

ibk initiatives

Payroll & Managing a budget



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www.ibkinitiatives.com



Payroll

If you have a Direct Payment or Personal Budget and employ Personal Assistants, you can either manage your own payroll or appoint an agency to do it for you. The list of tasks associated with doing it on your own, & those that go with having an agency do it for you, are outlined on the following pages.

If you are employing Personal Assistants, even if you do not think they earn enough to pay tax or if they are retired, it is important for your payroll to be properly processed for HMRC. Whatever their circumstances, your Personal Assistant still needs an appropriate tax code and it is your responsibility to submit the appropriate information to HMRC each month.

There are costs attached to appointing an agent to manage your payroll. These vary slightly between agencies, but will cost you in the region of £150 - £250 a year. As the prices are relatively similar, the main issue is the *relationship* between you and your provider.

Budget Management

The difference between someone doing your payroll and managing your budget is that, when a provider is managing your budget the money from Sheffield City Council will go straight to the provider. Having someone manage your budget means they are responsible for keeping accounts, paying bills, processing payroll etc on your behalf.

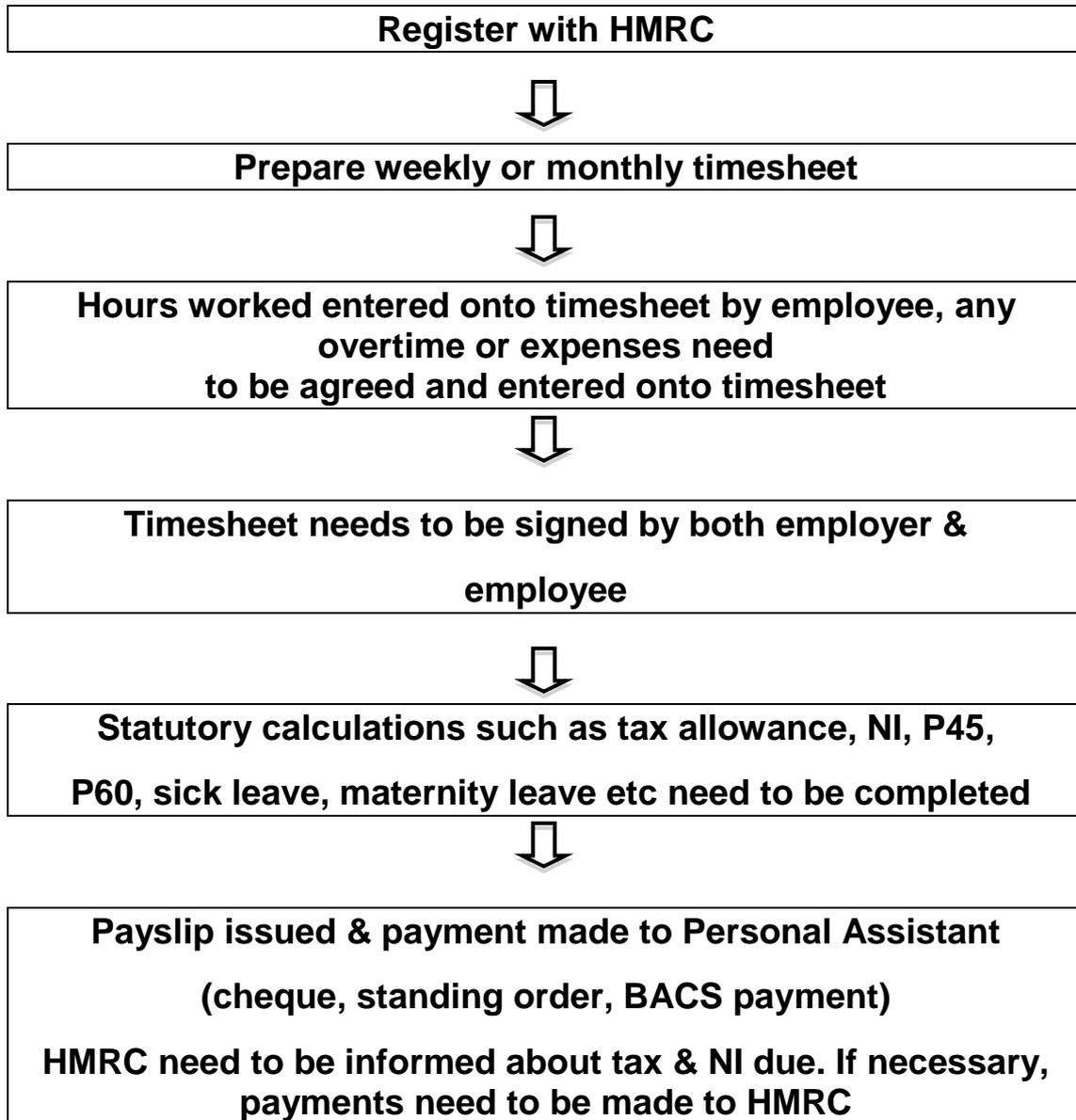
As with payroll, the costs vary according to the agency, but will be in the region of £300 - £700 a year depending on the package you require from a provider. If you do not have many Personal Assistants or invoices to pay, you will



probably pay around £300 a year; if, however, you have a team of Personal Assistants & several invoices to pay, you will probably be charged £500 + a year. Once again the main issue is the *relationship* between you and your provider.



Payroll – do it yourself



Benefits of doing it yourself

- You are in control and it is free

Cons of doing it yourself

- Amount of tasks you have to do: Learn, maintain & retain records; keep updated on all annual PAYE/statutory changes; remember to do all monthly and annual returns; send regular information to Sheffield City Council as to how you are using your Direct Payment or Personal Budget



Payroll: employ an agent

Choose your agency. Social workers have lists of payroll & budget management agencies. Check out the Help Yourself web pages www.sheffieldhelpyourself.org.uk/



Agency will prepare weekly or monthly timesheet (depending on agreement you have with your PAs)



Hours worked entered onto timesheet by employee, any overtime or expenses need to be agreed and entered onto timesheet



Timesheet needs to be signed by both employer & employee



Send off timesheet to agency. Agency will issue payslips & complete all submissions to HMRC



Payslip issued & payment made to Personal Assistant (cheque, standing order, BACS payment)

Benefits of an agent managing your payroll

- The responsibility is passed to an agent
- No need to learn all the statutory obligations

Cons of an agent managing your payroll

- Cost attached to service, although in Sheffield this is paid by the City Council in addition to the amount you receive as a Personal Budget or Direct Payment



Monthly Time Sheet

This timesheet needs to be returned to ibk as soon as possible after the month end. Post to Payroll, ibk initiatives, St Mary's Community Centre, Bramall Lane, Sheffield, S2 4QZ

Employer _____

Month _____

Personal Assistant _____

	a.m.	p.m.	No. of hours	Rate	Holiday taken (rate)
1 st					
2 nd					
3 rd					
4 th					
5 th					
6 th					
7 th					
8 th					
9 th					
10 th					
11 th					
12 th					
13 th					
14 th					
15 th					
16 th					
17 th					
18 th					
19 th					
20 th					
21 st					
22 nd					
23 rd					
24 th					
25 th					
26 th					
27 th					
28 th					
29 th					
30 th					
31 st					
Total no of hours worked				Total Gross	

Signed employer _____

Signed PA _____



Payroll & budget management with ibk

A worker from ibk visits everyone wanting a payroll or budget management service. During this visit we explain how we work & ask you about your requirements so that we can give you the service you need. We give you a payroll pack that gives you all the paperwork you require to get started.

Ibk payroll pack contains	When you need to use it
New employer guidelines	For information only, ibk will do this for you
2 PA Starter Forms	To be filled in and sent to ibk when a PA starts work
2 P46 forms	To be filled in and sent to ibk when a PA starts work
2 Time Sheet Guidance sheets	Before filling in time sheets – it might be helpful to show it to your PA
12 Time Sheets	One to be filled in and sent to ibk every month
1 PA Leaver Form	To be filled in and sent to ibk when a PA leaves
2 self-certification forms	To be filled in and sent to ibk when a PA is off sick
2 contracts to manage payroll or budget management	When you decide ibk is going to manage your payroll or budget

After our initial visit, we encourage you to stay in contact as much as you feel you need. We know that the early stages of receiving a Direct Payment or Personal Budget; employing Personal Assistants; sorting out contracts; working out holiday entitlements; filling in timesheets etc can be stressful. We want to reduce that stress as much as possible to help you gain the benefits of the support you are receiving.



Contributions

Everyone over the age of 18 who is receiving a Personal Budget is assessed to see how much of their care is to be paid by Sheffield City Council. (NB. This does **not** apply to children & young people under 18.)

The City Council looks at the income of the person receiving the Personal Budget (this is usually benefits) and assesses how much they can afford to pay for themselves. The City Council will then top this amount up to cover the amount needed for your support package.

“Contributions” are a vital part of a support package. It is essential that payments are made regularly into your payroll bank account. When contributions are not paid, it means there will not be enough money in your account to pay your Personal Assistants and other bills.

In order for things to run smoothly, we recommend you set up a standing order to pay the contributions every week/4 weeks.



Monitoring

Payroll

If you have your own bank account, you need to send quarterly reports of how the money is being spent to Sheffield City Council.

Budget Management

If we are managing your budget as well as processing your payroll, we will send quarterly reports of how the money is being spent to Sheffield City Council. The information we send to SCC will look like this:

Name of person receiving budget

Date	Transaction	Money paid out	cheque/BACS	Money paid in	Total
01/01/2014	Sheffield CC		BACS	500	500
10/01/2014	payroll fee	250	cheque		250
29/01/2014	Sheffield CC		BACS	500	750
31/01/2014	PA wages	320	cheque		430
31/01/2014	HMRC	80	cheque		350
27/02/2014	Sheffield CC		BACS	500	850
28/02/2014	PA wages	320	cheque		530
28/02/2014	HMRC	80	cheque		450

We will send you a monthly summary of all the incomings we receive and all the outgoings we make on your behalf.



Insurance

As an employer, you are legally obliged to take out Employer's Liability Insurance. Insurance should be taken out whether you are employing someone for 4 hours a week or 36 hours a week. It is required if you are employing a close relative.

You can either take Employer's Liability Insurance out as part of your household insurance or by having a separate liability policy. Employer's Liability Insurance does not come as a standard on household insurance so you need to check your policy out carefully.

We use Fish Insurance as they are specialists in this field and their prices are competitive with other agencies.

Motability Car

If the Personal Assistant is using the 'motability' car (or your own car), you need to make sure they are covered to do this.



If you would like to find out more about ibk's payroll or budget management service, please get in touch with Debi Jones or Pippa Murray

debi@ibkinitiatives.com

pippa@ibkinitiatives.com

About ibk

ibk initiatives is a family led social enterprise. In addition to payroll and budget management we help with the recruitment of Personal Assistants and run a variety of groups for children and young people. We have recently started an inclusive theatre company for young people aged 11+. Other groups include cooking; baking; performing arts; and self-advocacy. We look for funding to start up groups which children and young people request.

We also hold regular social events for all the family.

We believe that disabled children, young people and their families should be given the support that enables them to live full and meaningful lives.

We would love to hear from you if you would like to join us in any of our endeavours to make life fun for disabled children and young people, at the same time as making it less stressful for their parents.