

LOCAL GROUP ANNUAL REPORTING 2020 GUIDANCE DOCUMENT

Introduction

We understand the time and effort needed to run a local group so we're keeping our local group reporting simple. There are three simple sections to complete, the annual return, return of funds and activity report. You'll need to fill in as much of the form as possible. If a section is not relevant to you, move on to the next one.

This guidance document will help you complete the form and explains what you need to fill in and why. The deadline for completing and submitting the annual report is **Friday 22 January 2021**.

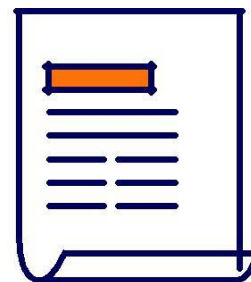
If you have any questions or need some help speak to your local volunteering team or email: volunteering@diabetes.org.uk



What are local group annual reports?

Annual return	<p>A financial report of how much money your local group has raised and spent from January to December.</p> <p>The law states that all charities must have their accounts audited by a qualified official at least once a year. As local groups are part of Diabetes UK and use the same charity number, we're required to collect this financial information from groups to give to our auditors. All of our accounts are audited centrally and you'll not need to have your group accounts audited independently.</p>
Retention of funds plan	<p>This year we're asking you to calculate the basic running costs to operate your group throughout 2021 and 2022. You should work on the basis that any large-scale face-to-face events will be unlikely to run in 2021, therefore your expenditure will most likely be printing, postage, online costs, small-scale events etc.</p>
Activity report	<p>A summary of group activities and achievements for the year. This report helps to keep us informed about the great work your group is doing locally, and enables us to celebrate your achievements, whilst also understanding how we can better support you.</p>

Submitting your local group annual report



When you've completed this report and it has been signed by the chair and treasurer on **page 4**, you'll need to submit a copy to your local volunteering team. The quickest and easiest way to do this is by email.

If you're unable to email a copy of your annual report, please print and post a copy to your local volunteering team, and don't forget to keep a copy for your group.

Please submit by **Friday 22 January 2021** and make sure that:

- 1 All the relevant sections are filled in**
- 2 The annual return on page 4 is signed by the group treasurer and chair (this can be an electronic signature)**

Annual return guidance

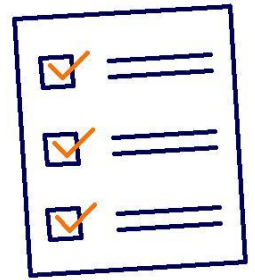
What if our group has not undertaken any financial activity this year?

If your group has not had any income or expenditure in 2020 we still need an annual return for your bank account for auditing purposes. There is a tick box at the end of the form on **page 4** for you to tick in order to indicate that you have had no income and expenditure that year.

If your account is not with Diabetes UK Barclays, Danske or Unity then we will need bank statements for the last 12 months.

If you require a copy of bank statements for a Diabetes UK Barclays, Danske or Unity account please request these from localgroupfinance@diabetes.org.uk or contact your local volunteering team. Please request these well in advance of the deadline to ensure you can submit your annual report on time.

The annual return forms explained



Statement of receipts, payments and assets

This form is a statement of how much money the group has received (receipts) and money the group has spent or donated (payments) during the year, and how much money the group has at the end of the year (assets). Below are the definitions of each item in the statement.

Section	Item		Guidance
Receipts	1	Donations	Total amount received in donations from individuals or organisations.
	2	Grants	Total amount received in grants from government, organisations or trusts.
	3	Legacies	Legacies left to the group during that year.
	4	Diabetes UK sales	Total from sales of Diabetes UK goods.
	5	Other sales	Total from sales of non-Diabetes UK goods. These need to be shown separately to Diabetes UK sales items, for taxation purposes.
	6	Bank Interest	Include any interest received into the group bank account during the year.
	7	Total receipts	A subtotal of items 1 to 6.
Payments	8	Running costs and fundraising costs	Total expenses relating to running fundraising activities, committee meetings and running the group, eg stationary, catering, any costs relating to room or space hire, promotional materials.
	9	Local activities and events	Total spent on local support and welfare activities carried out by the group, eg speaker costs, cost of awareness events, social activities for group members.

Payments	10	Diabetes UK merchandise for resale	Total spent on Diabetes UK goods for resale, e.g. items purchased from the online shop.
	11	Other purchases for resale	Total spent on purchase of non-Diabetes UK goods. These need to be shown separately to Diabetes UK goods for taxation purposes.
	12	Diabetes UK Type 1 Events, holidays and weekends	Total spent on sending local children, young people and families on centrally organised Diabetes UK Type 1 Events.
	13	Other Diabetes UK events and conferences (attendance fees)	Total spent on cost of attendance at centrally organised Diabetes UK conferences and events (not Type 1 Events).
	14	Other payments or donations	Include expenses incurred that cannot be included in any of the other headings.
Supporting the wider work of Diabetes UK	15	Total donations to Diabetes UK work	Total donations to the work of Diabetes UK.
	16	Total payments	A subtotal of items 8-15.
Balances	17	Receipts over payments	Subtract number 16 (total payments) from number 7 (total receipts).
	18	Cash at bank at 1 January 2020	How much money was in the group bank account(s) on 1st January 2020. This should match the balances as at 31 December 2018, as reported on your annual return.
	19	Add petty cash in hand at 1 January 2020	How much petty cash or cash that was not banked, did you have on 1st January 2020. This should match the balances as at 31 December 2019 as reported on your annual return.

Balances	20	Petty cash and bank balance at 31 December 2020.	Work this out by adding items 17, 18 and 19 together.
	21	Cash at Bank at December 2020	Input the figure from the bottom of your bank reconciliation. This is the amount of cash you have in the group bank account(s) on 31st December 2020 adjusted for any uncleared deposits or payments. If the group still has more than one account you will need to add the total from each bank reconciliation to arrive at this figure.
	22	Petty cash in hand at December 2020	How much petty cash or cash that is not banked, do you have on 31st December 2020.
Tick box if no activities for year ended 31 December 2020			Tick this box if your group has not had any activities, and therefore had no income or expenditure to declare in the boxes above.
Signatures			Please make sure the form is signed by both the chairperson and treasurer of the group. Electronic signatures are acceptable.

Bank reconciliation



The bank reconciliation on page 5 explains any differences between the value on the group bank statement and how much money the group actually has in the bank account. In the vast majority of cases this is because a cheque has been written but has not been cashed yet, or because money was paid into the group account that has not yet been credited to it by the bank.

Even if neither of these things have happened, the form needs to be completed but the subtotals B and C will be nil values.

If for any reason your group still has more than one bank account then an additional bank reconciliation will need to be completed for each account.

Please fill out this section as follows:

- 1 Deposits not yet cleared** Please list all items that you have paid in, when you paid it in, and where the money came from (cheque, cash, donation etc). Then provide the total value of all these items in 'subtotal B'.
- 2 Payments not yet cleared** Please list all cheques you have written or transfers made that do not appear on your bank statements providing the information requested for each item, then put the total value of all these items in 'subtotal C'.
- 3 Bank balance** Finally in the last box add the bank statement balance (subtotal A) plus deposits not yet cleared (subtotal B) and then deduct payments not yet cleared (subtotal C).

Legacies received

If your group has received a legacy in 2020 (where someone has left the group money or assets in their will), please give us more detail in this section. If the group has not received any legacies this year then this section can be left blank.

Please provide any additional supporting documentation received with the legacy for auditing purposes.



Information on grants and restricted donations

So we make sure we do not apply for the same grants or funds from the same donor we ask that local groups let us know about grants and restricted donations you've received on page 6.

Restricted funds are grants or donations where the donor has specified that the funds can only be used in a particular way or for a specific purpose.



Supporting the wider work of Diabetes UK

It's been a difficult year for fundraising, with many opportunities disappearing as events have been cancelled up and down the UK. This hasn't stopped us from commissioning vital research into diabetes and Covid-19, and placing extra resource into the Helpline, which has seen a huge surge in demand as people contend with diabetes in the pandemic – but it has placed a pressure on us, financially.

Our Local Group Agreement states that local groups can usually hold up to £3,000 (or 12 months running costs, whichever is greater) in their bank account at the end of each year. This is because we're legally required to use the money we receive in line with our aims, and large amounts of monies should not be held in reserve. This year we are operating differently by asking you to calculate the basic running costs to operate your group throughout 2021 and 2022. You should work on the basis that any large-scale face-to-face events will be unlikely to run in 2021, therefore your expenditure will most likely be printing, postage, online costs, small-scale events etc.

Many groups donate their excess funds back to our core work each year. Some groups decide to donate to one of our research projects. This year we would ask you to think about the extra support your money would provide to people with diabetes in these difficult times. You can find out more about these by speaking to your local volunteering team or at diabetes.org.uk/research/our-research-projects/adopt-a-project

Other groups like to keep funds for activities they have planned. This is called retention of funds. If your group would like to do this there are some extra things you need to do.

If you plan to retain funds

Any funds that you are able to return to the charity will be used to support our much needed services that are a huge source of support, this year especially. However, if your group is planning to retain funds over £3,000 for planned activities up to 2022, you must complete the retention of funds plan on page 7 in your annual report. Your plans need to be agreed with your local volunteering team before you spend these funds.

Before you submit your activity plan of how you plan to spend these funds, please read the Local Group Agreement along with the Group Expenditure and Funding Guidelines Policy. These give examples of how groups can spend monies in a way that meets our aims, and is within the guidelines which have been set by our trustees and the Charity Commission.

Your groups proposed activities or projects should also have been chosen and agreed upon by your committee.

If your group owns any assets

If your group has purchased any assets over the value of £2000 during 2020 then you must tell us on page 6. Examples of items your group might have purchased include a laptop, projector, marquee etc.

What other documents do we need?

We'll need copies of supporting documents for any legacies, grants or restricted donations the group has received in 2020. Our external auditors have the right to request any other supporting documents related to financial activity. We will contact you if this is requested.

diabetes.org.uk

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