the branch treasurer from allegations of impropriety.

When issuing cheque payments the claimant must sign their invoice confirming receipt of payment at the point of collection of the cheque. In this way you will have four independent signatures for each payment (the authoriser's, the treasurer's, one other signatory's, and the claimant's). This ensures you have a safe and secure payment process as well as a sound audit trail.

In 'Starting Out' we referred to the type of filing system a treasurer would want to keep. Whichever system you decide upon, the Treasurer should update all invoices with at least one of the following:

- the cheque number you used to make the payment
- the reference generated by the bank (internet payments)
- the date of the internet payment
- the number generated by OLBA when you save the transaction

For cheque payments, the Treasurer should enter as much detail as you can on the cheque book stub as a back up to your records. OLBA also produces a unique reference that you should record. This is provided to you when you save a payment record

If you need to have petty cash do not use it to pay invoices or expenses. When making cash payments (e.g., for office incidentals) you should follow the normal procedures on authority. If you do use petty cash please use the imprest system if you can, that is, a fixed amount is agreed (as a float) and this is replenished back to the agreed fixed amount following any cash expenditure.

Always make sure you reconcile receipts, spend and remaining balance before replenishing. Any discrepancies should be reported to the branch committee.

RECEIPTS (CASH & CHEQUES)

This section deals with all cash received and banked by the branch. 'Cash' in this context is defined as money received in the form of actual cash, and cheques. The Treasurer should encourage electronic banking (giving details of account so money can be paid directly into the Unity Trust Bank Account). However should there be the need to receive cash, then all 'cash' should be banked intact, immediately or as soon as possible on receipt. If necessary it should be kept in a secure place if left overnight. 'Banked intact' means it should not be used to top up any petty cash balances or spent elsewhere. However, should there be a need to spend this, then you must keep a full written record of the action you have taken. In this way all receipts and payments should pass through the bank account and will be supported by and validated against authorised and signed vouchers kept systematically in files.

If the branch regularly receives cash we recommend that you review your insurance cover (see section on branch insurance on page 28).

Branches must not receive money in any form other than electronic banking, (remember to include in any reconciliations) cash or cheques from members. If a member wants to pay their subscription by any means other than Direct Debit or DOCAS they should be referred to the Income and Membership Processing Section (IMPS) which will make the appropriate arrangements or join online at <https://join.unison.org.uk>

We recommend that the treasurer issues a signed receipt for all cash received and retains a copy in the branch files together with any other associated paperwork in support of the receipt. You will need this to update the cash book as well as for audit purposes.

If you do receive subscriptions from members (locally collected subscriptions) please enter these in OLBA as directed.

Please do not make any payments to head office (or any other office) for such amounts. This is because we have an automated system that operates at the year-end that includes such amounts as part of the branch's income for funding purposes, adjusts the accounts for the amount to be paid and recovers this from branch funding in June of the following year. This process ensures national and branch accounts include such income in the correct year.

CASH BOOK

The cash book is primarily used to keep a record of all receipts and payments that pass through the bank account for a financial year (1 January to 31 December). Cash books and reconciliations are an integral part of our training in the online branch accounting system (OLBA).

You maintain a cash book for a year at a time as a set of accounts is completed from these records. A cash book is part of keeping proper accounting records as required by legislation. More importantly, the entries you make will for the most part provide the information you need to prepare and complete bank reconciliations, branch accounts and the annual financial return.

RECEIPTS AND PAYMENTS FILES

We covered the types of files you can maintain as well as archiving in Chapter 1. You should keep records systematically and logically and for a financial year at a time. We recommend that you keep documents in cheque number order for payments (or date order for internet payments) and in receipt number order for receipts. As these are referenced in your cash book, you are providing a good 'audit trail' for each record, thus keeping your auditors happy when they come to check your records.

BANK ACCOUNT

We have already covered using your bank account but remember that your bank will also keep a record of all transactions it clears through your current account. This is why we insist that you only use your current account for all receipts and payments.

You should contact your bank and ideally arrange for it to send you a statement on the last day of each month if this is not already the case. Bank Statements should not be addressed to a home address. They should be addressed to the branch Office.

Where there is no office the Regional Office should be used, and the statement should then be accessed by the Treasurer or other relevant member of the branch committee or staff. If the branch does not already use online banking, you may care to register for it. Unity Trust Bank offers this service (www.unity.co.uk/online-banking), and it allows you to download bank statements at will.

It is customary to store paper bank statements in number order. If you follow the recommended procedures for payments you and your auditors should not have any reason to obtain the cleared cheques from your bankers, particularly as there will be a charge for the service.

BANK RECONCILIATION

Branches will receive a statement each month and we recommend that you carry out a bank reconciliation each time you receive one. This is the process of comparing and matching the figures in your cash book to those shown on your bank statement; in other words, proving they balance with one another. It is perhaps the most important accounting task you complete during the year.

The most important reason for doing this is to uncover any differences between your records and the bank's. For each there is a simple solution and you should, wherever directed, correct any differences before proceeding further. The reasons why you should deal with these first will become clear as you work through this process.

BRANCH INSURANCE QUESTIONNAIRE

The UNISON Branches Insurance Scheme falls due for renewal on 1st April each year. The scheme is arranged and paid for centrally by UNISON. The policies provided are:

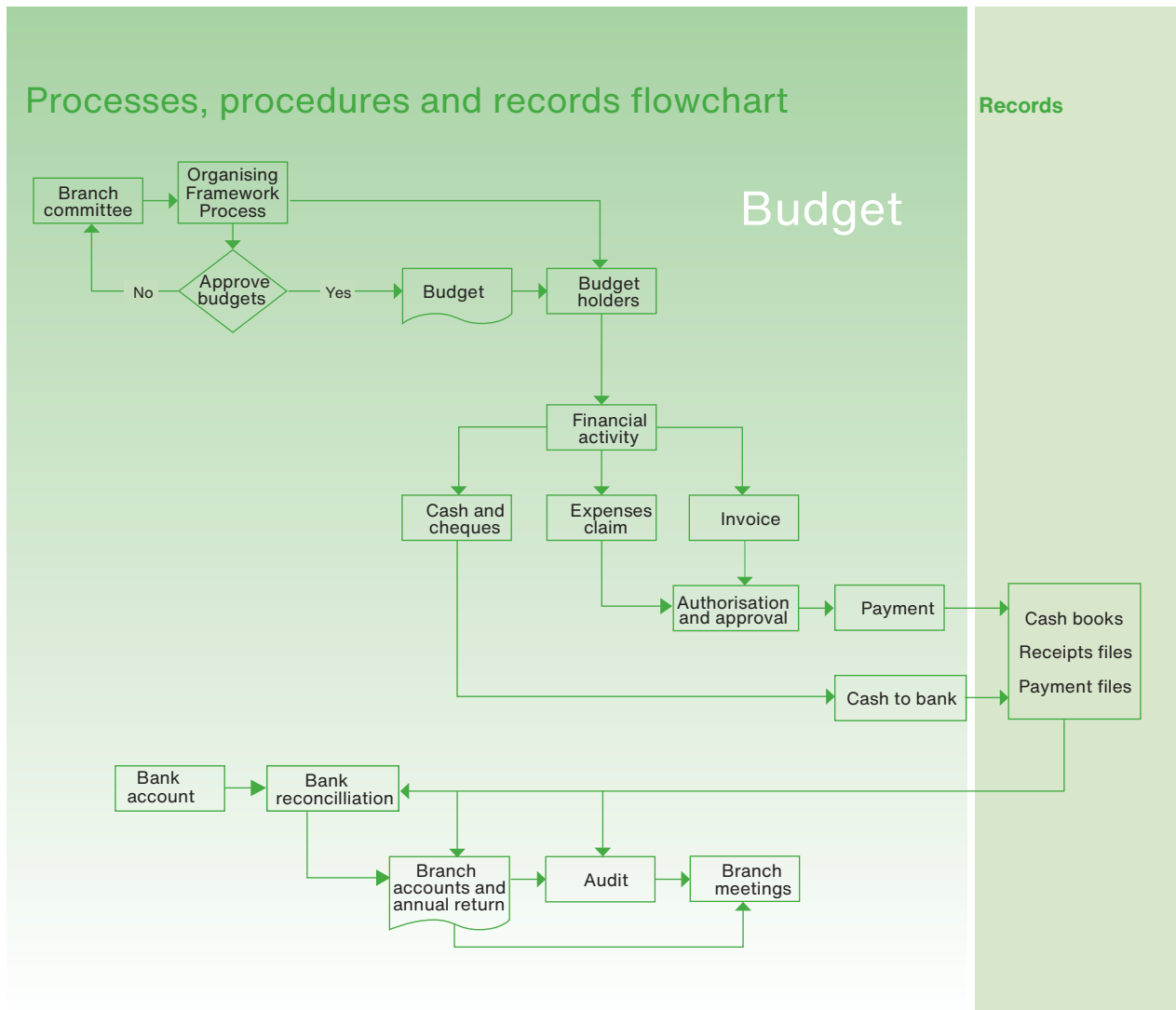
- Commercial Combined (including Property Damage and Business Interruption insurance, Employers Liability and Public Liability)
- Group Personal Accident and Travel (covering trips within the UK)

In order to obtain renewal terms to give to UNISON all UNISON Branches must confirm what values they require effective from 1st April each year by accessing the form in OLBA. Full details on how to complete this are contained in the insurance renewal questionnaire.

BRANCH ACCOUNTS (RULE G3.5.1) AND ANNUAL RETURN (RULE G10.1)

The production of both of these is automated within the online branch accounting system (OLBA). Once transactions have been entered on the system and reconciliations have been carried out, OLBA should be able to generate these automatically. Should you have any difficulties at year-end, please speak to your auditors or the OLBA support Team.

This diagram illustrates all the processes, procedures and records and their relationships that operate within a typical UNISON branch, explained in this chapter.



INTRODUCTION

Under rule H4.1 each branch is entitled to receive regular payments of amounts which the NDC thinks appropriate to ensure the proper running of the branch and management of its expenses. This is commonly known as branch funding and is the main source of income (revenue) for your branch.

Each branch has to comply with rule G10.1 (to submit an annual financial return) otherwise its funding entitlement is suspended under rule D1.3.3.3.

The full branch funding scheme is available for you to download in OLBA and the formula is set out in Appendix 1.

The success of the funding scheme in operation relies on a working partnership between branches, regions and our Income and Membership Processing Section (IMPS) in Manchester, ensuring that each branch is paid the correct amount each year.

This chapter explains the individual components of branch funding to help you with your annual calculation and also sets out to improve your overall understanding of the scheme so that you know what to do should problems arise.

In Chapter 2 we referred to the importance of calculating planned revenues as part of the budgeting process. Branch funding is the main source of your revenue so you will need to have a reasonable understanding of the scheme and how it applies so you can:

- make a reasonable assessment of what money the branch has to spend in advance of receiving details from IMPS
- check all the details provided by IMPS for completeness and accuracy.

HOW BRANCH FUNDING WORKS

Branch funding is money paid to the branch; but as far as your branch is concerned, the definition is 'the percentage of our members' subscriptions paid each year to the branch.'

Firstly, UNISON members pay their subscriptions into a central UNISON

account. The vast majority of members pay their subscriptions either directly by direct debit into this central UNISON bank account; or by deduction from their salary, with their employer sending the subs on to UNISON. This latter method is known as deductions of contributions at source (DOCAS).

Branches then get a percentage of this based on the branch funding scheme. The percentage that each branch gets is calculated according to a set formula which is based on a number of entitlement components including the number of members, geographic spread, multiple employers, restrictions etc. A branch's percentage can vary from year to year as the branch's circumstances change.

Once branch funding has been paid to a branch, the branch committee then allocates and releases funds in line with the branch financial plan.

Branch funding is administered by the Income and Membership Processing Services (IMPS) Team in Manchester. They keep the centralised records of subscriptions coming into the union from members and allocate them to branches. Each month, using each branch's funding percentage, they remit to each branch their estimate of the funding due to the branch for that month i.e., total subscriptions received from the members of that branch multiplied by the branch's funding percentage.

The amount sent to the branch each month is necessarily an estimate for a couple of reasons: firstly, branch funding for each month is sent to the branch on the 15th of the month; and secondly, for DOCAS subscriptions there is usually a time lag between the member paying the subscription from their salary and it arriving into UNISON's central bank account. So, the amount paid into your account each month is a payment on account of the amount due, rather than the definitive amount due.

As a result, at the end of the calendar year each branch will have been slightly overfunded or underfunded according to the branch funding scheme. So, the following June, IMPS prepares a final funding statement for each branch, which summarises all of the subscriptions applicable to the branch that have been received from all sources, the total funding

due to the branch according to the scheme, the total that was paid to the branch during the year, and therefore the amount that was overfunded or underfunded during the year.

To illustrate, in the year 20XX a branch receives £800 funding each month from IMPS, which is their estimate of the sum due, based on the branch's funding percentage and the subs coming into the union from the branch's members. In June in the following year 20XY, IMPS prepares a statement which shows that £46,000 of subs was received from the branch's members in 20XX, which given the branch's funding percentage for 20XX of 21%, means that they should have received £9,660. But, in fact, they received £800 x 12 i.e., £9,600. The branch has been underfunded in 20XX by £60.

The £60 underfunding for 20XX will be added in seven equal instalments of £8.57 to the branch's monthly funding from July to December 20XY. Conversely, if the branch had been overfunded, the overfunding would be deducted from the branch's funding from July to December 20XY.

You can find the last funding statement for your branch in the Supporting Documentation folder in the top right corner of the OLBA home page (Supporting Documentation > Branch Funding & Statement Information > Annual Statements). Only those subscriptions paid by full, student and unemployed members are included in this statement, as retired members' subscriptions are payable to and retained by the branch without deduction.

Under rule H2 all subscriptions are to be sent to head office. However, if ever a member of your branch should pay subscriptions to you directly (e.g., to clear arrears of contributions), bank them and record them in OLBA as locally collected subscriptions received: the national union will account for them at year-end.

When you receive a final statement, please review it for completeness and accuracy. The statement comes with explanatory notes. If you disagree with any part of the statement, please contact IMPS (impsbranches@unison.co.uk).

Please note that the figures that appear on your funding statement are used to calculate the low subscriptions element (see below) of your funding percentage for the following year, i.e., the calendar year in

which you actually receive the statement. Or to use the example above, the total subscriptions income on the branch's final funding statement for 20XX, once agreed by the branch, is used in calculating the branch's funding percentage for 20XY. So, it is important you report any errors you find on the statement.

CALCULATING YOUR FUNDING

Reading the scheme demonstrates how we take your branch information, apply this to the scheme, and then calculate your percentage.

The calculation is based on a number of components so it is important to understand how they may affect your branch's percentage entitlement. The branch funding scheme is shown at the end of this chapter.

In OLBA you can find details of how your branch's funding in the current year has been calculated. If there is something you do not understand please contact IMPS in Manchester who will be able to assist you (impsbranches@unison.co.uk).

You can get to these details in OLBA by going to Periodic Accounting Tasks > Budgeting > Income and Branch Funding Data.

OLBA INCOME AND BRANCH FUNDING

In OLBA we provide each branch with all the information they need to know about how their funding has been calculated in one of five tabs in the income and branch funding section of OLBA. These are now explained and what we ask you to do as treasurer is to undertake to ensure accuracy and completeness. Apart from keeping OLBA up-to-date this is the most important task you will be required to carry out. We now explain each one of the five tabs, the information contained therein and what we ask you to check.

Tab 1 Funding Payable

This shows the current year's estimated income from all sources, your funding

percentage and the estimated amount the branch can expect in funding for the year.

Tab 2 Funding Percentage

This shows how the current branch funding percentage has been calculated step-by-step. The inputs that have been used in the calculation are taken from the branch's most recent Annual Financial Return (AFR) and the membership system. Branch funding percentages are recalculated each year in June – and are backdated to 1st January, as the percentages apply for calendar years. If you think that the data on this tab is incorrect, and therefore your funding percentage is not correct, you will need to contact the IMPS team (impsbranches@unison.co.uk).

Tab 3 Income for Funding Purposes

This shows the subscription sources for your branch, the amounts we have received each month and the total for the year. The help icon (top right corner of the screen) will explain the colours we use in this tab. You are asked to review it for accuracy and completeness. A quick check is to make sure the monthly totals at the bottom of each column are consistent. Common problems are that one of the transactions is understated when compared to all others for that source or that an employer is missing. If this is the case please contact the IMPS team (impsbranches@unison.co.uk).

Tab 4 Funding Payments

This shows the payments we have made to you and any deductions made at source. Again the help icon will explain this tab. OLBA now has functionality that automatically updates your cashbook when funding has been paid into your account. When you view your cashbook a message will be displayed asking if you want it to be updated automatically. This decision is up to you. All you need to do is to ensure the amount received matches the amount that has gone into your bank account. For some months you may find that the deductions exceed the branch funding, in which case you will see a negative figure carried forward to be recovered from future monthly funding. If you do find an error please contact the IMPS team (impsbranches@unison.co.uk).

Tab 5 Next Year's Funding

This shows our estimate of your income for next year and your funding percentage. The data used for this tab is from the branch's latest AFR. It gives an indication of next year's funding, which you can use in drafting next year's budget, but it should not be taken as guaranteed funding – not least because your funding percentage next year may be different from this year's.

SPECIAL FUNDING

Some branches may have continuing exceptional needs for which special funding may be required. Section C within the branch funding scheme refers to a branch making a request and submitting this to the NEC. Your regional officer will be able to advise the branch and to help with its application.

PARTICIPATION

There is a penalty applicable to a branch's entitlement should it not meet the conference attendance criteria as detailed in the branch funding scheme.

APPEALS PROCEDURES

Branches may appeal against penalties applied for failure to comply with G10.1 and/or participation under the provisions of rule D1.3.3.3 and rule H5. In such cases the branch will be contacted by the region.

THE BRANCH FUNDING FORMULA

Appendix 1 shows the branch funding formula that was agreed at the Special Delegate Conference in 2021. Following a transitional period, from 1 January 2025 the branch funding percentage of all branches is calculated according to this formula.

In this chapter we will cover banking, savings and taxation, including the type of accounts to be held and your UNISON rule book, and legal and statutory requirements.

Some references in this chapter are repeated elsewhere in this handbook but are included here given their relevance to the topics being covered.

As and when you have decided which accounts are suitable for your branch make sure you report your preferences to the branch committee for approval. At the same time, agree who will be signatories to accounts – they do not all have to be the same – but you as treasurer must be a signatory on all accounts. These committee decisions must be noted in the minutes.

Many branches have asked about the financial services compensation scheme. If you hold money with a UK-authorized bank, building society or credit union that fails, they will automatically compensate you up to £85,000 per eligible person, per bank, building society or credit union.

In reality and for the purpose of the FSCS, UNISON is treated as a single entity and therefore would only be covered once by the FSCS. However this should not cause alarm. UNISON has a robust business partnership with Unity Trust Bank (UTB). As with all banks, UTB is strictly governed by the banking regulations but operationally has lower risk than high street banks by virtue of its business ethics and investment policies.

The rules require your current account to be with Unity Trust. For your savings account, the preferred option is also to use a Unity Trust account. However, if it is necessary to open an account outside of Unity Trust, please discuss this with the Finance Department at Head Office first, as they can provide guidance and support. You should email the OLBA inbox (olba@unison.co.uk).

We recommend you register three or four signatures for each account. Any payment or withdrawal must always require two signatures and you or any other signatory must NEVER pre-sign cheques. All accounts must be held in the name of the branch followed by 'Branch UNISON.'

When considering who should be a signatory take account of how often you are required to make payments and make sure other signatories are not too remote from

you. Remember, they must be a member of the branch committee. Make sure all decisions are minuted.

CURRENT ACCOUNT

It would be extremely difficult (if not impossible) to keep control of transactions as well as manage branch finances without a bank current account. One of the key independent checks (controls) on your branch finances is the bank reconciliation (covered in Chapter 4). Unless everything passes through the bank current account this key check will not be effective.

By rule (H4.2) your branch must hold their current account with Unity Trust Bank. As previously stated only one current account is required. This is because OLBA links your current account to the branch's general fund and, if appropriate, to the branch's industrial action and/or premises funds. In other words OLBA can maintain up to three sets of accounts.

To keep control of the branch finances you must ensure that all transactions pass through the current account, i.e.

- all bills and expenses
- cheques and any cash
- branch funding
- direct debits and standing orders.

And finally a reminder - remember never to pre-sign cheques. Pre-signed cheques are the single most frequent and major cause of fraud. It is incumbent on the branch officers to safeguard the funds of the union and strictly avoid any practices which directly or indirectly expose the union to financial loss or fraud. The bank cannot protect the funds and losses as a result of fraud where branch practices and internal controls have fallen short of standards. The branch and its officers may be held accountable if there is evidence of negligence or poor controls and safeguards over branch cash and bank accounts.

SAVINGS ACCOUNTS

In the past branches would open different accounts for separate funds as they wanted their fund balances to match the bank account balances. However, now it is recommended branches have just one current account and usually one savings account and let OLBA manage the balances and accounting for you.

There are three abiding principles to consider before investing branch funds:

1. Rate of interest

How much interest can we earn on our investments? As investment income is a source of income mentioned in budgeting, branches should make every effort to maximise the earning potential of the money they hold, while having regard to accessibility and custody and security.

2. Accessibility

Before investing surplus funds you will need to consider whether the branch will need access to funds in the short-term. Usually you will secure a higher rate of interest if you tie up funds over a longer period. However, as treasurer you should not compromise branch activity by funds being inaccessible.

3. Custody and security

Taking more risk would secure a higher rate of return but the decision as to where to place funds to take the risk should not reside with an unauthorized person who cannot guarantee the funds. This is why we encourage branches to use Unity Trust for investments as both custody and security are guaranteed in as much as they can be nowadays.

Unity Trust Bank provides an Instant Access Savings Account from which you can make withdrawals without restriction. Although not market-leading, the interest rate is reasonably attractive, and this account would make a safe, suitable home for any spare funds that your branch may have.

Unity Trust Bank also has a range of fixed-term accounts which pay higher rates. You should note that any money transferred into one of these accounts cannot be recovered until the end of the fixed-term period. So, before opening one of these accounts, the

branch should budget very carefully and ensure that this is money that the branch really will not need to touch before the end of the term.

Details of Unity Trust Bank's savings products can be found at www.unity.co.uk/business-banking/savings-account-2

The union strongly recommends branches to hold their savings account(s) with Unity Trust. However, in an exceptional circumstance if a branch holds an account at any other bank or similar institution, the branch is required to include the UNISON Director of Finance as a signatory on the bank mandate. To arrange for a bank mandate please contact the OLBA team on olba@unison.co.uk.

BRANCH CREDIT CARD

It is essential for branches, particularly branch treasurers, to maintain day-to-day control of the branch's funds. Yet many branches require the flexibility that comes with the use of cards for payments to those organisations that require upfront payments for advance bookings (e.g. hotels and travel). The use of cards, if not managed carefully, will directly conflict with managing and safeguarding branch funds. Therefore, unless there is a real and genuine need, it is preferable for only one credit card to be held.

We strongly recommend the use of the Multipay card issued via Unity Trust Bank. It operates more like a charge card than a credit card, insofar as Lloyd's recovers the whole outstanding balance on the card from the branch's bank account by monthly direct debit. We also recommend that if more than one card is required these are all linked to one account making control and reconciliation easier. Full details and the application process are available on the Unity Trust website (www.unity.co.uk/business-banking/unity-corporate-multipay-card).

It is vital that the branch maintains the strongest controls over the use of the card to protect the security of the branch's funds especially if the branch decides to hold more than one card. The credit card must ONLY be used for necessary and authorised

purchases and NEVER used to withdraw cash or for expenses that should be claimed via the online expenses system. Credit cards should therefore not be used for day-to-day expenditure.

ONLINE BANKING

Online banking is used by many branches as a safe and convenient way to manage their transactions if established correctly. We now strongly recommend your branch contacts Unity Trust Bank to register for this service. Direct debit, standing order and BACS direct credit transactions are all safe ways of making payments provided appropriate controls are in place. These controls should provide assurance that direct payments are only made for expenditure properly authorised and incurred by the branch. Online banking as previously mentioned can be set up with dual or triple authority.

The branch must also have clear procedures in place to monitor, control and account for its online banking transactions.

It is essential that good practices and controls are in place to safeguard the branch and union funds against unauthorised transactions and potential fraud. When using online or internet banking this must include as a minimum:

- Security over access to internet banking through use of protected passwords and PIN codes, changed as required to reduce risk; not written down or kept where they can be easily accessed by anyone other than the delegated officer(s). Please note that each officer should have their own password/PIN to ensure a clear audit trail where possible.
- Delegation and authorisation of individuals to be agreed by branch committee, reviewed and rotated at regular intervals with limits set for transaction values.
- Immediate removal of access to bank accounts and branch funds for officers no longer in the branch or in office with written instructions and confirmation sent to the bank. (The appropriate form can be downloaded from the Unity Trust website at www.unity.co.uk/update-

your-account-details).

- Clear division of responsibilities and segregation of duties and responsibility to ensure that one person is not able to process a transaction alone. This may require double or even triple safeguards in place when uploading transactions, authorising them and finally processing authorised transactions.
- Documentary evidence of each transaction is thoroughly checked and validated beforehand and at each stage, including beneficiary's bank details and amounts.
- Regular and frequent reconciliation of bank accounts to check for and safeguard against unknown or unauthorised transactions and as part of a timely monitoring process.

TAXATION

Pay-as-you-earn (PAYE) and National Insurance Contributions (NIC)

Branches that employ staff** must fully account for PAYE and NIC and ensure that HMRC Real Time Information regulations (RTI) in relation to deductions are also complied with at all times. Supporting records must be retained for audit and HMRC purposes. (HMRC requires payroll records to be kept for at least three years after the end of the tax year to which they relate.)

Head Office reports centrally to HMRC on PAYE/NIC in relation to Honoraria and taxable expenses

** please note that if you do employ staff you must ensure that

- there are proper and valid contracts of employment are in place
- you are fully conversant with your pension obligations under auto-enrolment (if required information is available from the UNISON Pensions Team at usp@unison.co.uk)
- you have viable funds to employ staff.

Casual Labour

If a branch employs someone to do a job of work, even if it is a one-off, it must put it through the branch payroll. HMRC will expect this to be done. The branch is not allowed to request workers to sort out their own tax on their pay.

Branches that do not have a branch payroll may prefer to use an agency to employ so-called casual workers. It will inevitably be more expensive than employing someone directly, but it will avoid the need for the branch to calculate the payroll and engage with HMRC.

Employment Allowance

Branches are not eligible to claim Employment Allowance to reduce the National Insurance bill for their employees. The union has received advice from HMRC that they consider UNISON branches to be connected to the national union. This means that when looking at eligibility to claim Employment Allowance, the size of the whole union, including branches (the consolidated organisation), has to be considered, rather than the size of individual branches, as these are not organisations on their own. The whole union is much too big to be able to claim Employment Allowance, and so branches must not claim it.

Please note that individual local tax offices may not be aware of the nature and size of UNISON, and so may have given you contrary advice hitherto.

Apprenticeship Levy

HMRC considers UNISON branches to be connected to the wider union. This means that branches must not apply to HMRC independently for funding under the Apprenticeship Levy Fund scheme. Branches wishing to take on an apprentice should contact Head Office instead.

Corporation tax

If your branch has any tax deducted from its interest income then please contact the Finance Department at Head Office. We will recover this from HM Revenue & Customs and repay it to the branch.

VAT

Branches are outside the scope of VAT. Therefore they cannot be VAT registered and do not need to account separately for VAT.

Introduction

This chapter outlines the year-end timetable, so that new branch treasurers know what to expect.

Branches are required to submit an annual financial return (AFR) to Head Office each year. This return must have been audited and must be submitted by 15th March (Rule G10.1). Failure to do so can result in penalties for the branch (Rule D1.3.3.3), so it is best for the branch to plan ahead and ensure that it will be in a position to meet the deadline.

The AFR process

The AFR process is designed to show an accurate and fair representation of your branch's finances at year-end (31st December). You are reporting on this, not only to the members of your branch, but also to the union at large.

By rule, the branch's AGM must receive a report on the branch finances and a presentation of branch accounts (G3.5.1). The accounts must be audited by a duly appointed member of the branch – or failing that a third-party auditor.

This is also an opportunity for the branch to review the financial results against budget.

The year-end AFR process is crucial to the union, as the information provided from AFRs is included in the union's consolidated accounts. (These accounts are presented to the union's National Delegate Conference for approval, and they are then lodged with our regulatory body, the Office of the Certification Officer for Trade Unions.)

The Timeline

December

- Contact your branch's auditor(s) and agree an audit date that is realistic for you all. Do not wait until the start of March to sort this out. The auditors may want to carry out an interim audit before year-end to relieve time pressure after the year-end.
- Download the audit program from the Supporting Documents folder on the home page of your OLBA records and issue this to the auditors.
- Decide if you are going to give physical documents to your auditors – or scan them onto OLBA. If the latter, do it before year-end.
- Contact all members who may claim expenses to remind them to submit any outstanding claims relating to December as soon as possible after the year-end. You could give them a cut-off date.
- Make sure that you are going to have all the purchase invoices relating to this year as soon as possible after the year-end. You may need to contact the supplier to ensure this.

Early-January

Make sure that your cash books are written up to 31st December and reconcile all of them to the bank statements as at 31st December. It is important that you do it to that date and not a nearby date. You may need to wait for the next statement to arrive in January, which is acceptable.

January/February

- Identify any year-end debtors and creditors and insert them into OLBA.
- The audit should now be ongoing.
- When the audit is complete, and adjustments made, complete the AFR.

March

- The AFR process must be completed by 15 March.
- As mentioned before, there are consequences for failure to meet this deadline (Rule D1.3.3):
 - » The branch is prevented from attending, and voting at, the next

National Delegate Conference, as well as Service Group Conferences for the rest of the year; and

- » The branch's funding is also stopped until the AFR has been submitted as required.
- The branch can appeal against these penalties if it considers it has mitigating circumstances. The appeal is considered by a sub-committee of the union's National Executive Committee (NEC), i.e. fellow lay members.
- Instructions are issued to branches in mid-January.

After the audit has been completed, both the branch treasurer and the branch auditor(s) are required to sign their respective statements on the Authorisation Sheet. This is a document which comes up on screen, and which needs to be printed off.

Once signed, the Authorisation Sheet is uploaded into OLBA, and the AFR can now be completed at the click of a button.

The OLBA Team will review your return and possibly ask you questions about it. Once they are happy with it, they will approve it, and your branch is deemed to have submitted its AFR. The OLBA Team will move your OLBA records into the following year.

How is the AFR submitted?

The year-end instructions are dropped into the Supporting Documentation folder on your OLBA home screen. An email is sent to all branches advising them that this has taken place.

The AFR is entered via a link that will appear on your OLBA home screen. Most of the data that is included in the AFR is extracted automatically from your OLBA records.

However, you will be required to work your way through a series of steps:

1. The AFR program will check that you have reconciled all your accounts at 31st December. If you have not, it will tell you what remains to be done before you can move on to the next step.
2. It will ask you to review the subscriptions and branch funding data that the union holds for your branch to see if there are any obvious errors or omissions.
3. If you have branch staff, or if you rent premises, it will ask you for some further information that is not already held in OLBA.
4. It will ask you if your debtors and creditors as recorded in OLBA are complete.

At this point, do not go any further until the audit is complete.

INTRODUCTION

Internal controls are the mechanisms, rules, and procedures implemented by a branch to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. Besides complying with laws and regulations, and preventing theft and fraud, internal controls can help improve operational efficiency by improving the accuracy and timeliness of financial reporting.

THE NATURE OF INTERNAL CONTROL SYSTEMS

The categories of internal control that would be expected of a UNISON branch are:

Segregation of duties

Segregation of duties involves splitting responsibility for bookkeeping, receipts and payments, reporting and auditing, between two or more people so that that same person does not process and authorise the same transaction. The further duties are separated, the less chance any single individual has of committing fraudulent acts; and the greater the chance that a single individual's inadvertent errors will be spotted and corrected. In UNISON branches where the number of employees and officers is generally limited, sharing responsibilities between two or more people or requiring critical tasks to be reviewed by colleagues can serve the same purpose. In UNISON a member shall hold only one of the branch secretary, branch treasurer and branch chair posts at any one time to facilitate the appropriate separation of duties. (Rule G4.1.6).

Physical access controls

Only authorised branch officers and branch staff should have access to the records and assets of the branch. The branch committee will need to establish a system to record the location, custody and ownership of assets such as equipment. Access to, and the use of assets needs to be carefully controlled.

Authorisation and approval controls

The branch committee or an officer delegated with this authority should authorise or approve all transactions. Requiring approval for large payments and expenses can prevent unscrupulous individuals from making large fraudulent withdrawals from branch funds.

Management control

The branch committee must ensure that the control system is actually operated and adhered to. Systems must be regularly checked to test whether they adhere to pre-agreed standards. You could ask your branch auditors to carry out this review.

Supervision and regular reconciliation

The branch treasurer and officers of the branch committee need to be aware that their work may be checked. This knowledge should help to reduce the risk of error, falsification or fraud. The system should ensure periodic reconciliation of the accounts.

Arithmetical and accounting controls

Systems should be in place to ensure that transactions are accurately recorded. The branch treasurer or branch committee must ensure that they use techniques such as reconciliations, budgets and variance analysis and analytical review (appropriate for larger branches) to try to ensure records are complete and accurate. OLBA incorporates modules covering all these areas.

Branch officers

The quality of any system depends on the competence and integrity of those responsible for operating it. Hence the training and skill sets of the branch officers are vital.

In addition, the branch committee has an important role in developing and communicating ethical and UNISON values and the importance of control issues throughout the branch.

Sound internal controls are essential to ensure the orderly and efficient conduct of union business. The annual branch audit by branch auditors can help assess and develop internal controls. The following is a model set of internal controls for branches.

BRANCH INTERNAL CONTROL POLICY

1 General

- 1.1 Branch records will be kept so that the branch can:
 - a. meet its legal and other obligations, e.g. Trade Union and Labour Relations (Consolidation) Act 1992, HM Revenue & Customs law, employment law and UNISON rules
 - b. enable the branch committee to be in proper financial control of the branch
 - c. enable the branch to meet the requirements set out by UNISON.
- 1.2 The branch will keep proper books of accounts (OLBA), which will include:
 - a. a cashbook analysing all the transactions in the branch bank account(s)
 - b. a petty cash book with receipts (where applicable) if cash payments are made
 - c. PAYE records of staff employed by the branch (where applicable).
- 1.3 The financial year will end on the 31 December each year.
- 1.4 The branch will draw up accounts after each financial year by 15 March following the year-end and present them to the next annual general meeting using OLBA's reporting module.
- 1.5 The AGM will appoint an appropriately experienced auditor or two lay auditors from the branch membership to examine and report

- 1.6 on the accounts to the next AGM.
- 1.7 The branch will submit an audited annual return to head office by 15 March each year using OLBA.
- 1.8 No payments can be made for political purposes or to political parties from branch funds.
- 1.9 No loans to members can be made out of branch funds.
- 1.10 No cash gifts (including vouchers) can be made to members out of branch funds.
- 1.10 All branch expenditure should be in line with UNISON rules, policy, aims and values.

2 Banking

- 2.1 The branch should bank with Unity Trust Bank. Accounts will be held in the name of the branch. The following accounts will be maintained:
 - a current account
 - a deposit account.
- 2.2 The branch committee will always approve and minute the bank mandate (the list of people who can sign cheques or approve online payments on the branch's behalf). The branch will nominate at least two other signatories in addition to the treasurer and will change these as required. All signatories must be members of the branch committee (see Rule G4.1.1 for a list of officer posts making up a committee).
- 2.3 The branch will obtain monthly bank statements, to which the cash book will be reconciled monthly. The treasurer will be responsible for the monthly reconciliation or if it is a delegated function will spot check at least twice a year that the reconciliation has been completed.
- 2.4 The branch should arrange for the bank statements to be seen by more than one person. The statements should not be sent to the treasurer's home address.
- 2.5 Pre-signed cheques will not be allowed. Two signatories, one of whom should be the treasurer, must

sign every cheque for payment or approve every online payment.

- 2.6 Surplus funds will be invested in a deposit or savings account.

3 Receipts (income)

- 3.1 All monies received will be recorded promptly in OLBA and banked without delay.
- 3.2 Subscriptions (other than locally collected) will be paid to head office every month.
- 3.3 The treasurer will maintain files of documentation in support of all receipts (other than monthly branch funding).

4 Payments (expenditure)

The branch will ensure that all expenditure is for union business, is properly authorised and that this can be evidenced. The approved budget provides the cheque signatories with authority to spend up to the budgeted limit, not beyond it.

- 4.1 The treasurer will hold the cheque book which should be stored securely.
- 4.2 Blank cheques must never be signed.
- 4.3 The payee name and the amount to be paid in words and figures must always be completed before the cheque is signed. The cheque stub must also be completed.
- 4.4 A cheque should not be signed by the person to whom it is payable, which is why the branch should maintain a pool of at least three bank signatories. The bank mandate will require dual signatures on all branch cheques.
- 4.5 The cheque signatories will always check the supporting payment invoice or expense claim forms before signing the cheque.
- 4.6 Likewise, signatories will always check the supporting payment invoice or expense claim forms before approving online payments on the bank website.

5 Payment documentation

- 5.1 Every payment out of the branch's bank accounts will be evidenced by either an expense claim form that has been signed for authorisation (see 5.6 below) or an original invoice - never against a supplier's statement or final demand. That original invoice will be retained and filed. The cheque signatory will ensure that the payment document is referenced with:
- the cheque number (or online payment reference number generated by Unity Trust Bank)
 - the date the cheque was drawn (or the online payment was made)
 - the amount of the cheque or online payment
- 5.2 The only exceptions to cheques not being supported by an original invoice would be for such items as advanced booking fees for a course, or a deposit for hotel accommodation, in which case some form of proforma invoice or booking confirmation should be kept. In the case of honoraria payments, affiliations and donations, a copy of the relevant branch minute should be filed to support the payment. In these cases a photocopy of the cheque will be kept.
- 5.3 Wages and salaries: there will be a clear trail to show the authority and reason for every payment. All employees will be paid in accordance with HM Revenue & Customs (HMRC) regulations. A file for payroll records will be kept.
- 5.4 Payment for casual wages will also be subject to HMRC regulations. Cash in hand will not be paid for casual work.
- 5.5 The branch committee will authorise all employee appointments and departures, minuting the dates and salary level. The branch committee will also authorise all changes in hours and variable payments such as overtime.
- 5.6 Expenses and allowances: The branch will, if asked, reimburse

expenditure paid for personally by officers, providing that:

- fares are evidenced by tickets
- other expenditure is evidenced by original receipts
- car mileage is based on HMRC and UNISON scales
- the officer was authorised to make that expenditure.
- the expenses were incurred within a 3-month period (after the expenditure is incurred) of the claim being made. Ideally, expenses should be claimed as soon as possible after they are incurred to ensure they are paid in the same accounting period.

5.7 No cheque signatory will sign for the payment of expenses to themselves.

5.8 All branch records will be kept for six years after the end of the year to which they relate.

6 Branch credit (or prepaid) card

Credit (or prepaid) cards can provide convenience, but it is important that proper controls are in place to ensure their correct use and to protect the security of the branch funds.

- The card must always be kept in a physically secure location.
- The branch committee must approve in advance any amount to be spent by use of such a card.
- A credit (or prepaid) card should only be used for purchases for which cheques or online payments are impractical, e.g., online hotel bookings, rail ticket purchases, etc.
- Authority levels for placing orders and approving payments must be established, which are clear and preferably documented in the branch rules.
- Invoices received should be matched against orders placed and the receipt of the goods or services.
- The branch needs to

communicate the policy for the use of cards clearly, in writing, to officers using them.

- The branch must ensure that the cards are cancelled and destroyed if an officer steps down or if the authority for the card's use is withdrawn.
- The branch must ensure that card expenditure is supported by a voucher and/or invoice and recorded and analysed in accounting records. Where purchases are made online, the booking confirmation must be printed out and retained.
- The monthly credit card statements must be reviewed by at least two branch committee members (including the treasurer) and initialled as evidence of that review. The statement must be collated with supporting vouchers and invoices provided to the users of the card.

The credit (or prepaid) card must not be used to withdraw cash, except to top up the petty cash float if the branch does not have a cheque book.

7 Electronic/online payments:

The branch must ensure that direct debit, standing orders and BACS direct credit are only used for expenditure that has been properly authorised and incurred. The branch must establish a comprehensive online banking policy that clearly describes what online banking activities the branch will engage in, and which branch officer will have the authority to process online banking transactions.

- All electronic payments must be authorised by the branch committee before they are processed.
- The branch must ensure that only specifically authorised branch officers are able to set up arrangements to make payments by direct debit, standing order and BACS.

- A detailed approval process must be completed in order for the authorised branch officer to process an online banking transaction.
- The branch must adopt the dual or triple authorisation system to complete any electronic transactions. With this system one user submits a transaction and one or two additional users will then authorise it from a 'pending transaction screen'. The authorising signatory must ensure that the bank sort code and the account number to which payment is being made is correct.
- After each electronic/online transaction a printout must be taken showing details of the transactions and filed as part of the accounting records.
- All print outs of statements must be retained as part of the accounting records
- The statement together with the individual transaction print out must be reconciled with the monthly bank statement by someone independent of the process to verify that all transactions were properly approved and appropriate.
- Direct debits and standing orders must be monitored so that the branch can ensure that the arrangement is cancelled when the branch stops using the goods and services are no longer supplied.

8 Budgeting and financial planning

- 8.1 The branch committee will ensure that the branch meets all its financial obligations.
- 8.2 Prior to the start of each financial year, the branch will produce a budget reflecting all income and expenditure for the upcoming year. This means that the branch committee can ensure that it has

provided for all relevant areas of activity in line with UNISON rules, policy, aims and objectives.

8.3 The procedures will be as follows:

- the treasurer will prepare a budget after consulting other branch officers;
- the treasurer will submit the budget to the branch committee for approval. All normal expenditure within this budget is therefore automatically approved
- the budget will be submitted as part of the branch's development and organisation plan and will be sufficient to fund:
 - recruitment
 - development and training of stewards, workplace representatives and branch officers
 - negotiation and representation
 - participation in UNISON's democratic processes
 - access for members to UNISON's services
 - campaigning on UNISON objectives and priorities.

8.4 Once agreed, a budget can be amended by the branch committee, after the full reasons for amendment have been submitted. The branch committee will debate items in excess of budget and if approved they will amend the budget accordingly.

8.5 The treasurer will compare actual expenditure throughout the year (every month) with the budget and report overspending to the branch committee so that appropriate action can be taken.

9 Other undertakings

- 9.1 The branch will not accept liability for any financial commitment unless properly authorised. The branch committee must authorise and minute any orders or undertakings

which are, prima facie, likely to exceed £x. (The branch should preset this amount £x at a value that is consistent with the size of the branch). In exceptional circumstances the chair can approve such undertakings and provide full details to the next meeting of the branch committee.

- 9.2 The branch committee will ensure that the branch has recorded all their insurable interests into the insurance section of OLBA.
- 9.3 The branch will not make loans to members.
- 9.4 All requests for local welfare will be referred to UNISON Welfare (There for You). Substantive amounts will not be paid for local welfare without sufficient grounds.
- 9.5 The branch will comply with UNISON's honoraria policy and submit requests for payment following approval by the annual general meeting.
- 9.6 The branch will always adhere to good financial practice, e.g. when relevant it will set up and maintain a fixed asset register (see glossary for definition of fixed asset) stating the date of purchase, cost, serial numbers (as part of description) and normal location. The branch can enter this data into OLBA when it purchases all fixed assets, so that the list of fixed assets on OLBA becomes the branch's fixed assets register.
- 9.6.1 The branch will encourage committee members and staff to sign the suggested Asset Receipt Form and declaration when assets are allocated to enable branch committee members and staff to perform their role. This is to ensure the assets are used for UNISON business, users are personally liable for misuse) and they must be returned when the role ends as they are branch property.

See the suggested Form attached (Appendix 6) below.

10 Internal Audit

UNISON will retain an internal audit team to provide independent assurance that the union's governance and control processes are operating effectively. As part of its remit the team carries out a planned programme of visits to branches.

The work carried out during these visits covers all areas of internal controls and provides independent assurance that financial and other governance is operating effectively in the branches. At the end of each visit a report is issued to the branch treasurer and branch secretary. This will include recommendations to address any weaknesses identified in branch internal controls.

Branches will work with the internal audit team to provide access to branch records/ premises, etc to facilitate routine audits.

This chapter and the next set out the union's scheme for expenses payments that a branch can make to its members. Information on other branch expenditure can be found in chapter 2 on budgeting and chapter 4 on payments.

The Members online Expenses Scheme (MOLE) allows claims for expenses to be made online and payments to be made to claimants' bank accounts.

What does it do?

- It provides a one-stop shop for all members to claim their expenses.
- It is an easy-to-use online portal for members to enter all their expenses, have them approved by their branch and then have them paid straight into their bank account

All expenses payments to members must be agreed before being incurred by the branch committee. Expenses must not be incurred or payments made without this prior authorisation. All member expenses must be made in conformity with this scheme. As part of the processing of the claim, this must be authorised by an appropriate person as per branch rules. This is automatic if claimants use MOLE.

All claimants must make a claim for their individual expenses and should not offer to pay on behalf of other members and put in a collective claim or allow someone to pay on their behalf, for example on their credit card and then make a collective claim for multiple members.

Expenses payments to members fall into two distinct groups:

1. Member expenses, including conferences - reimbursement of out-of-pocket expenses incurred while involved in union work (this chapter)
2. Other member expenses - discretionary as agreed by the branch committee and/or branch membership (next chapter).

No other expense payments to members are permitted

MEMBER EXPENSES

Why reimburse expenses?

Active members, particularly officers and stewards, are first and foremost volunteers who give freely of their own time and should not be expected to spend their own money as well. Branches should reimburse expenses to ensure that no member is debarred or deterred from trade union activity because of financial considerations and that no member should be out of pocket, nor profit, for undertaking their elected UNISON role.

What amount should be reimbursed?

Ordinarily, any reasonable expense incurred as part of day-to-day trade union activities should be reimbursed. This usually means reimbursing against receipts provided. More often than not members will adopt a common-sense approach to expenses and operate within the boundaries set by the branch. However, while the amounts paid as expenses are at the discretion of the branch, they must not exceed the rates set out at the end of this scheme.

In deciding what expenses to pay, a branch should agree its own scheme and ensure:

1. It is in line with union rules and policies.
2. There is a link between expenses and the achievement of UNISON's aims, values and objectives.
3. Expenses payments integrate with the wider financial strategy of UNISON.
4. The scheme is simple and easy to understand.
5. There is a transparent claims and approval process for fairness and consistency.
6. The scheme contains the appropriate checks and balances to avoid inequitable and/or discriminatory payments.
7. The scheme does not compromise the branch's financial stability.
8. The branch scheme does not expose the member, branch or the union to challenges by HMRC.

Authorising expenses

It would be extremely cumbersome and very time-consuming if branch committee approval was sought on a case-by-case basis. In practice the simplest way to meet this authorisation requirement is for the branch committee to prepare and approve a budget each year. The setting and regular review of budgets must be an integral part of the day-to-day function of the branch committee. As part of its annual review, a branch must review its approved scheme for member expenses which, together with the budget, it must submit for approval to a general meeting of the branch prior to forwarding it to its region.

To assist branches the current rates paid to national representatives for attending meetings and/or attending conferences are given at the end of this section. These rates can be used as a maximum level of payment by branches as they have been agreed with HM Revenue & Customs (HMRC). Exceeding these rates will result in the member and/or the branch being liable to pay tax. Therefore branches must not exceed these rates. We recommend that branches use these rates on grounds of simplicity and equity.

Tax implications

The union's rules on subsistence expenses for members – as outlined on pages 49 to 51 – were introduced with effect from 1 January 2015. They are mandatory, having been imposed on UNISON by HMRC, and they supersede any former subsistence arrangements in branches that paid higher rates.

Branches must observe these rules to ensure that the union doesn't fall foul of HMRC regulations.

Which expenses should be reimbursed?

The scheme for expenses must set out which expenses can be reclaimed but each scheme ought to include:

- travel while involved in union work
- meals taken while involved in union work
- overnight allowances, including hotels (see also notes on pages 49-51)

- care of dependants, including children, during union work
- postage, phone calls, stationery etc
- national, service and self-organised group conferences.

How to reimburse expenses

Branches will have considered most, if not all, core principles under which expenses will be paid within their budgetary process and their agreed expenses scheme. However, the most transparent schemes are those that use official branch claim forms to reimburse out-of-pocket expenses where receipts can be justifiably required, and payments are made by cheque or online payment. Providing receipts enables claims to be validated by providing independent evidence that an expense was incurred.

Before they are paid, all claims must be authorised, preferably by the budget holder (and, if not, by the branch chair or secretary). Officers and budget holders must not authorise their own claims.

It is recommended that there should always be two signatures on every cheque (or approval by two people for every online payment), one of which should be the treasurer's. Cheques must never be pre-signed. The claimant should sign all claim forms to acknowledge receipt of payment. The treasurer should retain claims as an integral part of the accounting records to be made available for inspection, especially during the year-end audit. The branch committee should also receive regular updates on expenses paid as part of the treasurer's report to such meetings.

If the branch makes an advance or imprest (float) payments to officers these cannot be in lieu of expenses. Officers must always provide receipts and return any unspent balance to the branch, normally at the year-end but especially at the end of tenure.

Working within these guidelines will ensure the branch has an independent system in place for checking and authorising payments, which meets the requirements of your branch auditors as well as complying with Sections 28 to 29 of the Trade Union and Labour Relations (Consolidation) Act 1992.

National service group and self-organised group conferences

Branches are responsible for electing and sending delegates to UNISON's national conferences – the annual national delegate conference, service group conferences and self-organised group conferences. The branch funding formula is designed to ensure that branches can participate in these conferences. Some of these conferences can involve overnight stays and normal living expenses for which delegates should be reimbursed on an equitable basis.

The responsibility for meeting the reasonable cost of delegations is met by the branch. These costs can be substantial, and branches should:

- plan and budget for delegations as a part of annual processes
- ensure a consistent approach to meeting the cost of delegates. Branches that are not consistent (e.g. in the level of expenses paid, or when they are paid, in hotel or travel arrangements) risk exposing the branch to claims of discriminatory treatment
- consider the cost when determining the number of delegates to send to conferences. But please bear in mind the Section G Participation requirements on page 69.

Cost should not prevent a branch from being represented at the key UNISON conferences. Where financial difficulties might deter a branch from sending a delegation, application for assistance can be made to the union's Director of Finance at UNISON Centre.

The notes under this section are designed to assist branches to make proper decisions about the payment of expenses to members attending conferences and other events on behalf of the branch. They should be reviewed in conjunction with the conference bulletins that outline any central arrangements for each conference.

Expenses and allowances – advance payment

Whilst the overall cost of delegations can be high for a branch, the burden for individuals meeting those costs can be even higher. Agreeing standard allowances (for example to meet the cost of meals taken away from

home) and paying them in advance, instead of asking the delegate to claim back the actual cost later, can be helpful to the delegate. We recommend this be done two weeks in advance of the conference. Branches should also consider what expenses it can pay directly – for example, rail costs where these are not met centrally and hotel accommodation.

If not, branches should only reimburse expenses on the basis of receipts that confirm the legitimate purpose for which the expense was incurred.

Daily living expenses (meals and snacks etc.)

If the branch chooses to reimburse delegates for meals on the basis of receipts provided, some reasonable limit should be set and made known to the delegate. This must not exceed the rates set out at the end of this scheme. Branches are, however, encouraged to use a standard subsistence allowance. It is for the branch to determine the level of such allowances, and they are recommended to use the UNISON Scheme for Subsistence, details of which appear later in this chapter. This scheme sets out what HMRC allows us to pay; so the rates listed should certainly not be exceeded, otherwise there will be tax consequences.

Travel costs

For delegates, their children registered in the crèche, and any delegate's personal assistant, travel to and from national delegate conference and national service group and self-organised group conferences is met centrally on the basis of standard class rail fare to the nearest station, or air travel where appropriate. (Air travel is allowable when travelling between England and Northern Ireland or Scotland.) This is to avoid any branch being financially disadvantaged by the conference location. The cost of taxis, car parking or other incidental travel, if needed, falls on the branch.

The cost of travel for visitors is met by the branch, although provision can be made for central booking to enable visitors and delegates to travel together, with the branch being invoiced accordingly.

Information about booking and the reimbursement of costs for these conferences is provided in the relevant

conference bulletin. For other conferences, branches can assist delegates by arranging and paying for travel in advance using UNISON's travel provider Stewart Travel – unison@stewarttravel.co.uk

Accommodation

For key UNISON conferences, guidance on booking accommodation is contained in the relevant conference bulletin. Where accommodation is not provided centrally, branches should plan well in advance as suitable accommodation can be booked up quickly, especially where branches need accessible accommodation for disabled delegates and visitors.

Wherever possible, accommodation should be chosen in consultation with the delegate. The standard of accommodation will in part be determined by what the branch can afford, although a similar standard of accommodation should be chosen for all delegates attending all conferences. Branches should liaise with the delegate to ensure that accommodation meets the delegate's needs in respect of safety and security, accessibility and distance from the conference venue, ensuite facilities and family rooms where appropriate.

However, branches should take a reasonable approach to the standard of accommodation. It should not be of such a high quality that the branch ends up spending a disproportionate amount of its members' monies on the accommodation.

The branch can take some simple steps to avoid common difficulties and inconvenience over pre-booked accommodation. Paying for accommodation in advance avoids the delegate having to first meet the cost of accommodation. Providing the delegate with a copy of the booking confirmation can avoid any dispute over reservations. Branches may decide to use UNISON's accommodation provider Stewart Travel – unison@stewarttravel.co.uk

Dependant care costs

As a place in the crèche is provided free for children (up to the age of 16) of delegates and sharers there is no need for alternative arrangements to be made or childcare costs to be incurred. All other costs, excluding travel, fall on the individual member or the branch. These may include the costs of accommodation or evening baby-sitting so

that a delegate can attend delegation or fringe meetings.

In addition, members who are normally carers for dependent relatives etc. may be prevented from attending as branch delegates unless some alternative caring provision can be made for their dependant. It is for branches to determine to what extent they can and should assist with any of these costs, but whatever measures are taken should be applied consistently and with the aim of removing barriers from those members whose caring responsibilities may otherwise bar them from acting as a branch delegate.

Shared delegates

The principal purpose of branches sending shared delegates to conferences is to encourage and provide support to new delegates. Whilst shared delegates may only have one vote, for the purpose of the payment of expenses, shared delegates should be treated as individuals and each provided with expenses on the same basis as a sole delegate. However, the union will meet centrally the travel costs of only one of the sharers: the branch is responsible for the travel costs of the other sharer.

Disabled members

UNISON at all levels has a duty under the Disability Discrimination Act not to discriminate against disabled members. It is also required to make reasonable adjustments, and this includes arrangements and facilities to attend the union's events. UNISON builds access into the infrastructure of its events, for example by contracting a venue that offers the best standard of access, providing accessible documentation, and by contracting sign language interpreting services (where need has been identified). The union also provides aids for mobility support such as scooters and wheelchairs. Some disabled members may need to be provided with access through support from a personal assistant and the cost of this provision will need to be considered. Subsistence rates should be on the same basis as for the disabled delegate or visitor. For further information please refer to the NEC guidance on the use of personal assistance.

For more information:

Code of Good Branch Practice

(downloadable from the UNISON website)

Organising For Equality (downloadable from the UNISON website)

Conference Bulletins

Disability Discrimination Act Code of Practice on Trade Organisations and Qualifications Bodies – ISBN 0117034185

Bus and rail travel

The branch should reimburse members for the actual cost of travel on production of receipts. However, planning in advance is essential as significant savings can be made for journeys booked in advance or on designated trains, e.g., for national and service group conferences.

Branches should reimburse the cost of standard class travel only. The following exceptions to this are allowed for national level travel, and branches may wish to follow suit.

- The journey involved is in excess of 4 hours 30 minutes total travel time
- If a journey is made during peak hours where a seat reservation is necessary, and there are no standard class seats available at the time of booking. (Ideally all UNISON meetings should be organised so that the start time allows the attendees to travel outside of peak hours.)
- The member has access requirements and requires a reasonable adjustment, and other class travel has been pre-approved.
- The member is travelling alone, outside of peak travel times and the train is expected to be empty. Prior authorisation must have been given by the budget holder.

Private car

Members must seek the permission of the branch if they want to use their own vehicle. The branch should only agree if it is the most suitable form of transport available for the journey, considering

- Cost implications
- UNISON's green policy
- Availability of public transport
- Personal circumstances

Members who use their own car when

travelling to and from meetings are entitled to reimbursement based on the miles driven multiplied by the branch scheme mileage rate, which must not exceed the rate set by HMRC.

At the discretion of the branch, members giving lifts to other members in their own car may claim up to 5p per member per mile carried. Any such claims must state the name of the member receiving the lift. This supplement relates only to fellow members and is not available for dependants who would normally be expected to travel together.

HMRC sets rates for the reimbursement of driving expenses to take into account depreciation and other running costs as well as fuel.

The approved mileage rates for 2024-25 are:

- cars and vans – 45p per mile for the first 10,000 miles, 25p per mile over 10,000. The rates are payable regardless of engine size.
- motorcycles – 24p per mile
- bicycles – 20p per mile.

Members must provide receipts for any parking expenses incurred when they use a private car. Parking expenses should only be payable for the period whilst on union activities. Parking should not be paid if a member usually uses their car for work and incurs daily parking costs.

Members must note it is their responsibility to notify their insurers they are using their vehicle for trade union activities. UNISON's nationally operated insurance scheme (which covers the branches) does not provide cover for members using their own cars.

The branch should also instruct members to park in designated areas so as not to incur parking fines. As parking fines can be avoided the branch must not reimburse them. This rule should also apply to speeding fines.

Taxis

Members should only use taxis when at least one of the following applies:

- where public transport is not available
- when heavy luggage is carried

- when disability renders using a taxi necessary
- if there is a real threat to personal safety.

Members must provide receipts for all taxi journeys, otherwise the claim may not be reimbursed.

Mon	Tue	Wed	Thu
08.00 ←			→ 16.00
24-hour period	24-hour period	24-hour period	8 hours
Pay £45	Pay £45	Pay £45	Use day rates

Subsistence

The union's rules on subsistence expenses for members were introduced with effect from 1 January 2015. They are mandatory, having been imposed on UNISON by HMRC, and they supersede any former subsistence arrangements in branches paying higher rates.

The amount payable depends on whether there is an overnight stay away involved.

When members stay away overnight, the period for which expenses are given is not a number of days, or even half-days, but instead a number of blocks of 24 hours plus a part-day at the end. The branch may pay £45 for each block of 24 hours (being £50 less £5 tax).

The amount payable for the part-day at the end follows day rates. The day rate payable depends on the length of the part-day and whether receipts are produced, as well as the time that the member gets back home.

If there is no overnight stay involved, then only the applicable day rate can be paid.

Details of the scheme now follow. Section A shows the rates payable where there is an overnight stay away involved. Sections B and C show the day rates payable.

For each complete 24-hour period away, £45 may be paid.

This is equal to £50 minus £5 tax.

Of this £50, £25 is the maximum subsistence allowance that HMRC allows to be paid without deduction of tax; and £25 is a taxable overnight allowance.

No other allowance may be paid on top of this.

These £45 allowances must be analysed in OLBA to "subsistence overnight taxable allowance" at the payment-type level. This allows the union to complete its annual return to HMRC.

Please note that where the claimant is attending a seminar or other such event where meals are centrally provided, £15 per dinner and £5 per lunch must be deducted from the amount claimed.

Subsistence for the part-day at the end of the stay is paid according to the daily rates in either B or C below.

Similarly, if there is no overnight stay away involved, the claimant is paid according to the day rates in either B or C below.

In both situations, the claimant can choose to go with the rates in either B or C below.

Subsistence scheme: rates applicable from April 2023

A: Overnight stays (e.g., conferences, courses, etc.)

Where claimants stay away one or more nights, overnight subsistence expenses apply. The period away will comprise a sequence of 24-hour periods plus a part-day at the end. For example, a stay away of Monday at 08.00 to Thursday at 16.00 comprises three 24-hour periods plus a part-day of eight hours.

B: Daily rates (no receipts provided)

Where there is no overnight stay – or in the part-day at the end of a stay away – daily rates apply.

These are the maximum amounts that can be paid to members who do not provide any receipts. The amount depends on the amount of time the claimant spends on union work. The following maximum limits apply:

- For periods away from home/work over 5 hours - £5 (non-receipted), or
- For periods away from home/work over 10 hours - £10 (non-receipted)

- For periods away from home/work over 15 hours - £15 (non-receipted)
- In addition to the above, if returning home after 8:00pm, a dinner allowance of £10 (non-receipted)

C: Daily rates (receipts are provided)

If the claimant provides receipts, they can claim the following slightly higher rates, instead of B above.

- Breakfast: when leaving home before 6.00am – up to £5.45
- Lunch: where absence from their normal place of home / work is between 12:00pm and 2:00pm – up to £7.10
- Dinner: when returning home after 8:00pm – up to £20.15 (excluding alcohol)

If the receipted daily rates are chosen, the amount payable is the lower of these maximum rates, and the total of the receipts provided by the claimant. These receipts should be attached to their claim form, either physically or digitally.

Analysis in OLBA

In OLBA, if there is no overnight stay involved, and so only the rates in section B or C above have been paid, please choose “subsistence” as the payment-type, even if you do not normally use the payment-type.

If however, there is an overnight stay involved (section A above), the payment must be split into two analysis rows: The multiples of £45 must be analysed to “subsistence overnight taxable allowance” at the payment-type level, whereas the payment for the part-day at the end gets analysed to “subsistence” at the payment-type level.

Please note that where the claimant is attending a seminar or other such event where meals are centrally provided, £15 per dinner and £5 per lunch must be deducted from the amount claimed. These deductions should be shown in a separate analysis row, using negative figures for the amount; and they should be analysed to “subsistence”.

In order for the branch to be able to analyse the £45 payments to “subsistence overnight taxable allowance”, the payee needs to be listed in the OLBA list of regular payees as an Elected Member. This will be the case

if they are listed in RMS with some sort of elected position in the branch. If they are not listed in OLBA as an Elected Member, then the branch needs to get their status updated on RMS. The change will then feed through to OLBA the following working day.

However, there will be occasions where a member, who is not an Elected Official of the branch according to RMS, needs to be paid overnight subsistence, for example for self-organised group conferences. In such a case the member will not appear as an Elected Member in the regular payees list in OLBA. Such members need to be marked in RMS as an Expenses Member, which will then put them on the regular payees list in OLBA; and which in turn will allow the payments to them to be analysed to overnight subsistence in the cash book.

The branch can mark a member as an Expenses Member via WARMS. Instructions on how to do this can be found in the Supporting Documentation folder on your OLBA home page (Updating Member with Position Code for Expenses).

Overnight accommodation

Branches should book and pay for accommodation in advance. For key UNISON conferences, guidance on booking accommodation will be contained in the relevant conference bulletin. Otherwise, branches may decide to use UNISON’s accommodation provider Stewart Travel – unison@stewarttravel.co.uk.

In approving an overnight stay, a branch should consider the time a meeting or course ends and an acceptable time to arrive home. If a member wants to extend the stay it should be at the member’s own expense.

Where breakfast is not provided the cost may be reimbursed on the production of a receipt. If this cost is known please agree an allowance beforehand.

All-inclusive allowances

A meeting or event is deemed all-inclusive when all accommodation and meals are provided for the duration of that meeting, course or seminar. This does not, however, cover the periods of travelling to and from the meeting or event.

In such instances a supplementary allowance is payable at a rate of £5 per day. This replaces the allowances detailed above.

Dependant care allowances

Dependant care is split into three categories.

1. A dependent, whether it be an adult or child accompanies the member to a meeting,
2. A child dependant's home care,
3. An adult dependant's home care.

In all cases the member needs to obtain prior approval from the branch to claim these allowances.

(i) Accompanying a member

Where an adult accompanies a member to a meeting, they are entitled to the full daily allowance, less meals provided.

For children using a crèche in a UNISON organised activity:

- No daily allowance if lunch/snacks are supplied by the crèche/supervisor;
- When returning home after 6:00pm, an evening meal allowance of £10 up to the child's 11th birthday, or £15 from their 11th to 17th birthday.
- When staying overnight:
 - An evening meal allowance of £10 up to the child's 11th birthday, or £15 from their 11th to 17th birthday, if an evening meal is not included.
 - An incidental allowance of £5 if the evening meal is included.

For children not using the crèche, but accompanying their parent, or those in a crèche where meals are not provided:

- Up to 5 hours: £5
- 5 to 10 hours: An additional payment of £5
- When returning home after 8:00pm, or staying overnight, an evening meal allowance of £10 up to the child's 11th birthday, or £15 from their 11th to 17th birthday.

(ii) Child dependant home care

Where the child dependent stays at home and does not accompany the member to the meeting then only that expenditure which is over and above what would normally be incurred by the member can be reclaimed from UNISON. A separate claim form exists for child dependent home care expenses.

Where a registered childcare provider is used, the actual cost of additional childcare can be paid. These additional costs must be itemised and receipted.

Where a family member or friend provides additional childcare, and incurs costs in doing so, the UK average hourly rate is the maximum that can be claimed and will be capped at £50 per day. Again, such costs must be itemised and receipted.

To support parents who leave children at home and who do not have access to free care, overnight care will be paid at a maximum of the UK national average rate, up to a maximum of £50 per night. Again, such payments are subject to itemisation and receipt, with those in receipt of the payment responsible for notifying the HMRC.

Where care cannot be arranged within the limits above, additional payments may be necessary subject to the member seeking authorisation from the officer/ committee administrator with budgetary responsibility.

(iii) Adult dependant home care

UNISON policy makes financial provision for home care to members who have adult dependants who are disabled in order that such members can be involved and participate in national union activities. This provision is not intended to undermine public service provision. The financial support is intended to reimburse the additional cost of providing practical care solutions when members are away from their caring responsibilities to attend union business. Where the dependant stays at home and does not accompany the member to the meeting, the member can reclaim from the branch only that expenditure over and above what they would normally incur.

The rates for home care comprise a day rate of up to £32 and a night rate with a maximum of £16. The night rate is payable

from 6pm and an overnight stay need not be incurred for this allowance to be claimed. If the member has more than one dependant then an additional rate of 20% of the above rates is payable per dependant.

Members making claims should provide evidence that their adult dependant has one of the following:

- Attendance Allowance payment
- Disability Living Allowance payment
- Blue Badge parking permit
- Disabled Persons Railcard
- disabled person's concessionary fare pass
- tribunal decision
- registration as blind or partially sighted
- Incapacity Benefit payment
- industrial injuries payment
- medical certificate or other similar evidence.

Note

If the member submits a doctor's letter as evidence and a fee is payable, the branch should reimburse this cost.

Members are invited to make a single application to the branch treasurer or secretary to authorise entitlement to the allowance. Once it is authorised, the member should seek the approval of the branch committee prior to incurring any costs. The branch should treat members' applications for home care allowance in strictest confidence.

Members are encouraged to get advice from UNISON Welfare Services if they need assistance with claiming state benefits.

OTHER MEMBER EXPENSES

Unlike member expenses, other expenses will mostly be agreed on a case-by-case basis. Usually such expenses will be a monetary payment to recognise service to the branch by an elected officer either as:

- small non-cash gifts to a member such as flowers, chocolates etc. (non-cash gifts can also be made to recognise long service but not honoraria).
- a long-service award (non-cash gift)
- honoraria (via the UNISON Scheme for Honoraria only).

Tax implications of such payments

Unlike member expenses, other expenses do not constitute reimbursement of out-of-pocket expenses incurred during day-to-day trade union activity. HMRC are very clear about such payments and their rules about disclosure and tax and National Insurance contributions. UNISON has to ensure that its current practices are uniform across all branches and that they comply with the relevant authorities. In this regard the union has agreed processes and procedures with HMRC to ensure that all expenses under this category comply with their requirements and that the union will have no exposure to tax and/or NI contributions through incorrect treatment or disclosure.

All branch expenses that are to be made as a cash payment to a member are subject to tax and NI contributions. Cash in this context includes all vouchers. All cash payments must pass through head office and cannot be made directly by the branch.

If you observe the instructions that follow there will be no tax liability on the recipient, the branch or the union.

A member seeking financial help due to unforeseen hardship must always be referred to UNISON's own charity UNISON Welfare (There for You) where a range of services including financial assistance is available. The charity can also provide immediate financial help to deal with emergency situations for example the member has no money at all and a small amount will provide for food, travel or other necessities. In such circumstances, the branch welfare officer or branch secretary should contact UNISON Welfare on 0800 0 857 857.

Small non-cash gifts

Non-cash gifts to a member commonly involve a payment by the branch to a third party in exchange for a tangible asset that is then given to a member. Many branches will make small non-cash gifts to members who are off work ill, for family bereavement, or special occasions such as the birth of a child or marriage. These are commonly cards, flowers, chocolates etc. HMRC will generally not consider such gifts to be taxable provided that the following conditions are met:

- it cost you £50 or less to provide
- it is not cash or a cash voucher
- it is not a reward for their work or performance
- they have no contractual right to it

Branches should always retain receipts in support of such payments. Branches are strongly advised to seek clarification from their full-time officer if they are in any doubt whatsoever about the taxable position of a non-cash gift.

Long service awards

Where a non-cash gift is made to recognise long service:

- a. the length of service must be 20 years or more (and the member cannot have received such a gift in the last 10 years).
- b. the non-cash gift must not exceed £50 for each year of service (i.e., 20 years' service – up to £1,000 allowable)
- c. the gift must be a tangible asset (such as a watch or clock) and not vouchers

- d. the gift must be approved by the branch committee and reported to a general meeting of the branch.

Honoraria

There are rules which apply to all honoraria awarded to branch officers for periods of office.

Honoraria are discretionary one-off annual payments made to elected members of branch committees (including branch auditors) to recognise their voluntary work for the branch. (Think of honoraria as a thank you, rather than something to which the member has a right.)

The payment of honoraria follows the same principles as the scheme for member expenses (as outlined above): branch committees consider it as part of their overall financial planning. A branch committee must ensure that any proposals it makes to the branch general meeting do not interfere with the ability of the branch to carry out its day-to-day functions from within the funding they receive under national rule H4.1.

Under rule G4.1.2 officers (including branch auditors) are elected annually. Any discretionary honoraria payments will follow their period of office and cannot be paid in advance (whether monthly, quarterly or half-yearly). Nor can honoraria be paid in lieu of expenses.

This is not a UNISON decision but a legal one with which we are required to comply. Failure to do so will expose the union to costs and penalties.

Branch chairs, secretaries, auditors, treasurers and other similar elected officers do not have contracts of employment and are not employees of the branch or UNISON. Nevertheless, they are elected or appointed to positions within each branch and are therefore, de facto, holders of an office. Honoraria payments to UNISON branch officers are not remuneration for services, but they are liable to income tax and Class 1 National Insurance contributions. HM Revenue & Customs (HMRC) requires the union to declare all such payments.

If a branch were to make a payment outside this scheme, HMRC might regard it as being derived from employment with UNISON. This

could have significant consequences for the branch regarding not only tax and national insurance implications, potential penalties and regulatory reporting requirements but also employment law issues, including the European Union Working Time Directive and the National Minimum Wage legislation.

Any branch making honoraria payments outside of the following rules and procedures will be deemed to be acting outside the rules of the union and therefore subject to the relevant investigatory procedures of the union.

Honoraria - Rules and Procedures

Branches and honoraria

There is no obligation on a branch to pay honoraria as they are entirely discretionary and there is no contract of employment – written, oral or implied.

To pay honoraria a branch must make a general provision to do so in its model rules.

The amendment to branch rules must be agreed by a quorate general meeting of the branch.

The branch must register its amended rules, as approved by a quorate general meeting, with the region.

Each year the branch committee must ensure their honoraria proposals are discussed as part of the Organising Framework. Honoraria payments should be reasonable and commensurate with activity within the branch. Any activist holding more than one post can only receive an honorarium for one post. In reality this will usually be the post with the highest payment

Approval of proposed honoraria

Each year the branch committee must submit its honoraria proposals to the annual meeting of the branch. Annual meetings are held in the January – March quarter (Rule G3.3).

The branch proposals can only be approved by the branch if the annual meeting is quorate.

If the proposals are approved by the annual meeting, the branch will submit details to head office as advised by head office. The

branch can submit details via WARMS.

If the annual meeting rejects the branch committee's proposals, this decision binds the branch and no honoraria payments can be made.

The regional committee

If the general meeting is inquorate or if, with regional approval, a branch does not hold a general meeting, the branch may refer its proposals to its regional committee whose decision will be binding.

If appropriate, the branch can be represented when its proposals are considered under arrangements issued by the regional committee.

The regional committee will be responsible for forwarding such approved branch proposals to head office, which will process payment.

In cases where honoraria proposals exceed 10% of the branch's annual funding, or they produce a deficit budget, they would be referred to regional committee for discussion and decision, to ensure that the proposals do not threaten the long-term viability of the branch's finances. Branches are to be given the opportunity to present the reasons why the intervention level has been exceeded. Regional committees will be advised that they will need to make a decision, so that all references are decided before the Branch AGM is held

Payment of the honoraria and accounting for tax and National Insurance

All approved honoraria will be paid by head office.

The data contained within the branch's approved submission will be used to calculate any tax and National Insurance contributions (NIC) due to HMRC.

Under our current agreement with HMRC only tax will be deducted and there is no NIC due.

Head office will pay all tax to HMRC and so discharge UNISON's liability to tax on approved honoraria.

A recipient of honoraria will receive a P60 from head office for the tax year (year to 5 April) in which the tax was paid. (This is not the same as the year to which the honoraria relate). The P60 will be issued by the end

of May, and it will show the amount agreed by the branch, the net amount paid, and tax deducted.

If HMRC contacts your branch about honoraria, please reply: 'All matters concerning honoraria are to be dealt with by UNISON head office in conjunction with HMRC Local Compliance, Individuals & Public Bodies, Weardale House, Washington NE37 1LW – reference PBG/ EC/905/U387/ MWB.'

All payments will be recovered by deduction from the branch's funding entitlement.

The branch's annual return (G10.1) will be updated by head office to reflect the recovery made against funding and the payments made to officers and HMRC.

Therefore, branches must not make a provision in their accounts for honoraria, as all accounting matters will be dealt with at head office as part of the branch/national consolidation of accounts.

Note

UNISON is obliged to make a return of honoraria and expenses payments to HMRC who will monitor the situation very closely. Therefore you should not make any other payments to members of your branch which are outside this scheme.

HMRC will almost certainly regard the payment of any expenses above the HMRC dispensation or outside this scheme as establishing an employment relationship between the branch and the member with consequential tax and national insurance implications.

It is vital that the union complies with HMRC rules to ensure there is no further exposure to tax and national insurance costs.

Therefore if you are unsure about any of the payments your branch makes please contact your regional office immediately for advice.

There is an overriding principle that all branch expenditure must be within UNISON's aims and objectives. In addition, we set out in this chapter some payments which branches may not make for legal, tax or union policy reasons.

Political payments

Branches must not make any payments for political purposes or to political parties from branch funds. Such payments should be dealt with through the Labour Link fund or the general political fund, which are managed nationally and regionally.

This restriction exists because such payments can only be made legally out of a designated political fund, comprising contributions that members made for that purpose. Branches do not have such designated funds.

If a member of the branch incurs expenses in carrying out Labour Link activities, they must claim them from the relevant Labour Link fund (regional or national), not from the branch.

Loans to members

Branches must not make loans to members of the branch. This would be an inappropriate use of branch funds, and it is prohibited by the union's rules.

Cash gifts

Branches must never make cash gifts to members of the branches. In this context, vouchers are the same as cash.

Non-cash gifts can only be given in the limited circumstances outlined in Chapter 10.

Mobile phones

HMRC's rules indicate that if a branch is providing mobile phones to its activists, there are certain potential tax and National Insurance implications.

This includes:

- costs for phones provided to activists
- reimbursing activists' own phone costs

Since branches are unlikely to be accounting to HMRC for any tax liabilities incurred in providing phones to activists, the branch is required to avoid those liabilities in the first place. The branch will thus avoid putting the union into legal jeopardy.

The costs of a mobile phone will normally be exempt from tax/NI providing:

- the branch provides its activist with only one mobile phone or SIM card, and
- the phone contract is between the branch and the supplier, and
- the activist reimburses the branch for private calls, or private use of the phone is incidental.

These conditions must be met if a branch buys a phone for one of its activists.

If the activist arranges a phone contract in their name, but the branch pays the supplier, this will be taxable, and it must therefore be avoided. So, any phone contract must be arranged by the branch in the branch's name.

If the activist uses their own phone and the branch reimburses them, it will count as taxable income for the activist if any element of the reimbursement is for what HMRC would deem to be private use of the phone.

Note that the branch is responsible for accounting for this, not the activist, and so it is the branch that incurs the liability of any unpaid tax. This clearly must be avoided, and to do so:

- branches must not pay activists' own phone bills if they are on a monthly tariff.
- branches must reimburse activists for union related calls only if they are on a pay-as-you-go tariff.

Home broadband

HMRC's rules indicate that if a branch is paying for its activists' home broadband bills, either partly or wholly, there are certain potential tax and National Insurance implications.

HMRC outlines the conditions which apply in order for branches paying for home broadband not to be taxable. In order to align with these conditions, branches may

pay part or all of an activist's broadband only if:

- a broadband connection was not already available, and
- they need it to work from home, and
- it is mainly used for union work purposes.

If these conditions are not met, branches may not pay their activists' home phone bills, either wholly or partly.

Home to office travel

HMRC deems all non-business travel to be private, and therefore taxable if reimbursed by the branch. This includes the journey between an activist's home and their permanent workplace, which HMRC refers to as ordinary commuting.

Travel to a temporary workplace

If a member goes to a union-related meeting/conference/course etc. that takes place away from their usual, permanent workplace, their additional travelling costs should be reimbursed by the branch. (This is not taxable because the meeting is at what HMRC calls a temporary workplace.) The amount to be reimbursed should be the amount which the member has spent over and above what they would otherwise have spent on their commute to their usual substantive workplace.

Travel to a permanent workplace

There is a problem if an activist goes to the same temporary workplace on a regular basis for at least two years. HMRC deems a temporary workplace to become a permanent workplace if, for a period of 24 months or more, the activist's duties are performed to a significant extent at that place. HMRC's definition of "significant extent" means that the activist spends 40% or more of their working time at that place. And it is possible for the same person to have two permanent workplaces concurrently. In a UNISON context, this could refer to the branch office and the activist's substantive workplace, if the activist goes the branch office often enough.

Travel between home and a permanent workplace cannot be reimbursed because

it is considered by HMRC to be ordinary commuting, and therefore taxable if reimbursed. Therefore, if an activist is spending at least 40% of their time at the branch office, home to branch office travel cannot be reimbursed by the branch.

Donations and affiliations

Branches may affiliate to or make donations to organisations whose objectives are sympathetic to or consistent with those of UNISON. However, before determining any affiliation or donation, branches must have regard to any constraints contained in the NEC's Democracy in UNISON Guidelines.

If branches are considering affiliating to an outside organisation or body they should seek advice from their regional organiser.

In 2002 the NEC adopted a set of criteria to be used when considering affiliations or donations to outside organisations and bodies. It adopted the following wording:

"We have a fiduciary duty, entrusted to the Trustees of the union, to ensure that our members' money is spent correctly and that organisations we entrust funds to have aims and objectives in line with our own and are financially open and accountable.

To that end the organisation must;

- Produce a set of fully audited accounts and a bank account
- Have permanent address and not a PO box or forwarding address
- Provide full details of its management/ governing body
- Prove it has a democratically elected governing body
- Provide copies of recent agendas and minutes
- Provide details of how UNISON's affiliation is to be used."

Branch AGM raffles

Some branches hold a free raffle at their AGM to encourage attendance. This is allowed. However, branches should apply common sense to the total value of prizes. The branch should bear in mind that any branch monies devoted to raffle prizes are no longer available to fund organisation in

the branch or to pay for taking part in the union's democratic structures.

Additionally, although the raffle is intended to encourage attendance, the total value of prizes should also be proportionate to the numbers of attendees that can be reasonably expected.

Using branch funds for raffle prizes on any other occasion is inappropriate and should be avoided.

Scope

This chapter comprises the union's Scheme for branch Industrial Action Funds, which sets out the recommended practices for the establishment, funding, operation and closure of dedicated Industrial action funds in branches. It also includes other important financial information associated with such funds. Please note that branch industrial action funds fall within the prescriptions of Rule M8 (Financial and legal) and Rule O Industrial action.

Section A - definition

A Branch industrial action fund is a properly constituted dedicated fund that is established by a branch to provide supplementary strike benefit to its members who are experiencing hardship. Hardship must be experienced as a direct consequence of being involved in a strike or other official industrial action (see below).

Members experiencing hardship through other causes may make application to the UNISON Welfare Fund under the normal processes.

Only the National Executive Council or the General Secretary has the power to authorise Industrial action. Therefore, branches cannot set up or use existing funds to directly finance strike or other industrial action, without first seeking this approval, as this would be in direct contravention of Rule O.

However, Industrial Action funds can be used to provide supplementary strike benefit to members who are experiencing hardship as a result of engaging in strike or other industrial action (hereinafter referred to as a dispute). In such cases, a dispute must have been approved by National Executive Council or the General Secretary in accordance with Rule O – Industrial Action. Each application for hardship payments will be considered on a case-by-case basis and must be made in line with Section G below.

All disputes approved in this way fall within the scope of this scheme irrespective of the duration of the dispute.

Therefore, any payment made to a member from a branch Industrial Action fund not in accordance with this definition is outside the scope of this scheme and falls outside

the dispensation granted to payments made in compliance with the scheme. This dispensation is referred to in section H on principles of expenditure.

Regions are also able to establish a regional Industrial Action Fund to which branches may make application for assistance.

All Rule O5 dispute payments will be paid from the national Industrial Action Fund which is administered by the Industrial Action Committee on behalf of the full National Executive Council.

Section B - existing branch Industrial Action Funds and levies

A number of branches already have established dedicated Industrial Action Funds and these will have been set up in OLBA as part of the branch's migration onto this system. These include former partner union funds originally set up as branch Industrial Action Funds and transferred into UNISON. The guidance below applies to the management of these funds, and also any arrangements made to transfer monies from general funds into dedicated Industrial Action Funds and vice versa.

A number of branches continue to raise local levies to fund dedicated Industrial Action Funds. Branches that established Industrial Action Funds may continue to fund the reserve under this scheme, as detailed in the NEC scheme on levies.

Section C - establishment of new branch Industrial Action Funds

Branches which do not currently hold dedicated Industrial Action Funds, and which wish to establish one, may do so as follows.

A dedicated Industrial Action Fund can be established if it is approved by a two-thirds majority of the members present and voting at a quorate general meeting of the branch where such notice of the proposal has been set out on the agenda for that meeting and circulated to all branch members.

Any Industrial Action Fund that is not established in accordance with the above cannot be classified as an Industrial Action Fund.

The branch will need to email olba@unison.org.uk so that the fund can be set up.

Section D – closure of Industrial action funds

Following the same criteria for the establishment of a new branch Industrial Action Fund branches can close their Industrial Action Fund. Where such a decision is taken the branch should email olba@unison.co.uk and any assets and funds must be transferred to general fund reserves.

Section E - funding

Branches covered by Section B or meeting the requirements laid down in Section C may transfer up to 5% of their estimated annual branch funding into a dedicated Industrial Action Fund in any one financial year as long as:

- Such transfers are approved by a quorate general meeting of the branch, and
- Where the overall balance remaining in the fund from such transfers exceeds £3 per member, that amount will be added back to general fund balances for the purposes of calculating branch funding.

Branches that are not covered by section B, and which want to raise a levy to fund a dedicated Industrial Action Fund must refer to the NEC scheme on levies.

During disputes branches may require additional income for their Industrial Action Fund. Therefore, it will be possible to supplement the 5% restriction limit placed on transfers as long as:

- The dispute is officially authorised in accordance with Rule O.
- The branch committee considers and approves such transfers.
- Any transfer must necessarily take into account the current financial position of the branch.
- No transfer will take place until the approval of the region has been obtained.
- At the end of the dispute any supplementary income transferred in

this way which remains unspent must be transferred back into general fund reserves.

Members who wish to make voluntary donations directly to a branch's Industrial Action Fund may do so by making a direct payment that is separately identifiable as such. Monies collected from members of the public, from other UNISON branches or external organisations should be treated as follows:

- a. Local action (i.e. action approved by the national Industrial Action Committee which is local to the branch or a defined group of branches) – if bucket collections are taken or members of the branch make donations or donations are received in response to branch appeals these can be retained by the branch and accounted for as directed within this scheme.
- b. Regional and/or National action (i.e. action approved by the Industrial Action Committee which covers one or more regions) – In such instances all monies received by local collections and through donations from outside bodies must be passed to the region for payment into the regional Industrial Action Fund. Donations received from individual members within the branch may still be paid direct into the established branch fund.

Where branch Industrial Action reserves comprise funding from a local levy and transfers from branch funding then, for the purposes of calculating a branch's funding entitlement any expenditure in the previous financial year will be deemed to have been spent from balances transferred.

Section F - Industrial Action Committee

The branch committee must take ultimate responsibility for the administration of the dedicated fund, in accordance with Rule Book requirements, as the body elected to administer branch business in accordance with the branch rules and any schemes and/or guidelines issued by the National Executive Council. However, branches may elect a sub-committee to undertake the day-to-day administration of industrial action issues during a dispute.

Branches that do elect an Industrial Action Committee must ensure that body reports regularly to the branch committee, including monthly financial reports. The branch treasurer must be a member of this sub-committee as the treasurer will be required to account for all transactions either monthly or at the end of a dispute to the branch committee, as well as to Head Office within the branch's annual return (Rule G10.1).

Section G - applications for assistance

Branches with Industrial Action Funds are encouraged to publicise the financial assistance available to members involved in a dispute and should maintain strict confidentiality in administering and making payments to members who claim.

Branches should provide claim forms to members applying for supplementary financial assistance if the branch decides to deal with hardship payments in this way.

Branches can produce their own forms or obtain supplies of a standard form from their region. Locally produced forms must provide sufficient information to support the accounting requirements detailed in this scheme.

All applications must be supported by documentary evidence confirming participation in a dispute, loss of earnings and membership of the union. Usually, most payslips will provide all this information

Section H – Principles of expenditure

Branch Industrial Action Funds are to be used only for the following purposes:

- To make hardship payments to individual claimants from within the branch membership who are in financial difficulties after taking part in industrial action.
- To pay other costs directly attributable to industrial action.

Branches can decide on the criteria that they apply in paying hardship to all participants or approving or rejecting applications for assistance received. The criteria should be available to the membership so as to ensure transparency.

It is important that this is not seen as just a means testing exercise.

Whichever body adjudicates on applications received from members, it is essential that all payments are made in compliance with the definitions contained in this scheme.

In addition, when reflecting on an appropriate amount to pay, the committee must ensure it is consequential from the action taken (that is a loss of pay as a result of participating in the dispute) and not financial problems prior to the dispute (which are UNISON Welfare issues and not hardship under this scheme).

Branch Industrial Action Funds are not to be used to make up members' pay to net pay.

Payments which are made in compliance with the definition of Industrial Action payments are not emoluments from employment and are therefore not liable to tax and National Insurance Contributions.

Other costs that are not part of a branch's normal operating costs, but which are directly associated with a dispute (e.g. branch mailings, printing, stationery, postage, room hire etc.), may be paid from the Industrial Action Fund by branch committee agreement.

Section I - accounting procedures and records

The proposals made in this section are recommended practices and supplement those already contained within this scheme and elsewhere in this UNISON Branch Finances Handbook. They are issued to provide helpful and meaningful guidance for branches which establish dedicated Industrial Action Funds and to ensure our compliance with trade union legislation.

- The online branch accounting system (OLBA) manages all IAF transactions and accounting arrangements, including payments, accounting and investments.
- Strict confidentiality is to be maintained in administering all claims and payments made under this scheme.
- The treasurer is responsible for making all payments, receiving all income and keeping a record of all Industrial Action Fund transactions that pass through the branch's bank account(s).

- There must be at least two signatories to this account for all payments, one of which should be the treasurer.
- All payments must be made by cheque (or online payment) from the branch's current account held with Unity Trust bank.
- All money received (cash or cheque) must, in the first instance, be banked intact, that is without deduction.
- During disputes it is recommended that cash is banked daily, or cash is locked in a secure place if left overnight (e.g. a safe). Payments that are due to the regional Industrial Action Fund should then be made on the following day.
- If money is to be left overnight check that the global branch insurance policy provides adequate cover for your branch. You may contact the brokers, Willis Towers Watson at UnisonBranches.Insurance@WillisTowersWatson.com or by phone on 0845 0744 126.
- No payments should be made unless supported by an invoice, branch claim form, application for assistance etc and that documentation is properly authorised by a nominated branch officer prior to a payment being made.
- Signed acknowledgements must be obtained for all payments made.
- If the branch receives cash payments/donations the treasurer should issue a signed receipt. (Small receipt books with a carbon copy can be purchased from most leading stationery stores) The receipt book with the carbon copy should be kept for audit.
- All decisions of the branch committee or of the Industrial Action Committee must be minuted and made available if requested by the auditors.

their Industrial Action fund to another dedicated fund or their branch general fund can do so by in accordance with the following procedures:

1. The branch committee makes an appropriate recommendation to a general meeting of the branch.
2. That recommendation should include the reason for the transfer and the amount to be transferred.
3. The recommendation should be circulated to all branch members in advance of the general meeting as well being copied to the region.
4. A simple majority of the members present and voting at a quorate general meeting of the branch must support the proposal.

The branch must email the decision to olba@unison.co.uk for approval before transferring money between funds in OLBA.

Section J - transfers between funds

This section sets out the procedure to be followed if a branch is considering moving funds from its Industrial Action Fund to other fund(s). The transfer of funds into an Industrial Action Fund has already been considered in section E on funding.

Branches seeking to transfer funds from

Purpose and Background

The Members Online Expenses System (MOLE) was introduced to streamline the expenses process, reduce the administrative workload for branch treasurers, and ensure that the Union meets its tax and compliance obligations.

The move to MOLE was agreed by delegates at the Special National Delegate Conference (NDC) in 2021 as part of the Branch Resources Review, which called for more efficient systems to free up time for branches. Since then, MOLE has been developed and refined through several pilot phases involving branches across the Union.

At NDC 2025, the Annual Report stated that MOLE would be launched in July 2025, with branches encouraged to transition before it became compulsory. MOLE was also demonstrated at the UNIZONE at NDC 2025, allowing branches to ask questions and provide feedback.

From 1 January 2026, MOLE became compulsory for all branches.

All branch officers and activists who claim expenses must register for the system if they have not already done so. Registration is completed at:

<https://expenses.olba.org.uk/>

Members will require their membership number when registering.

How MOLE Works

MOLE operates in a similar way to previous expense systems:

- Each claim must be authorised and approved.
- Claims can be submitted in advance of events.
- Claimants cannot authorise or approve their own claims.

The key differences under MOLE are:

- Expenses are paid centrally by National, before being recharged to branch funding.
- All paid transactions are automatically recorded in OLBA, removing the need for manual entry by branch treasurers.
- MOLE captures the taxable element of overnight subsistence, ensuring compliance with HMRC requirements.

A previous lack of this functionality resulted in a six-figure fine from HMRC, which MOLE is designed to prevent.

To ensure appropriate segregation of duties, branches are recommended to have at least three registered users with authorisation and approval permissions. Branch Treasurers are responsible for allocating permissions and may assign these to Branch Officers as appropriate.

Benefits of MOLE

- Streamlines the expense claims process for members and branches.
- Reduces administrative workload for branch treasurers.
- Automatically calculates expense totals.
- Allows users to track the progress of claims at any time.
- Weekly payment schedule, paid directly into claimants' bank accounts.
- Securely stores current and historic expense claims.
- Automatically updates OLBA with paid transactions.
- Supports compliance with HMRC tax requirements.

Support and Guidance

Once registered, users can access the Help section within MOLE, which includes:

- Walkthrough videos
- Process notes tailored to different user roles
- An extensive set of FAQs

A dedicated support inbox is also available:

MOLE@unison.co.uk

Branch Funding arrangements

Section A – General Arrangements

Implementation

1) These new arrangements for the funding of total annual subscription income to branches applied from 1 January 2022. They were agreed at the Special Delegate Conference 2021.

Fixed Allocation to Branches

2) Each financial year a fixed percentage of total annual subscription income is allocated to these arrangements.

Section B - The Overall Structure of the Funding Arrangements

3) Funding of branches is achieved by one or more of the following:

- a. A standard percentage entitlement.
- b. Additional percentage entitlements.
- c. Additional funding drawn from a Branch Support and Organising Fund and managed at regional level.
- d. Special funding managed at national level to meet the needs of branches with identified exceptional circumstances.

All percentage entitlements to branch funding are expressed as a percentage of total annual subscription income relating to the branch.

Section C – Special National Funding

4) Branches with continuing exceptional needs may request special funding. All requests for special funding should be submitted to the National Executive Council. Special funding payments will not be considered part of the percentage of total annual subscription income allocated to branch funding.

Section D – Additional Entitlements

Membership Numbers

5) Additional entitlement for the number of members in the branch is as follows: -

Membership	Additional Entitlement
Up to 500	4%
501- 3,000	2%
over 3,000	2.5%

Where a branch is entitled under this formula to a lesser amount in cash terms than that to which it would be entitled if its membership were the maximum of a lower membership band, then for the purpose of this part of the formula its membership is treated as the maximum of that lower membership band.

The additional entitlement for membership is based on branch membership at the previous 31 December

Low Subscription Income

6) An additional entitlement is allocated to branches according to the following: -

Average subscription income per member	Additional Entitlement
More than 10% and not more than 20% below national average	0.5%
More than 20% and not more than 30% below national average	1.0%
More than 30% and not more than 40% below national average	1.5%
More than 40% below national average	2.0%

The additional entitlement for low subscription income is based on branch membership at the previous 31 December and branch total annual subscription income for the previous year.

Reporting low subscription income bands to Conference

7) Each year the bands for low subscription income are reported to the preceding National Delegate Conference. The bands are shown as monetary sums rounded to the nearest pound. They are updated annually using actual total annual subscription income and membership numbers contained in the financial statements presented to the preceding National Delegate Conference.

In the first year (2022) the Scheme used the following bands based on a national average subscription income figure per member of £138.

Average subscription income per member	Additional Entitlement
Less than £124 and not less than £110	0.5%
Less than £110 and not less than £97	1.0%
Less than £97 and not less than £83	1.5%
Less than £83	2.0%

Low Branch General Fund Reserves Entitlement

8) An additional entitlement is allocated to branches according to the following: -

Per Capita General Fund Branch Reserves*	Additional Entitlement
Less than 95% and not less than 90% below the branch general fund regulator**	0.5%
Less than 90% and not less than 80% below the branch general fund regulator**	1.0%
Less than 80% and not less than 70% below the branch general fund regulator**	2.0%
Less than 70% and not less than 60% below the branch general fund regulator**	3.0%
Less than 60% and not less than 50% below the branch general fund regulator**	4.0%
Less than 50% and not less than 40% below the branch general fund regulator**	5.0%
Less than 40% and not less than 30% below the branch general fund regulator**	6.0%
Less than 30% below the branch general fund regulator**	7.0%

* As defined in recommendation 9

** As defined in recommendation 10

Definition of 'Branch General Fund Reserves'

9) Branch General Fund Reserves are defined as all funds held in branch general funds, excluding fixed assets, as at 31 December in the preceding year.

For the purpose of the calculation the following dedicated funds are excluded for the calculation of branch general fund reserves:

- All monies held in industrial action/hardship funds as at 31 December 2000.
- All monies transferred into industrial action/hardship funds from 31 December 2000 which have been raised as a result of local levies.

- c. Any other dedicated fund comprising exclusively of monies raised by local levies.
- d. Any dedicated fund established with the agreement of Regional Committee or endorsed by that committee the purpose of which is future purchase (freehold or leasehold or planned and preventative maintenance) of property provided that:
 - i. The dedicated property fund has been established as a result of a decision of a quorate general meeting of the branch:
 - ii. The dedicated property fund has been established or endorsed as part of a structured financial plan endorsed by the Regional Committee.
 - iii. Transfers into and out of the dedicated property fund must be in accordance with the agreed structured financial plan.

Each year branches are required to report on the authorised dedicated property funds in their Annual Financial Return as required by national Rule G 10.1.

Definition of Branch General Fund Regulator

10) The Branch General Fund Regulator is calculated as the equivalent of four months total branch funding divided by the total membership of the union. This is currently £11 but for the purposes of the scheme it has been set at £12.

Therefore, the bands are:

Per Capita General Fund Branch Reserves	Additional Entitlement
Less than £11.40 and not less than £10.80	0.5%
Less than £10.80 and not less than £9.60	1.0%
Less than £9.60 and not less than £8.40	2.0%
Less than £8.40 and not less than £7.20	3.0%
Less than £7.20 and not less than £6.00	4.0%
Less than £6.00 and not less than £4.80	5.0%
Less than £4.80 and not less than £3.60	6.0%
Less than £3.60	7.0%

Geographic Spread

11) An additional entitlement is available to branches according to the following:

Branch Membership numbers	Additional Entitlement
10% or more, further than 10 miles from the agreed central location of the branch, or	1%
10% or more, further than 30 miles from the agreed central location of the branch, or	2%
10% or more, further than 50 miles from the agreed central location of the branch	3%

For the purpose of the calculation the central location is either the main branch office or the location with the largest number of members as agreed with the regional committee.

Branches with Multiple Employers

12) An additional entitlement is available to branches according to the following:

Number of employers with at least 3 members each	Additional Entitlement
5 to 19 Employers	0.5%
20 to 34 Employers	1.0%
35 to 49 Employers	1.5%
50 to 99 Employers	2.0%
100 to 149 Employers	2.5%
150 to 199 Employers	3.0%
200 to 249 Employers	3.5%
250 to 299 Employers	4.0%
300 to 349 Employers	4.5%
350 to 399 Employers	5.0%
400+ Employers	5.5%

For the purpose of this calculation employers are defined as independent legal entities. The number of employers in each branch is as at 31st December in the previous year.

Section E - Restrictions

A sliding scale for restrictions to entitlements

13) For branches with more than 500 members additional entitlements are reduced according to the following:

Branch General Fund reserves expressed as an average per member	Percentage reduction in Additional Entitlement
At Branch General Fund Regulator or below	0%
More than Branch General Fund Regulator and less than or equal to 10% above Branch General Fund Regulator	20%
More than 10% above Branch General Fund Regulator and not more than 20% above Branch General Fund Regulator	40%
More than 20% above Branch General Fund Regulator and not more than 30% above Branch General Fund Regulator	60%
More than 30% above Branch General Fund Regulator and not more than 40% above Branch General Fund Regulator	80%
More than 40% above Branch General Fund Regulator	100%

For branches of less than 501 members additional entitlements are reduced as follows:

Branch General Fund reserves expressed as an average per member	Percentage reduction in Additional Entitlement
At 500 times Branch General Fund Regulator or below	0%
More than 500 times Branch General Fund Regulator and not more than 10% above 500 times Branch General Fund Regulator	20%
More than 10% above 500 times Branch General Fund Regulator and not more than 20% above 500 times Branch General Fund Regulator	40%
More than 20% above 500 times Branch General Fund Regulator and not more than 30% above 500 times Branch General Fund Regulator	60%
More than 30% above 500 times Branch General Fund Regulator and not more than 40% above 500 times Branch General Fund Regulator	80%
More than 40% above 500 times Branch General Fund Regulator	100%

General Fund reserves are as defined in recommendation (9).

The Branch General Fund Regulator is as defined in recommendation (10).

Reporting restriction bandings to Conference

14) Restriction bandings for a particular year are reported to the preceding National Delegate Conference as a monetary sum and are calculated from the Branch General Fund Regulator rounded to the nearest penny.

For branches of more than 500 members

Branch General Fund reserves expressed as an average per member	Percentage reduction in Additional Entitlement
At £12 or below	0%
More than £12.00 and less than or equal to £13.20	20%
More than £13.20 and less than or equal to £14.40	40%
More than £14.40 and less than or equal to £15.60	60%
More than £15.60 and less than or equal to £16.80	80%
More than £16.80	100%

For branches of less than 501 members

Total Branch General Fund reserves	Percentage reduction in Additional Entitlement
At £6,000 or below	0%
More than £6,000 and less than or equal to £6,600	20%
More than £6,600 and less than or equal to £7,200	40%
More than £7,200 and less than or equal to £7,800	60%
More than £7,800 and less than or equal to £8,400	80%
More than £8,400	100%

General Fund reserves are as defined in recommendation (9).

The Branch General Fund Regulator is as defined in recommendation (10).

Section F – High Branch General Fund Restriction

15) An additional restriction applies to a branch's entitlement where their general funds are more than 40% above Branch General Fund Regulator.

Branch General Fund reserves expressed as an average per member	Percentage reduction in entitlement for the years 2022-2024	Percentage reduction in entitlement from 1st Jan 2025
At £16.80 or below	0.0%	0.0%
More than £16.80 and less than or equal to £18.00	0.2%	0.2%
More than £18.00 and less than or equal to £19.20	0.4%	0.4%
More than £19.20 and less than or equal to £20.40	0.6%	0.6%
More than £20.40 and less than or equal to £21.60	0.8%	0.8%
More than £21.60	1.0%	1.0%
More than £24.00	-	2.0%

Section G - Participation

16) A branch's funding entitlement is reduced by 2.5% if the branch is not represented at National Delegate Conference in the year to which funding applies by at least 50% of its delegate entitlement. The 2.5% reduction in funding for non-attendance at National Delegate Conference is reduced by 0.5% for each of the following,

- if the branch is represented at a service group conference in the 12 months to June 30 in the year to which funding applies with at least 50% of its delegate entitlement
- if the branch is represented at regional council in the 12 months to June 30th in the year to which funding applies
- if one or more self-organised groups exist within the branch and any of them have been represented at the respective self-organised groups' national conference in the 12 months to 30 June in the year to which funding applies. Where branches are grouped for the purposes of participation in a self-organised group conference the reduction is reduced according to a formula 0.5% multiplied by branch membership divided by group membership.

Appeals against reduction in funding for non-attendance at National Delegate Conference are adjudicated by the National Executive Council and the Subscriptions Appeals Committee taking account of a recommendation from the regional committee.

Section H – The Branch Support and Organising Fund

17) A Branch Support and Organising Fund has been established from which additional allocations may be made to branches. The annual sum allocated to the Branch Support & Organising Fund is 2% of total subscription income.

The Branch Support and Organising Fund is allocated to Regions according to a formula determined by the National Executive Council.

18) The Branch Support and Organising Fund is distributed by the regional committee or other body delegated by the regional committee using guidelines issued by the National Executive Council. Each Region establishes an appeals sub-committee of the regional council to resolve disputes between the regional committee and branches in respect of allocations from the Branch Support and Organising Fund. Any unresolved disputes at regional level on funding may be referred in writing to the National Executive Council whose decision is binding.

19) The National Executive Council has the discretion to make a supplementary allocation to the Branch Support & Organising Fund in any year. This supplementary allocation is not considered to be part of the fixed proportion of total annual subscriptions income allocated to Branch Funding.

Section I -The Standard Entitlement and the Fixed Proportion of Total Annual Subscription Income

20) The standard entitlement is 21% of total annual subscription income.

21) The fixed proportion of total annual subscription income allocated to the branch funding formula each year is 23.5% and a further 2% to the Branch support Organising fund, making a total of 25.5%.

22) Should the branch funding formula in any one year fall below 23.5% of total annual subscription income, the balance is ringfenced for future application towards the branch funding formula but capped and released on a 3-year rolling basis to the Branch Support and Organising Fund.

Fraud and what to do if it is suspected.

Fraud is defined as: “Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss” (Chartered Institute of Public Finance and Accountancy)

In terms of branch accounting, fraud can also be defined as any incident where the set rules and procedures are deliberately bypassed by a person in a position of trust, in order to make a gain to their advantage. This constitutes an abuse of position and a misuse of funds (i.e. members’ subscriptions).

Examples of fraud in a branch could include:

- Failure to provide documentation to substantiate expenditure
- Falsifying receipts or records to inflate the amount that is due to be claimed
- Failure to account for money advanced for a specific purpose
- Taking branch equipment for personal use, or the branch paying for equipment (such as mobile phones) used for personal benefit for which no reimbursement is made
- Falsifying signatures to authorise expenditure or on cheques, bank mandates, etc.
- Sharing passwords (for inappropriate reasons)
- Falsifying ‘separation of duties’ by using a close friend or family to authorise a transaction that should not be allowed, to avoid external scrutiny, etc.
- appointing a close relative to a branch position or supplier contract without due process or safeguards
- excessive amounts on agreed expenditure such as first-class travel instead of standard, or hotel suites instead of basic rooms

While some of these may not be identified immediately, they are all examples of bad financial practice which should be discouraged through compliance with set

rules and procedures; and they could also be attempts at deliberate fraud for which criminal proceedings could be brought.

In order for these to be appropriate, arrangements including friends and family should be accompanied by an appropriate ‘Declaration of Interest’ which should be approved by and filed with the Region.

A suitable form should be designed for the Region to meet this requirement or speak to the Governance Officer of Internal Audit.

Sometimes fraud is committed jointly by those in a position that allows them to cover their tracks by showing that all the procedures have been adhered to, whereas in actual fact a joint decision has been made to take an action which is not acceptable. These are either fraudulent by ‘collusion’ or may be ‘ethically’ unacceptable behaviour. An example would be a decision to make a purchase for an inflated price where this is not in the interest of the members, but it gives the decision makers some extra benefit (e.g. a gift or reward). Whilst this may not be identified as a typical fraud, it still represents a misuse of members’ subscriptions and should be called out and discouraged.

What to do if you suspect fraudulent activity is taking place

Whilst the Treasurer has a primary care duty for the finances, the whole of the branch committee have a duty to ensure the finances remain accurate, complete, and transparent. It is the collective duty of the branch committee to be accountable if fraudulent activity takes place and they must be jointly responsible to ensure there are adequate controls in place to ensure this does not happen.

It is the treasurer’s duty to ensure that all transactions have a robust audit trail from a decision being noted in the minutes, to the presence of receipts, to reconciliation to the bank account; and to ensuring that expenditure is aligned with UNISON and branch objectives. Spending and activities should be in the spirit they were intended, so anything outside of this should be challenged and evidence gathered to substantiate any suspected impropriety.

Once gathered, the evidence should be reported to the branch’s Regional Organiser

or Regional Secretary so that the Region can investigate further and determine the exact nature and extent of the fraud, if indeed it is so.

It is the responsibility of the Region to deal with any evidenced fraud first and foremost by investigating this at the branch. The Region should make the first move to halt the fraud and seek to recoup any amounts lost. If the Region decides that there is a need for disciplinary action, then this should be reported to the Member Liaison Unit (MLU) so that a Rule I investigation can be commenced.

Should legal intervention be required, the referral to the Legal team will be through the MLU.

Treasurer's Report to Branch Committee Meetings

Each branch committee meeting should receive a financial report from the treasurer.

The following is a suggested agenda insert for the committee meeting and the next page contains a format for the Treasurer's report.

Agenda insert:

- Budget matters (setting, monitoring, variance report by exception (objective versus actual))
- Expenditure Forecast for the next period
- Unexpected and unforeseen items
- Internal Audit Actions outstanding

If the treasurer is unable to attend a meeting, a report should be sent in advance. This report should be detailed enough to guide the committee in their discussions of the branch finances and to help them to discharge their responsibility to manage the branch's financial resources well.

It is suggested that the report should contain the following elements:

- The income and expenditure report up to the most recent month-end (downloaded from OLBA)
- The budget v actual report up to the most recent month-end (downloaded from OLBA)
- An explanation of any significant variances on the budget v actual report. (Variances are differences between the budgeted and actual figures.)
- Possibly, an all-transactions report from OLBA filtered to cover the period since the last committee meeting. (Care should be taken to ensure that any sensitive information is removed.)
- Any significant upcoming transactions
- Any other financial activity that requires the committee's approval.

The bank reconciliations should be brought up to date before reports are produced from OLBA. This will ensure that the data they contain is complete and accurate.

The following is a suggested format for the Treasurer's report.

Treasurer's Report to Branch Committee Meetings**Chigley and East Trumptonshire Health Branch Finance Report
December 2024**

We're coming up to my first year-end. Preparations are underway for the audit to be carried out in mid-January by the Branch Auditor, John Munnings.

The Branch Secretary and I have been working on a budget for 2025. We will bring the first draft to next month's meeting for discussion, and the finalised version will be presented to the AGM for approval.

The accounts for the year to date are attached. You can see that again we have a large surplus for the year, although the branch spent more than last year – mainly on salary costs.

The budget v actual report, which is also attached, shows that we spent considerably less than we budgeted to spend. The main variances (differences) between actual and budget were as follows:

- We had committed £15,000 to a campaign against staff car parking charges, but in the end this proved unnecessary.
- We had budgeted to produce a newsletter for all members this autumn, but this did not take place. We need to discuss whether this should be done early next year instead.
- We had planned to take on a caseworker on secondment from the Trust, but this has now been postponed until next year. This will have an impact on next year's budget.

We also have a couple of large bills coming up in January:

- Under the terms of our contract with the Trust, we are required to redecorate the branch office within the first quarter of next year. I am asking committee to agree to a budget of £3,000 for this.
- Also, the branch's IT equipment is now nearly six years old and showing signs of strain. It will need to be replaced next year. I propose to meet with our IT Support to put together a costed program of replacement, and I ask for committee's approval of this.

The branch has a very large balance in a current account, which does not pay any interest. I propose to open an instant access savings account at Unity Trust Bank and move the bulk of the balance across to the new account. I ask for committee's approval for this course of action.

Dora Minton, Branch Treasurer

Treasurer's Report to Branch Committee Meetings

General Fund Income and Expenditure Account For Chigley and East Trumptonshire Health For the year ended 31 December 2024				
All Items	2024(£)	2024(£)	2023(£)	2023(£)
Income				
Branch Funding	£133,825.51		£134,556.72	
Retired Members Subscriptions	£0.00		£60.00	
Other Income	£4,202.12		£1,625.00	
Total Income		<u>£138,027.63</u>		<u>£136,241.72</u>
Expenditure				
Staff Salaries	£38,372.72		£29,649.11	
Rent	£0.00		£0.00	
Utilities	£15.60		£0.00	
Other Administration	£14,479.19		£10,394.05	
Honoraria	£12,110.00		£12,650.00	
Conferences and group meetings	£8,837.61		£7,014.12	
Branch Committee	£7,355.57		£2,019.29	
Other Meetings	£2,345.29		£203.50	
Publicity	£7,478.55		£15,056.08	
Education	£30.00		£34.70	
Donations	£2,227.00		£360.00	
Affiliations	£200.00		£300.00	
Local Activities	£690.00		£3,570.15	
Other Expenditure	£14.50		£399.00	
Other Branch Funding Deductions	£0.00		-£661.15	
Rates	£0.00		£0.00	
Fighting Fund	£0.00		£0.00	
Tax	£0.00		£0.00	
Total Expenditure		<u>£94,156.03</u>		<u>£80,988.85</u>
Surplus/Deficit		<u>£43,871.60</u>		<u>£55,252.87</u>

Treasurer's Report to Branch Committee Meetings

Consolidated Balance Sheet For Chigley and East Trumptonshire Health For the year ended 31 December 2024				
All Items	2024(£)	2024(£)	2023(£)	2023(£)
Fixed Assets				
Freehold Properties	£0.00		£0.00	
Leasehold Properties	£0.00		£0.00	
Equipment, Fixtures & Fittings	£8.00		£293.22	
Investments (Quoted & Unquoted)	£0.00		£0.00	
Total Fixed Assets		<u>£8.00</u>		<u>£293.22</u>
Current Assets				
Branch Funding	£0.00		£1.63	
Debtors (Third Party)	£0.00		£176.00	
Loans	£0.00		£0.00	
Building Society	£0.00		£0.00	
Bank Deposit	£0.00		£0.00	
Current Account	£439,074.74		£396,001.01	
Prepaid Card	£0.00		£0.00	
Cash	£0.00		£0.00	
Total Current Assets		<u>£439,074.74</u>		<u>£396,178.64</u>
Current Liabilities				
Branch Funding	£0.00		£0.00	
Third Party	£0.00		£1,462.71	
Member Expenses	£0.00		£0.00	
HO Loans	£0.00		£0.00	
Locally Collected Subscriptions	£30.50		£0.00	
Credit Card	£174.49		£3.00	
Total Current Liabilities		<u>£204.99</u>		<u>£1,465.71</u>
Net Current Assets		<u>£438,869.75</u>		<u>£394,712.93</u>
Total Assets		<u>£438,877.75</u>		<u>£395,006.15</u>
Accumulated Funds				
Accumulated General Fund at year beginning	£395,006.15		£339,753.28	
Funds transferred/received on merger	£0.00		£0.00	
Surplus/Deficit	£43,871.60		£55,252.87	
Accumulated General Fund at year end		<u>£438,877.75</u>		<u>£395,006.15</u>
Total Funds at End of the Year		<u>£438,877.75</u>		<u>£395,006.15</u>

Treasurer's Report to Branch Committee Meetings

Objective Budget vs. Actual Report (Chigley and East Trumptonshire Health)					
Income					
Objective	Allocated Budget for Year	Budget YTD	Actual YTD	Variance	Remaining Budget
Branch Funding	£134,000.00	£134,000.00	£133,825.51	£174.49	£174.49
Local Activities	£0.00	£0.00	£0.00	£0.00	£0.00
Other Income	£0.00	£8.00	£4,202.12	-£4,202.12	-£4,202.12
Participation_National	£0.00	£0.00	£0.00	£0.00	£0.00
Total:	£134,000.00	£134,000.00	£138,027.63	-£4,207.63	-£4,207.63
Expenditure					
Objective	Allocated Budget for Year	Budget YTD	Actual YTD	Variance	Remaining Budget
Administration	£11,000.00	£11,000.00	£9,193.97	£1,806.03	£1,806.03
Affiliations	£1,000.00	£1,000.00	£200.00	£800.00	£800.00
Campaigns	£15,000.00	£15,000.00	£0.00	£15,000.00	£15,000.00
Communications	£2,500.00	£2,500.00	£0.00	£2,500.00	£2,500.00
Donations	£2,500.00	£2,500.00	£2,227.00	£273.00	£273.00
Education	£2,000.00	£2,000.00	£30.00	£1,970.00	£1,970.00
Fighting Fund	£0.00	£0.00	£0.00	£0.00	£0.00
Honoraria	£13,000.00	£13,000.00	£12,110.00	£890.00	£890.00
Local Activities	£4,000.00	£4,000.00	£690.00	£3,310.00	£3,310.00
Other	£0.00	£0.00	£14.50	-£14.50	-£14.50
Participation_Branch	£3,000.00	£3,000.00	£9,700.86	-£6,700.86	-£6,700.86
Participation_National	£12,000.00	£12,000.00	£8,837.61	£3,162.39	£3,162.39
Participation_Region	£1,000.00	£1,000.00	£0.00	£1,000.00	£1,000.00
Publicity	£500.00	£500.00	£0.00	£500.00	£500.00
Recruitment	£15,000.00	£15,000.00	£7,478.55	£7,521.45	£7,521.45
Rent_Rates_Utilities	£240.00	£240.00	£15.60	£224.40	£224.40
RepresentMembers	£4,000.00	£4,000.00	£0.00	£4,000.00	£4,000.00
StaffingBES	£45,000.00	£45,000.00	£38,372.72	£6,627.28	£6,627.28
StaffingSecondment	£40,000.00	£40,000.00	£5,000.00	£35,000.00	£35,000.00
Total:	£171,740.00	£171,740.00	£93,870.81	£77,869.19	£77,869.19
Objective					
Objective	Allocated Budget for Year	Budget YTD	Actual YTD	Variance	Remaining Budget
Surplus/Deficit	-£37,740.00	-£37,740.00	£44,156.82	-£81,896.82	-£81,896.82

Treasurer's Report to Branch Committee Meetings

Chigley and East Trumptonshire Health**Payments since the last committee meeting**

Date	Narrative	Payee	Value	Group
29/11/24	Expenses	Mrs Cobbett	£7.85	Other Meetings
15/11/24	Mobiles	EE Ltd	£50.70	Other Admin
15/11/24	Staff salaries	Pay-Role Ltd	£2,616.94	Staff Salaries
21/11/24	Office phone	Comms Solutions Ltd	£111.53	Other Admin
22/11/24	Printer rental	BNP Paribas	£264.00	Other Admin
10/12/24	Staff pension	NEST	£208.85	Staff Salaries

Reference Guide – How to Submit a Branch Annual Return

Steps

1. Contact all members and suppliers for any outstanding payments for expenses, invoices etc. (enter these as creditors) that relate to the financial year to be completed or for any monies that are owed to the branch (enter these as debtors) – creditors and debtors are recorded in Periodic Accounting Tasks > Accruals > Add Creditor/Debtor.
2. Ensure all transactions up to 31st December are entered in OLBA.
3. Complete reconciliations on all the accounts you hold up to and including 31st December.
4. Select the Complete Year button to enter the Year End Checklist and start your return.
5. Please note that each task is updated from a red cross to a green tick by OLBA functionality not the user (unlike in bank reconciliations).
6. Work through the tasks on the Year End Checklist as follows:

Task 1.

Complete Reconciliations on all your accounts (If you have completed Step 3 above this should already be ticked. If not, return to Step 3)

Task 2.

If all your branch's accounts are held with Unity Trust Bank you will not be required to upload any further information. If not, you will be directed on which account(s) we require. You will need to upload statements that include the balance at 31st December. Click Complete to submit your annual return.

Task 3.

Check your branch funding data in Budgeting > Income & Branch Funding Data. If this is correct return to the Year End Checklist and click on the Confirm Funding Information button to progress.

Task 4.

If you have included a staff salary payment

in the year's accounts you will be required to enter details of this. Once updated, click on Staff Salaries Complete to move to the next task. If no salary payments were recorded in your accounts, you will automatically progress.

Task 5.

If you have included a rent payment in the year's accounts you will be required to enter details of this. Once updated, click on Property Leases Complete to move to Task 5. If no rent payments were recorded in your accounts, you will automatically progress to Task 6.

Task 6.

At this stage you will be asked to enter the Geographical Spread for the branch. It is usually acceptable to use the previous year's figure.

Task 7.

Ideally you will have entered all outstanding expenses, invoices in Step 1 above. If not, return to Step 1 and update accordingly. Once updated click Accruals Complete to move to the next task.

Task 8.

Task 8 should already be ticked. If not, refer to Task 8 in the detailed guide.

Task 9.

At this stage the accounts need to be passed to the branch's auditors. Only when they have completed the audit and/or you have made any necessary changes to the accounts should you click Yes, read the notices and click on Sign Off Accounts to move to the next task.

Task 10.

At this stage, if you need to return to Task 8 select Amend Accounts. Otherwise:

- i. If you and the auditor(s) are all able to sign the same authorisation sheet then print one copy and all sign it.

Reference Guide – How to Submit a Branch Annual Return

- ii. If not, print as many copies as required and ask the auditors to sign a copy and email or post these to you.
- iii. Click on Complete to move to Task 11.

Task 11.

To upload the authorisation sheet(s) you must scan and save as a pdf or image file. You can use a computer or mobile device to save and upload all the required authorisation sheets. Then click the Upload Authorisation Sheet button and select the relevant description for the form(s) you are uploading. When all sheets have been uploaded, click Complete to submit your AFR.

Note: You can return to the Year End Checklist from any screen in OLBA by clicking the Year End icon at the top right of the screen. Full details of all the above tasks are contained in the following detailed guide as well as our contact details.

The OLBA Team will review your annual return and, when approved, you will receive a confirmatory email.

Guide for branch auditors

APPOINTMENT

Branch Core Rule 5 sets out the officers of the branch who must be elected at the Annual General Meeting. UNISON's Code of Good Branch Practice, section 12.2.7, states that branches should appoint auditors from within the branch to review financial procedures. There should be two auditors neither of whom should be a member of the branch executive committee. It is preferable but not mandatory for the auditors to have some accounting qualification. This need increases with the size of the branch. Certainly, for the larger branches some auditing experience would be necessary. The auditors should be elected at the branch Annual General Meeting (AGM). If it is not possible to make the appointments at the AGM the branch committee should make the appointments. These must be ratified at a subsequent branch general meeting.

DUTIES

The branch auditors' duties are to act in accordance with general principles issued by the National Executive Council (NEC).

The Code of Good Branch Practice (section 12.2.7) states that:

'Branches should appoint two auditors from within the branch to review the financial procedures and to audit the branch's annual accounts and annual return.'

The audit may be described as such an examination of the books, vouchers and documents of the branch which allows the auditor to be satisfied that the accounts are correctly prepared and show a true and fair view of the financial affairs of the branch.

WHAT IS A TRUE AND FAIR VIEW

- i) **'true'** "that the accounts are properly based on the facts and correctly include the financial effect of the transactions which the branch has undertaken during the year."
- ii) **'fair'** "the financial effects as summarised in the accounts give the reader a balanced understanding of the activities undertaken during the year and of the financial position of the branch at the year end."

- iii) **'view'** "in forming this 'view' the branch auditor(s) should be satisfied

that judgements made during the year are prudent and reasonable, the accounting policies selected have been consistently applied, and that all unusual items or events are clearly explained. 'Unusual' would include items which are exceptional in amount or are not usually undertaken by the branch, and whether or not they have been approved by the branch members or their representatives."

CONDUCT OF THE AUDIT

The conduct of the audit is a matter for agreement between the two auditors. However, it must always be borne in mind that it is necessary for both to certify all statements and returns. Rule G.10.1 of the Union specifies that branches are required to submit an annual return in the approved format by March 15. Branches that fail to meet this deadline are subject to appropriate penalties.

For a proper audit to be carried out it is essential to begin as early as possible, so that the appropriate returns may be completed and submitted by the due date. Interim audits could be carried out during the year in order to relieve the burden later.

RULES

It is important before starting the audit to understand the rules, both national and local, under which the treasurer is required to operate.

The auditors should be in possession of copies of UNISON's rules and the branch's rules. All branches must adhere to the core branch rules issued by the NEC. Branches can add rules to suit their own circumstances but the case for additional rules must be submitted to regions for approval.

It is important therefore for the auditors to verify that any additional local rules have been formally approved in writing by the Regional Council.

All financial rules are obviously of importance to the branch auditor in a financial audit but where the auditors also assist in the scrutineering of ballots, etc, it

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will be necessary to have knowledge of the appropriate other rules.

It is not the intention to quote rules in full in this guide since they can be found in the UNISON rulebook.

Further information is also provided in the UNISON code of Good Branch Practice and the Branch Finances Handbook. It is recommended that branch auditors obtain a copy of these guides.

OBJECTS

There are two principal objects of the audit:

- To enable the auditors to certify that the statement of accounts to be presented to the branch is, as far as the auditors can determine, correct;
- To certify the annual return which has to be completed under UNISON's rule G10.1.

The Annual Return is currently a multi part form (AR1 to AR5 and AR6 if appropriate). Many branches will only need to complete forms AR2 and AR5 but branches with industrial action funds will also need to complete AR3, those with other dedicated funds, AR4 and those with any locally collected subscriptions AR1a.

The annual return also asks for data pertaining to the branch funding formula. Any branch that does not complete this section of the return will automatically receive basic funding of 20%.

STATEMENT OF ACCOUNTS

The form of accounts to be presented to the branch Annual General Meeting is an Income and Expenditure Account and a Balance Sheet.

The auditors should ensure that the Balance Sheet has been signed by the treasurer and when the audit is complete should themselves sign an appropriately worded certificate on the Balance Sheet.

A specimen certificate is shown below:

"We have examined the books and accounts of the [name] branch UNISON and in our opinion the Balance Sheet and Income and Expenditure account give a true and fair view of the financial position of the branch at 31st December 20.. and

of the income and expenditure for the year ended on that date".

ANNUAL RETURN

The annual return includes details of income, expenditure, assets and liabilities and presents the branch's annual accounts in a standardised form. To complete this form the audit of the branch accounts must have been finished.

Please note that from 2012 the figures for branch funding and the accrual for branch funding are pre populated on the annual return form. In order to bring the local accounts into agreement with the annual return the Treasurer should amend the accounts using the accrual figure notified on form AR1b (See Appendix 1: Subscription Income for further details).

The return must be completed online and has to be certified by the auditors. However, the return will not be acknowledged as complete until the signed authorisation sheet together with a copy of the accounts, copies of 31st December bank statements and copies of building society passbook(s) has been submitted to Head Office. The closing date for submission is 15 March.

Under the Trade Union and Labour Relations (Consolidation) Act 1992 UNISON submits one consolidated return to the Certification Officer and therefore any reference in the Act to the appointment of qualified auditors does not apply to individual branches.

UNISON's auditors have to rely on branch auditors for the accuracy of branch returns which are incorporated into the consolidated return.

For that reason, the certificates on the annual return shown below must be signed:

We certify that, we have audited forms AR2 to AR5 in accordance with the Guidance Notes for Branch Auditors issued by Head Office and we have received all the information and explanations we required. In our opinion, the branch as required by Section 28* of the Trade Union and Labour Relations (Consolidated) Act 1992, has kept proper accounting records and a satisfactory system of control of its transactions has been maintained; Forms AR2 to AR5 include all branch union funds and are in agreement with the accounting

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records. In our opinion this return shows a true and fair view of the financial affairs of the branch at 31 December 200X.

* See Appendix 2 to this guide for details of Section 28.

PENALTIES

The penalties for non-submission of an annual return in accordance with rule G10.1 are set out in rule D 1.3.3 (i) to (iv).

- i) Branches failing to submit annual returns in accordance with rule G.10.1 shall not be entitled to attend National Delegate Conference and Service Group Conferences for the remainder of the financial year following the year to which the financial return applies, unless otherwise determined by the NEC.
- ii) The NEC shall determine procedures for considering appeals by branches who are disqualified under rule D.1.3.3.1 from attending National Delegate and National Group Conferences.
- iii) Branches which fail to submit annual returns by 15 March in the year following the financial year to which such returns apply may be subject to financial penalty under procedures determined by the NEC.
- iv) Branches which are subject to a financial penalty under D.1.3.3 shall have a right of appeal in accordance with rule H.5.

The above penalties were approved by the 1995 National Delegate Conference.

AUDIT PROGRAMMES

Every UNISON branch is unique, so it is difficult to write a standard audit programme that could apply completely to all branches. A written programme of work should be prepared and each test undertaken should be signed off as having been completed by the branch auditor(s).

In Appendix 1 to this guide, recommended audit procedures and tests are shown which, when followed, will allow the auditors to discharge their responsibility to the branch and to sign the certificates required. It will be for the individual auditor to decide which aspects apply to their particular branch.

PERFORMANCE OF TESTS

Auditors would not normally be expected to vouch every single transaction through the accounts and this is especially so where there are large numbers of relatively small value transactions or there is a sound system of internal checks. What they must do is carry out sufficient tests to satisfy themselves that the accounts represent a true and fair record of the state of the financial affairs of the branch.

Normally this is done by forming a view from results of tests on representative samples. Any exceptions should be reported in writing to the Branch.

WELFARE FUNDS

Welfare funds, national and local, form part of the branch's accounts and must therefore be included in the auditor's duties.

National Welfare Fund transactions divide into two categories:

- a) Receipt of money from head office for subsequent payment to beneficiaries.
- b) Receipt of money or donations from fund-raising activities and its payment to head office.

These transactions should be included in the branch's accounts as a self-balancing item.

Local welfare fund transactions should be shown in a separate account attached to the branch accounts.

REPORTING

Formal certificates are required on the branch accounts and the annual return.

The branch auditor(s) should also submit in writing an 'exceptions' report to the branch which should include any unusual items or events. They should attend the branch meeting at which the branch accounts and their report are presented and discussed.

Such a report might include comments on documentation, use of branch funds, observance of rules, administration etc.

Any comments to be made to the executive should, as a matter of courtesy, first be discussed with the branch treasurer.

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CONCLUSION

It will be apparent from reading this guide that the duties and responsibilities of the branch auditors are not to be undertaken lightly and that it is helpful to develop a good working relationship with the branch treasurer.

However, it must be emphasised that the auditors should always make their own independent checks and enquiries.

APPENDIX 1**SUBSCRIPTION INCOME**

Central collection of subscriptions has been a rulebook requirement for branches since 1 January 1996.

The subscriptions of all members are paid either by cheque to the appropriate Regional Office or by BACS / direct debit into a bank account nominated by Head Office. For most members subscriptions will be deducted at source by their employer and remitted to the centre as a monthly cheque or BACS payment.

The IMPS Team (Income and Membership Processing Service) estimates how much funding they expect each branch to be entitled to each month.

A BACS payment is made each month for the expected entitlement. The IMPS Team aim to make this payment by the 15th of the month, regardless of when the employer pays the subscriptions to the centre.

For each branch, IMPS will prepare a statement at 31 December showing:

- (i) Amounts collected centrally during the year (Best estimates at 31 December) from all sources (employers, branches, individual members, BAOT, etc.)
- (ii) Monthly payments made during the year by Head Office to the branch;
- (iii) The branch's funding rate (Basic rate 20%);
- (iv) The total amount of funding due to the branch or the amount overpaid that is due from the branch. ;

From 2012 branches are asked to state their funding income on an accruals basis in the annual return and accounts, i.e. the funding that the branch should have received

rather than the funding that the branch has received.

The amount accrued has been pre-populated in the annual return AR2 Box 2.1 based on the funding calculations described above. Form AR1b (Funding received from Head Office) of the annual return gives a breakdown of the figures. Please note that this information can only be accessed after logging onto the annual return online. Because by this stage the Treasurer will normally have prepared the branch accounts it will be necessary to amend those accounts to reflect the accrual and ensure that they agree with the figures in the annual return. The auditor needs to review the details in AR1b and ensure that the branch income in the accounts is revised to agree with the branch funding amount. The appropriate debtor (underfunding) or creditor (overfunding) also needs to be reflected in the balance sheet.

It is a requirement that the subscriptions of all members should be collected centrally. However, it is possible that some branches may receive subscriptions locally for a few of their members. Such amounts collected locally should be banked immediately.

The treasurer should send a cheque to the region every two or three months for 100% of such contributions. This cheque should be accompanied by an analysis of the members it covers. The payment will be credited to the branch in Head Office's books in the same way as an employer's cheque in the year it is received.

Any subscriptions collected locally from retired members may be retained wholly by the branch. Subscriptions collected from unemployed or student members must be sent to the region as described in the above paragraph.

As mentioned before, for the purposes of reporting to head office, the local branch auditor only needs to check that the funding paid and payable from head office has been dealt with correctly. If the branch auditor(s) can obtain a copy of the print out of deductions from members from the payroll department of the employer, or the Regional Office can supply a copy, the branch auditor(s) should:

- i) Test that payments made by members are continuous;
- ii) Test that all members per the branch's

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membership records are paying a subscription;

- iii) Test that members are paying the correct rate;

EXPENDITURE

The amounts paid out by a branch treasurer must be well documented and should provide the auditor with a good base on which to vouch the payments. The number of payments and the variety of purpose will vary greatly from branch to branch, so again the programme will be in general terms. However, the rules of the union and the branch must be borne in mind.

Some items may also be shown under other audit programmes, but they are repeated here for completeness.

- (i) Test invoices paid to ensure:
 - a) that they are addressed to the branch,
 - b) that they are for goods or services normally required by the branch,
 - c) that they refer to the year under audit,
 - d) arithmetic accuracy,
 - e) where possible, that the goods or services were received and correctly signed as authorised for payment.
 - f) that they are not copies or duplicates,
 - g) that, in the event of a copy or duplicate being paid and the original has not also been paid, ascertain the reason for a copy being used,
 - h) where applicable the expenditure is approved by minute,
 - i) where return cheques are available check that payee and amount details agree to invoice.
- (ii) Test payments of travelling and subsistence allowances against attendance record in minutes.
- (iii) Test that expenses payments are in accordance with approved scales.

- (iv) Check that honoraria paid agree with amounts approved.
- (v) Where room-hire is paid, test from minutes that meeting(s) took place on relevant date(s).
- (vi) Test that cash payments have a signature of receipt.
- (vii) Check entries to cash account and where appropriate to bank statement.
- (viii) Test allocation to appropriate expenditure account.
- (ix) Give special attention to payments made in cash and the reasons for them.

WELFARE FUNDS

Care should be taken to distinguish between national welfare fund transactions and the operation of a local fund.

- (i) Vouch donations against any available documentation.
- (ii) Check that amounts received from head office have been paid to beneficiaries, and ascertain that the appropriate receipt cards have been returned to head office.
- (iii) Obtain explanations for any undisbursed grants.
- (iv) Test items approved in welfare or executive committee minutes against the financial transaction.
- (v) Vouch any expenditure from a local fund and ensure that it is within the purpose of the fund.

BANK AND CASH

It is important to ensure that the bank account has been operated correctly.

- (i) Have the treasurer authorise the bank to send direct to the auditor a certificate of all the bank balances at 31 December and details of accounts operated during the year though the balance may be nil at 31 December.
- (ii) Verify cash in hands of officers at 31 December.
- (iii) Check or produce an intermediate bank reconciliation, and verify

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clearance of outstanding items.

- (iv) Check bank reconciliation at 31 December.
- (v) Check subsequent bank statement for clearance of outstanding items at 31 December. By reference to the paying in book, confirm that outstanding receipts were paid in to the bank on or before 31 December.
- (vi) Count office petty cash (if any) and reconcile the balance back to the year-end balance per the accounts.

INVESTMENTS

There are many forms of investment, but the principles of audit are the same for all of them.

- (i) Check that investments are in the name of the branch or its authorised nominees/trustees.
- (ii) Obtain certificates from nominees/trustees of their holdings on behalf of the branch.
- (iii) Obtain certificate direct from building society, local authority, head office etc of all investments held in the name of the branch at 31 December.
- (iv) Check certificates of holdings against passbook, loan certificates etc.
- (v) Check entries in passbook or a new investment against cash and investment accounts.
- (vi) Check that appropriate income was received.
- (vii) Ensure that income is treated correctly in books of account.

DEBTORS AND CREDITORS

“Debtors” as a heading refers to amounts owed to the branch at the end of the financial year. “Creditors” refers to amounts owed by the branch.

- (i) Ensure that sums under debtors in the previous balance sheet were subsequently received. If not, enquire why. Satisfy yourself that the debt is still good and will be received in full.

- (ii) Trace current year-end debtors to new year bank statements. Also, confirm that receipts banked in the new year do not refer to pre 31 December.
- (iii) Ensure that all creditors in the previous balance sheet were subsequently paid. N.B. Any difference between the amount of the creditor item brought forward and the amount actually paid will increase/reduce the expenditure to be charged to the Income and Expenditure Account in the current period.
- (iv) Check payments made in January/February to see whether they relate to the previous year. If so, ensure that the creditor is provided for at the year-end. Small amounts (under £20 individual items) should be ignored unless there are many such small items adding up to a material total.
- (v) Check the calculation of the amounts provided for debtors and creditors.
- (vi) Compare current year-end debtors and creditors with those at the previous year-end to ensure recurring items are included at the current year-end.

OTHER INCOME

Although the major source of income to a branch is branch funding and if applicable a local levy, nearly all branches will have other receipts of money. The variety of sources is almost unlimited, so the programme set out is in very general terms and must be adapted to suit particular needs. Welfare funds are dealt with separately.

- (i) Vouch entries in cash account to receipts.
- (ii) Apply total checks if possible.
- (iii) Check allocation of cash receipts to appropriate income account.
- (iv) Check all receipts to bank statement.
- (v) Ensure that all monies were banked promptly after receipt.
- (vi) Vouch any documentation available.
- (vii) Agree building society interest received with passbooks, and that

dividends or interest payments have been received in the year from other investments.

BALANCE SHEET

The balance sheet audit not only completes the function of some of the other programmes in this guide but also verifies items not specifically covered.

- (i) Check accuracy of description of items.
- (ii) Check the existence of items described as fixed assets (e.g. furniture, equipment, etc.) and the calculation of any depreciation charge. Vouch the additions and disposals in the year.
- (iii) Consider whether the net book value of fixed assets as stated is realistic. Consider whether the depreciation rate being used is realistic.
- (iv) Confirm investments (see Investments audit programme above).
- (v) Confirm cash at bank and in hands of officers (see Bank and Cash audit programme above).
- (vi) Check Debtors and Creditors and ensure that all items have been included and correctly accounted for in the Income and Expenditure Account (see Debtors and Creditors audit programme above).
- (vii) Check valuation of any stocks carried forward and that only current items are in stock.
- (viii) Check all adjustments to balances on accumulated or special funds.
- (ix) Receive explanation for and understand any changes in figures brought forward from previous year.

APPENDIX 2

Excerpt from Trade Union and Labour Relations (Consolidation) Act 1992 Section 28.

Accounting records: Section 28

- (1) A trade union shall:
 - (a) Cause to be kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) Establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances.
- (2) Proper accounting records shall not be taken to be kept with respect to the matters mentioned in sub section (1)(a) unless there are kept such records as are necessary to give a true and fair view of the state of the affairs of the trade union and to explain its transactions.

APPENDIX 6:

ASSET RECEIPT FORM

Branch:	
Date:	
Handed over by:	
Role:	
Date:	
Handed to:	
Role	
Asset Description:	
Serial number:	
Distinguishing Marks:	
Asset Register Reference:	
Further details (as needed):	
Declaration: The above named asset will be used for the activity of the above named branch, and will not be used for any activity which will constitute misuse, data breach, criminal activity or may lead to a breach of the Rules of the Union or UNISON objectives. Such actions may lead to disciplinary action in accordance with the rules of the Union.	
Signed (receiver):	
Date:	
Returned By:	
Returned Date:	
Received by:	
Action Taken:	

The following definitions of some terms used in this Branch Finances Handbook refer to how the term is used in UNISON, particularly with respect to branch finances. In a few cases this may vary slightly from how the word is generally used outside the union. Words in **green** are defined elsewhere in this glossary.

Accruals

Accruals is often used in UNISON as a catch-all term for **debtors** and **creditors**.

Accrued expenditure

This refers to expenditure incurred by the branch before the year-end (31st December), but which doesn't get paid by the branch until after the year-end. This may be because the goods or services weren't invoiced until after the year-end, or it could be because the branch simply didn't get round to paying the bill until after year-end.

An example of this would be where a branch pays its employees their salaries in December but doesn't pay the tax and national insurance over to HMRC until January.

Another example would be where a branch receives an invoice in late December for postage on a mailout that took place in December, but the branch doesn't pay the bill until January.

In each case, the cost should be recognised in the accounts for the old year, as that is when the expenditure was incurred. But in each case, the cost is missing from OLBA in the old year, because the bill hasn't been paid until the new year. And so, an adjustment needs to be made in the branch's accounts, i.e. a creditor needs to be inserted.

Accumulated funds

In some years a branch's income will exceed its expenditure (a surplus), and in others its expenditure will exceed its income (a deficit). Every time the branch gets a bit of income it gets a bit 'richer', and every time it incurs expenditure it gets a bit 'poorer'. Therefore, surpluses make the branch 'richer' and deficits make it 'poorer'. (This is in purely financial terms. For example, a

branch that has spent quite a bit on training its activists may be poorer in financial terms, but it has at its disposal a valuable bank of knowledge and ability to represent its members!)

Usually over time, surpluses will exceed deficits and these build up what are commonly known as 'accumulated funds'. The figure shown as accumulated funds in the branch's accounts is the grand total of all these surpluses less deficits since the creation of the branch. (It will also include any funds brought forward from predecessor branches that merged to form the branch.)

Another way of looking at accumulated funds is to say that it is what the branch is 'worth' – again in purely financial terms. It is the total value of the financial resources that the branch has at its disposal to put towards funding future activities.

Annual Financial Return (AFR)

By rule, the branch has to submit each year to the union a return which reports on the branch's finances for that year. This has to be done by 15th March following the end of the year being reported on.

The return comprises branch accounts (which are contained within **OLBA**) as well as supplementary information on the branch's employees (if it has any), its lease commitments (if any) and the spread of the geographical area that it covers.

Asset

Assets are things of value owned by the branch, either which can be converted into cash, or which can be retained to give future benefit to the branch.

They fall into two categories: current assets and fixed assets.

Current assets comprise cash and other assets that one could reasonably expect to be able to convert into cash in the short-term (less than one year). As well as any petty cash held by the branch, this would include the branch's bank accounts, its **prepayments** and any other **debtor** balances that it holds.

Fixed assets are items, usually tangible, that the branch derives benefit from over

a number of years. This would include IT equipment and the like, as well as furniture, fixtures and fittings in the branch office. If the branch owns its office, that would also be a fixed asset.

Audit

Each branch is required to have its annual accounts audited. An audit is an independent examination of the **OLBA** records, **vouchers** and minutes of a branch to determine whether the branch's accounts, and by extension its **annual financial return**, present a true and fair view of the branch's financial affairs during the year. It also attempts to ensure that the branch's financial affairs comply with the relevant legislation, HRMC rules, and UNISON rules and policies.

The auditors are tasked with preparing and presenting a report each year to the branch committee and the annual general meeting of the branch.

The branch's accounts are the responsibility of the branch committee. As the auditor needs to be independent, it follows that the auditor cannot be a member of the committee.

Authorised signatory

In general, an authorised signatory is a person who's been given the right to sign documents on behalf of the organisation to which they belong or work for.

In UNISON, we usually use the term to refer to the persons who have been given the right to sign off payments made by the branch, and who have been registered at the bank to be able to do so. In branches that use internet payments, this will be the branch officers who are registered with Unity Trust Bank to be allowed to authorise payments using their Unity Trust login. In branches that use cheques, it will be the branch officers that are allowed to sign cheques on the branch's behalf, and whom Unity Trust recognise as the people allowed to do that.

The branch's authorised signatories must be members of the branch committee. They will be listed in the branch's **bank mandate**.

Balance sheet

The balance sheet is one of the two main documents which the branch's accounts comprise (the other being the **income and expenditure account**). It is a snapshot of the branch's financial position on a specific date, showing the branch's **assets** and **liabilities** on that date. In the branch's annual accounts, the balance sheet will show the branch's financial position on 31st December, along with the equivalent figures from 31st December the previous year (for comparison).

Alternatively, if a balance sheet is run off from **OLBA** during the year, e.g., for a branch committee meeting, it will show the up-to-date financial position, or as at a particular month-end selected by the OLBA user.

The balance sheet report is in two halves, each half showing a total figure. The two totals have to agree to each other – that is why it is called a balance sheet – because they reflect two different ways of quantifying the same thing: what is the branch 'worth'? What financial resources does it have to help fund future activities?

The top half describes the branch's 'worth' in terms of what it owns less what it owes. It lists the branch's **assets** and its **liabilities** coming to a net total (shown as Total Assets in OLBA).

The bottom half looks at the branch's 'worth' as being the grand net total of all of its income less all of its expenditure since the branch was formed. This bottom half will show this net total split into more than one **fund** if the branch has more than one.

Bank mandate

The bank mandate is the document which specifies how Unity Trust Bank is allowed to operate on the branch's behalf in carrying out financial transactions. All branches will have a mandate with Unity Trust. If the branch also has a savings account with another financial institution (not recommended!) it will have a mandate with that bank as well.

The most important thing that the mandate does is list the branch's **authorised signatories**. In other words, it will list those individuals that the branch will recognise as allowed to make payments on the branch's

behalf. Clearly, if an authorised signatory stands down from the branch committee, any bank mandates that the branch holds will need to be updated as soon as possible.

Bank reconciliation

This is the process of comparing and matching the transactions and figures in your **cash book** to those shown on your bank statement. This is done to confirm that all transactions (and figures) on the bank statement have been recorded completely and accurately in the cash book, so that any errors that are identified can be corrected in **OLBA**.

This should be done monthly when a new bank statement is received.

Bookkeeping

The recording of financial transactions, which is part of the process of accounting in an organisation. In branches this is done through keeping **OLBA** up to date.

Branch accounting cycle

The annual calendar of tasks needed to be met by the branch to operate its financial affairs and safeguard its financial resources. A diagram of the accounting cycle can be seen on page 7 of the Branch Finances Handbook.

Branch funding

Branch funding is money paid to the branch to ensure its proper running and management of its expenses. It is calculated as a percentage of the gross subscriptions received from the branch's members. A branch's percentage is determined according to the branch funding formula, and it can vary from year to year depending on the branch's circumstances.

Under rule H4.1 each branch is entitled to receive regular payments of amounts which the NDC thinks appropriate to ensure the proper running of the branch and management of its expenses.

Branch Support and Organising Fund (BSOF)

This is a fund to which branches and regional bodies can bid for different types of support for projects to grow the union and take on local organising challenges. The fund is devolved to each of the union's twelve regions. Decisions on which bids to support are made at the regional level by a committee of lay members. The union devotes at least two percent of its income to funding the BSOF.

Budget

Think of what the word budget means in your own personal life. A budget is a plan you write down to decide how you'll spend your money each month. It shows how much money you earn and how you spend your money. You may see that you can spend less money on some things and more money on other things. You also might also see ways to save money.

A budget in the branch is pretty much the same thing. In simple terms a budget is your branch's organisational plan converted into money. It shows what the branch is going to spend in achieving its objectives (planned expenses) matched to what it is going to receive (planned revenues).

If a branch prepares and agrees a budget at the start of the year, it can then use it to monitor costs during the year, guiding the branch to ensuring that expenditure remains within income in the long run. It also helps the branch to focus on whether it is achieving, or even carrying out the objectives that it set out to achieve.

Budget holder

If a branch prepares a **budget**, it may devolve management of parts of the budget (e.g. conference costs, education costs) to one or more committee members.

Budget holders are officers who are responsible for the day-to-day management of the part of the budget that they hold. They will normally be responsible for authorising expenditure against their budget heading and ensuring that their budget heading doesn't get overspent without the prior agreement of the rest of the

committee.

When the budget is being prepared, budget holders will usually also be asked to submit a bid, including details of their planned activities for the year.

Budget report

This is a report comparing the branch's actual income and expenditure with the figures in the **budget** that was prepared earlier in the year. It would usually be prepared for branch committee meetings as part of the treasurer's report.

The bulk of the budget report can be obtained directly from **OLBA**, provided that the branch uploaded its budget into OLBA in the first place. (Go to Periodic Accounting Tasks > Reports > Budget v Actual Report.)

The preparer of the budget report should also add an explanation or analysis of any significant variances (differences) between the actual and budgeted figures in any particular area of the budget.

Capital expenditure

Expenditure on something that is a long-term investment that will provide future benefits over a number of years. An example would be the purchase of a branch office or new computers.

Compare this with **revenue expenditure**.

Cash book

A record of all the receipts and payments relating to a particular account. A branch will have within its **OLBA** records a separate cash book for each of its accounts, including current account, savings accounts, **prepaid cards**, **Multipay cards** and **petty cash**. (A branch is unlikely to have all of these.)

Cash flow forecast

In budget we compared the branch's budget to your personal **budget**. In the same way, just as your personal budget can predict how much money you will have in your bank account at the end of the month, the cash flow forecast does the same for the branch.

The cash flow forecast is derived from the budget, and it predicts how much there will be in the bank accounts at the end of each month. This will ensure that the branch can predict any short-term cash flow difficulties that the budget may give rise to. The branch can then take action to forestall those short-term difficulties, perhaps by rescheduling expenditure.

The cash flow forecast report can be obtained from **OLBA**, provided that the branch uploaded its budget into OLBA in the first place. (Go to Periodic Accounting Tasks > Budgeting > Cashflow Statement.)

Creditors

A creditor is a balance owed by the branch to a third party such as the branch's lead employer or a stationery supplier. It may also comprise sums owed to individual members of the branch including officers, e.g. for travel expenses.

Compare creditors with **debtors**.

Current assets

See **assets**.

Debtors

A debtor is a balance owed to the branch by a third party e.g. where a branch has booked and paid for accommodation on behalf of another branch and not yet been reimbursed.

Prepayments are a kind of debtor, because they represent goods or services being owed to the branch as at year-end.

Compare debtors with **creditors**.

Deficit

Where a branch's expenditure for the year to date (or for the whole year in the case of annual accounts) exceeds its income, the difference is referred to as a deficit. This figure appears at the bottom of the **income and expenditure account**.

Financial accounting

The preparation of financial reports such

as income statements and **balance sheets**. UNISON prepares such reports both for presentation to the membership (so that our members can see how their subs were managed) and for external stakeholders such as our bank and our regulatory body, the Certification Officer. These reports are prepared using largely historical data. They include data consolidated from the **OLBA** records kept by nearly 800 branches.

The goal of financial accounting is to present an accurate, standardised picture of an organisation's financial health, ensuring that external parties have reliable data for decision-making.

Financial Governance

Financial governance is an organisation's framework of systems, processes, and structures that regulate and oversee the use of its financial resources. Key elements of this would include **financial planning**; risk management (identifying, assessing and mitigating potential financial risks); implementing appropriate **internal controls**; provision of timely, accurate and transparent financial information; and some form of **audit** and assurance.

Financial management

Managing the branch finances to achieve the financial objectives as agreed by the branch committee. Largely, this revolves around setting a budget and using it to monitor and control costs.

Financial planning

Ensuring the branch has sufficient funds in the short and medium term to meet its organisational aims and objectives and setting out limits on what will be spent where. Branches achieve this through **budgets** and cash flow **forecasting**.

Financial reporting

The process of producing and distributing financial information to members of the branch committee, budget holders and members of the branch. Reports containing this information can be printed off from **OLBA**.

Financial statements

Documents that illustrate the business activities and the financial performance of an organisation. Producing financial statements is the end point of **financial accounting**.

UNISON's legal status as a trade union means that its financial statements have to be made publicly available. They are presented to the National Delegate Conference for approval and adoption (rule M4).

Fixed asset

The International Financial Reporting Standards (IFRS) define a fixed asset as: "a resource controlled by the organisation as a result of past events and from which future economic benefits are expected to flow to the organisation."

Simply put, fixed assets are items, usually tangible, that the branch derives benefit from over a number of years. This would include IT equipment and the like, as well as furniture, fixtures and fittings in the branch office. If the branch owns its office that would also be a fixed asset. The three types of fixed assets are property, plant and equipment.

Fixed asset items can also be classed in terms of their value. For the purposes of UNISON, any items that meet the above criteria but a valued below a set amount would not qualify as fixed assets. Please check with Finance at Unison Centre to determine the current value for this.

Where we have a number of the same items, for example chairs and tables, accounting principles determine that the classification applies to them as a group of items and not individual chairs or tables.

Funds

See **accumulated funds**. In UNISON branches, funds may be divided into a **general fund**, an **industrial action fund** and a **premises fund**. All branches have a general fund, but not all branches have an industrial action fund or a premises fund.

GDPR

The General Data Protection Regulation. The GDPR sets out statutory requirements for how organisations need to handle personal data.

Clearly the union holds a lot of personal data relating to its members. It is incumbent on all staff and lay members who have access to that data to handle it in accordance with the GDPR. Everyone in this situation should complete the union's module on GDPR, which can be found at <https://e-learning.unison.org.uk>.

General fund

A fund is usually defined as a pot of money allocated to a particular purpose. But in UNISON branches the general fund simply refers to the financial resources that a branch holds that haven't been set aside for a particular purpose but instead are devoted to the normal ongoing operations of the branch.

All branches have a general fund in their branch accounts. It is the fund through which the bulk, if not all, of the branch's activities are financed; the fund through which the branch's income and expenditure passes. The balance on the fund is the grand net total of all the branch's income and expenditure since it was formed, unless some of it was hived off into one of two ringfenced funds: the **industrial action fund** and the **premises fund**.

See also **accumulated funds**.

Income and expenditure account

The income and expenditure account is one of the two main documents which the branch's accounts comprise (the other being the **balance sheet**). This report tells a story about the financial activities of the branch committee, particularly its spending. It lists in turn all the sources of the branch's income and then the ends to which it spent money. At the bottom appears the net figure, which is the difference between total income and expenditure (**surplus** or **deficit**).

In the branch's annual accounts, the income and expenditure account will show the branch's income and expenditure for the year to 31st December, along with

the equivalent figures from the previous calendar year (for comparison).

Alternatively, if an income and expenditure account report is run off from **OLBA** during the year, e.g., for a branch committee meeting, it will show the up-to-date income and expenditure totals, or up to a particular month-end selected by the OLBA user.

Industrial action fund

A Branch industrial action fund is a properly constituted dedicated fund that is established by a branch to provide supplementary strike benefit to any of its members who experience hardship caused by industrial action in the branch. The decision to create this fund is taken at a general meeting of the branch.

The branch industrial action fund may also be used to fund additional expenditure that is outside of the branch's normal operations and is directly attributable to industrial action.

The fund is ringfenced, and by rule it cannot be used for any other purpose.

See also **accumulated funds**.

Internal Audit

A team based at UNISON Centre that is responsible for independently reviewing the union's framework of **internal controls** and forming an opinion on how well they are working. This is done through visiting branches and checking compliance with the mechanisms, rules, and procedures as set out in the UNISON Rule Book, various handbooks and written guidance. Internal Audit's work is '**risk** based' which means it concentrates on identifying what can go wrong and where, and it suggests things that can be done to stop this happening. It therefore covers controls in all areas of the organisation including finances.

Internal Audit's work should not be confused with year-end audit of branch accounts which is a review of the integrity of the branch finances, and which is a legal requirement.

Internal controls

Internal controls are the mechanisms, rules, and procedures implemented by a branch to ensure the integrity of operations; to promote accountability; to prevent fraud or theft; and to ensure compliance with the relevant laws and regulations.

Internal controls, when operating effectively, can help improve operational efficiency in the branch. Controls must operate regularly/ routinely in order to be effective against things going wrong. They can be directive (procedure to be followed), detective (bank reconciliation), preventative (authorisation levels) or corrective (independent review).

Liability

A liability is a financial obligation on the part of the branch which arises from past transactions or events.

Typically, a branch's liabilities will mainly comprise third party **creditors**, such as outstanding invoices received by the branch and expenses owed to branch activists.

However, liabilities can also include balances owed to Head Office in respect of overfunding or **locally collected subscriptions**. They can also include the balance that the branch owes on its **Multipay card**.

Locally collected subscriptions

Rule H2 of the union requires members to pay their subscriptions into a central national account. Generally, they do this either by having their subscriptions deducted at source from their salary by their employer (who pays it on) or by direct debit from their bank account.

Occasionally, a branch may receive subscriptions directly from members, which are paid in full into the branch's bank account – e.g. where a member needs to clear arrears of subs. These are known as locally collected subscriptions and need to be recorded as such in OLBA (by using the group "locally collected subscriptions" when recording the receipt). This is because they are due in full to the national union – the branch receiving back its percentage as part of the year-end reconciliation of branch funding.

Local levy

Rule H6 allows branches to vote to increase the monthly subscriptions paid by its members. The additional amount over and above the standard rates is referred to as a local levy. Such a levy is to be used for local purposes and is retained in full by the branch. A few branches have such a levy in operation.

Management accounting

Management accounting is the process of analysing branch costs, providing reports to the various committees to help them manage the branch's financial resources so as to achieve the branch's aims and objectives.

Management accounting focuses on providing internal data to help branch officers make informed decisions. Unlike **financial accounting**, which is geared towards external stakeholders, management accounting looks at budgeting, forecasting, and resource allocation decisions.

Its main objective is to give branch officers the information they need to plan for the future and improve operational efficiency.

While financial accounting looks back on what has happened in the past year or two, management accounting takes a future-oriented approach, using **budgets**, **cashflow forecasts** and **variance** analysis to provide useful insight.

Management accounts

Management accounts are the reports that are produced as part of the **management accounting** process, and which are used for planning and control and decision-making purposes.

Multipay card

This is a charge card issued by Lloyd's Bank via Unity Trust Bank which many branches use to make payments for goods and services for which you really need plastic nowadays.

Lloyd's take the whole of the outstanding balance from the branch's bank account by monthly direct debit. However, as this is rarely done on the last day of the calendar

month, the card often gives rise to an outstanding **liability** in the branch's **balance sheet**.

Net current assets

This is a sub-total that appears in the balance sheet. It is equal to current assets (see **assets**) less current **liabilities** (those which are expected to fall due within one year).

Objective

In **OLBA**, the **budget** is prepared according to objectives rather than groups. The objectives are slightly different to the groups and are more aligned to how branches organise themselves, rather than to the format of UNISON's **annual financial return**. The mapping which links the groups and sub-groups with the objectives can be found in the supporting documentation folder in OLBA.

OLBA

Online Branch Accounting (OLBA) is the accounting system that branches are required by rule to use to maintain their accounting records.

It is used to keep records of the branch's receipts and payments, as well as to produce accounts and reports for committees and Head Office.

Petty cash

An amount of cash held usually in the branch office to cover small incidental expenses involved in running the office.

There is no obligation on branches to have one. (Branches that don't currently have petty cash are recommended not to start, given the administrative burden they can cause!)

Phasing

A phased **budget** is one which doesn't just comprise annual totals for each item of income and expenditure, but which also shows how much of those annual totals accrue in each of the twelve months of the year.

Some items of expenditure will accrue fairly evenly through the year (e.g. staff costs); other not very evenly at all (e.g. conference costs), and a phased budget will need to take account of this.

If the budget is put onto **OLBA**, it will be phased, which allows OLBA to provide accurate year-to-date budget figures (for comparison with the year-to-date actual figures).

Premises fund

Also known as a property fund. This is a ringfenced fund established with the agreement of Regional Committee, the purpose of which is future purchase (freehold or leasehold or planned and preventative maintenance) of property to be used as the branch office.

See also **accumulated funds**.

Prepaid card

A debit card which is not directly linked to the branch's current account. The branch transfers funds onto the prepaid card over the internet from the current account. These funds are then available to spend on goods and services that need to be paid for upfront (e.g. travel and hotels).

Prepayments

Also known as prepaid expenses. A prepayment occurs when the branch pays in advance for goods or services it will receive in the future, such that the payment to the supplier and the receipt of the goods or service are in different accounting years. As UNISON's accounting year-end is 31st December, we are at the same time talking about them being in different calendar years.

For example, a branch pays a deposit for accommodation at a conference that will take place the following calendar year. Or

a branch pays for an annual maintenance contract that covers part of this year and part of next year. These are payments which wholly or partly constitute prepayments.

In the branch's accounts these payments need to show as an expense only in the year that the benefit of the good or service is realised. In the year of the payment, it appears instead as a debtor on the branch's balance sheet. In practical terms, this is achieved by ticking the "PP" box in OLBA when recording the payment.

Receipts

This term has more than one meaning in UNISON branches.

It can refer to a financial transaction i.e. money is received or due to be received.

Or it is sometimes (loosely) used to mean a **supporting document** for a payment.

Or it can refer to the documents that claimants attach to their expense claim form in support of incidental expenses claimed on their form (e.g. car park tickets).

Revenue expenditure

A short-term expense that is necessary for the day-to-day functioning of the branch and of its organising activities. An example would be rent paid on a branch office or paying for activists' travel and subsistence.

Compare this with **capital expenditure**.

Risk

The chance of something happening, usually unforeseen, which will stop any goals or objectives being met. If a risk 'materialises' (what we thought could happen actually does happen) it is usually a negative event.

RMS

The union's membership and subscriptions system. (It stands for Record Management System.)

Supporting documents

Documents that provide extra information that substantiate a claim or transaction.

The law requires a union to keep "proper accounting records with respect to its transactions and its **assets** and **liabilities**". This indicates a need to keep supporting documentation for all transactions, especially payments. This could include a supplier invoice, an expense claim form from a member with appropriate **receipts** attached, or a cross reference to an expenditure decision in the minutes of a branch committee meeting or of the AGM.

Surplus

Where a branch's income for the year to date (or for the whole year in the case of annual accounts) exceeds its expenditure, the difference is referred to as a surplus. This figure appears at the bottom of the **income and expenditure account**.

Total assets

This is a total that appears at the end of the top half of the **balance sheet**. It is equal to **fixed assets** plus **current assets** less **current liabilities** (current means they are expected to fall due within one year).

Variance

The difference between the amount that was spent on a particular **objective** and the amount that was planned to be spent on it in the **budget**. If budgeted expenditure exceeds the actual expenditure, it is referred to as a positive variance – and conversely a negative variance if actual expenditure exceeds budgeted expenditure.

Variances can be found by running the budget v actual report in **OLBA**.

A positive variance isn't always a good thing. It could indicate that the branch hasn't carried out an activity that it had planned to, meaning the branch's organising objectives have not been achieved. It could also indicate that a payment has been misanalysed in OLBA, which needs to be corrected.

Significant variances should be analysed and explained to the branch committee as

part of the treasurer's report. This is a key component of the branch's **management accounting**.

Voucher

Another word for a **supporting document** for a transaction.

WARMS

Web Access to **RMS** – a portal that allows designated branch officers or employees to access and update the membership records of the branch's members.



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