

Voluntary and trust funds

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Key Contacts

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Voluntary Funds

Whilst Voluntary Funds are not owned by the Local Authority (LA), it is unreasonable to expect contributors to these funds to distinguish between them and official monies, and therefore, standards of accounting and propriety need to be the same as those expected for official monies. An employee by reason of their employment by the LA or by a Governing Board (GB) maintains the Voluntary fund.

The Financial Regulations, instructions and procedures relevant to Schools maintained by Ealing LA should be viewed as best practice, which is to be followed whenever practicable.

Voluntary funds regulations

1.1 A Voluntary Fund is any fund which, although not part of the Delegated funds, is controlled or administered solely, or in part, by an employee by reason of his or her employment by the LA or by a GB.

1.2 Ealing LA shall be informed of the purpose and nature of all Voluntary Funds maintained by employees in the course of their duties at Schools. The accounts shall be audited annually by a competent, independent person and shall be submitted with an audit report to the GB, within 6 months of the accounting Year-End.

Ealing LA shall be entitled to verify that this has been done and to carry out such checks on the accounts as it considers appropriate. A copy of the audited statement together with the management letter must be sent to the LA within 6 months of the accounting year end.

1.3 All materials, goods and property purchased by a School solely from its School's Budget Share shall become the property of Ealing LA. Where items are received as gifts from external sources, the GB should ask benefactors to specify whether a gift to the School is intended to be held by the GB. Where this is not the case, the gift shall become the property of the LA. No gift, which is held in trust or where legal ownership cannot transfer to the LA, shall be accepted without the written authorisation of the LA.

1.4 Payments in money to school staff for any kind of remuneration or reward for services should never be made through unofficial (special purpose) funds but always through Payroll. Provided the constitution of the unofficial funds allows, there would be no objection to the unofficial funds making a payment to the official funds to finance the payment through Payroll.

1.5 If a School intends to make a payment in kind as opposed to money to a member of staff, whether from official or unofficial funds, the School should always seek the prior advice of the LA's Tax Lead as the tax and national insurance rules applicable are complex e.g. vouchers exchangeable for goods in shops. Advice and support are provided through Ealing LA.

1.6 Voluntary Funds at Schools shall be operated in accordance with the Guidance Notes issued by Ealing LA.

1.7 The LA's long-standing policy is that it will not act as a Payroll Bureau for external organisations such as charities or voluntary associations that have close links to it.

Trust funds

Trust Funds have a formal legal status governed by a Deed of Trust. Employees of Ealing LA acting as Trustees must ensure that they are conversant with the requirements of the Trust Deed and the law and comply fully with them. Voluntary Funds, as defined in Financial Regulation above and Private Funds may be set up as Trust Funds. The Financial Regulations, instructions and procedures relevant to Schools maintained by the LA should be viewed as best practice, which are to be followed whenever practicable.

Trust funds regulations

2.1 All Employees of the LA who are acting as Trustees by virtue of their official position, shall ensure that accounts are audited as required by law and submitted annually to the appropriate Body and Ealing LA shall be entitled to verify that this has been done.

2.2 It is the responsibility of the Trustees to ensure that the terms in the Trust Deed are adhered to and, according to Section 46 of the Charities Act 1993 as amended by the Charities Act 2006, trustees of Charities registered with the Charity Commission must also prepare a Trustees' Annual Report and if the gross income is over £25,000 in the accounting year the reports must be filed with the Charity Commission. Please see more details using the following link: <https://www.gov.uk/guidance/prepare-a-charity-trustees-annual-report>

The Act: [Charities Act 2006](#)

1.3 Trust Fund monies are not part of the LA's funds and are held separately within its accounts.

1.4 Any new trust funds need to be reported to Schools Accountancy who administer the funds on behalf of the LA and produce the annual Statement of Accounts.

1.5 Further details for registered Charities can be found on the Charities Commission website: <https://www.gov.uk/government/organisations/charity-commission>