

**COMMISSIONED WORK**  
**Financial Arrangements**

**1 Introduction**

- 1.1 The Forum is undertaking projects for several organisations and has started to receive payment for this work.
- 1.2 It has been agreed that payment will be made to The Heather Trust.
- 1.3 This paper outlines arrangements to control the disbursement of the received funds.
- 1.4 The commissioned work may take many forms and it is likely that the accounting process will need to be adapted for different projects. Flexibility will be required but members are asked to accept these arrangements as an indication of the approach that will be adopted. These arrangements will be reviewed annually at the February meeting.

**2 Objective**

- 2.1 To establish a transparent accounting process to manage the funds received by The Heather Trust on behalf of the Moorland Forum for the commissioned work.

**3 Finance Control Committee**

- 3.1 The Chairman of the Forum will lead a Finance Control Committee of three members drawn from Forum members. (see Appendix 2)
- 3.2 This committee will review the accounts and the annual report from accountants appointed by The Heather Trust and make recommendations to Forum members.
- 3.3 It is envisaged that this committee will meet for a few minutes before the start of the November Forum meeting each year.

**4 Project Finance Committee**

- 4.1 A project finance committee of two or three Forum members will be established for each project. Committee members will be selected from members who have no involvement with the project. (see Appendix 2)
- 4.2 The Director will agree a budget for the work with the commissioning organisation and details will be shared with the finance committee.

- 4.3 At the end of a short project, or at an agreed point during a longer project, the Director will forward a recommendation for payment to the project finance committee.
- 4.3.1 This will set out details of the funds received, and propose payments to members, or other people who have contributed to the work.
- 4.3.2 The recommendation to the project finance committee will include a recommendation for the payment of an administrative fee to The Heather Trust.
- 4.4 If there are any matters that the Project Finance Committee cannot resolve, they can be referred to the Finance Control Committee.

## **5 Payment Principles**

- 5.1 The aim is to provide a means to refund the costs incurred by members in carrying out the work, and also to provide a contribution for fees.
- 5.2 As the levels of funding will vary, it may not be appropriate to disperse all the funds received. As a minimum, the Forum will aim to retain 5% of the income received to build up some reserves. These can be allocated by the Forum to commission work from members, or from other organisations.
- 5.3 Travel expenses and other disbursements will be refunded at cost. Details will be requested after each meeting. Members will be expected to use the most economic form of transport and accommodation and subsistence charges should be in accordance with the normal practice within their organisations.
- 5.4 Not all members will be included in the funding arrangements. Government agencies, which at present are the commissioning organisations, will not normally be included. A schedule of current contributors has been drawn up (see Appendix 1) and this makes proposals for the organisations and consultants that will be eligible for funding. It is anticipated that this may change for different projects.
- 5.5 Some ineligible members may wish to make a case for expenses incurred in supporting the commissioned work to be refunded.
- 5.6 Fees from eligible members will be paid where funding is available, but not normally above the rate of £40 per hour.
- 5.7 The Heather Trust will charge for the administrative costs associated with the commissioned work against time records at a rate agreed with the Finance Control Committee. Currently, the rates are £60 per hour for the Director and £28.50 per hour for the Administrator.
- 5.8 The aim will be for the expenditure on each project to be covered by the income. Should there be insufficient income, the time charges may be reduced.
- 5.9 Members and others who have contributed to a project will be contacted when funding is available and asked to submit an appropriate invoice.

## **6 Accounts**

- 6.1 The Heather Trust will hold the funds as a stakeholder. Funds will be maintained in a separate bank account, and will not form part of The Heather Trust's accounts.
- 6.2 Separate accounts will be prepared after the end of the Forum's financial year, on 30 September, and independent accountants will review them. The Heather Trust will appoint the accountants, subject to the approval of the Finance Control Committee. It is envisaged that a report from the accountants will be available for approval by the Forum members at the November meeting.
- 6.3 The cost of preparing the accounts and obtaining the report from the accountants will be a cost to the Forum.

## **7 Interaction with the Service Level Agreement**

- 7.1 The Heather Trust has entered a Service Level Agreement with Scottish Natural Heritage. This will cover the cost of running the main meetings of the Forum (Chairman's Working Group and the Full Forum) and some additional working groups.
- 7.2 The SLA funding will be kept separate and The Heather Trust will be accountable to SNH for its expenditure.

## **8 VAT**

- 8.1 Currently, The Heather Trust is not registered for VAT. If VAT is charged on fees and expenses, it will not be reclaimable and will have to be absorbed within the funds available.