

Dear MP,

2014/15 Year-end guidance

Please find below our guidance to help you manage your finances over the year-end and how costs will be allocated between budgets. I should like to draw your attention to the key points:

- **If you took out an advance loan any remaining balance must be repaid by 31 March 2015.** If you have not done so, please make sure that you have informed us of the arrangements you have in place for repayment.
- The deadline for the online submission of 2014/15 claims is **30 May 2015**. If you wish to email supporting evidence this must be sent to us by 30 May otherwise, hardcopy supporting evidence must be received by **08 June**.
- Any claims returned to you for query or additional information that you wish to be paid should be resubmitted within two weeks of the date of return.
- The National Audit Office has advised us to change our policy on the allocation of the cost of services incurred at year-end. Therefore in the main, unlike in previous years, you will need to claim the cost of services from the budget of the year in which the cost was incurred, regardless of when the service was or is to be provided. Goods and services paid for by 31 March 2015 will be charged against the 2014/15 budget. This includes payroll costs. But, rent and any large advance payments made for services should still be allocated to the year to which the payment relates, not the year in which the costs were paid.
- You are responsible for keeping your costs within budget. It is therefore important that you monitor closely your spend against your budgets, taking into account outstanding orders with suppliers and purchases made using the direct payment facilities and payment card, where there is a delay in the expenditure being reflected in your online *Summary of Expenditure* reports.
- If you have been notified of any repayments due to IPSA, including budget overspends arising from 2012/13 or 2013/14, please ensure they are settled as soon as possible. As also mentioned previously, any overspends arising at the end of 2014/15 **will need to be repaid**; as we are approaching the General Election you will not be able to roll the overspend over to offset against your 2015/16 budget.

Detailed guidance is below and further guidance is available on our website: www.parliamentarystandards.org.uk or please contact the MP Support Team on 020 7811 6400.

You may also like to know that we have also issued various guidance on treatment of expenses during the run-up to the General Election which can be found on our [General Election website](#)

Yours sincerely,



Linda Everet
Head of Operations

Independent Parliamentary Standards Authority (IPSA)
4th Floor
30 Millbank
London
SW1P 4DU

Telephone: 020 7811 6400
E-mail: info@parliamentarystandards.org.uk
Website: www.parliamentarystandards.org.uk

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Timetable

Last day for submission of claims online	30 May 2015
Last day for receipt of supporting hardcopy evidence	08 June 2015
Resubmission of returned claims	Within two weeks
March payroll cut-off	13 March 2015
Last day for submission of online timesheets	22 March 2015

Claims submitted after these deadlines will not be paid.

Budgets

If you are standing-down at the General Election you will receive 25% of the annual budget for the period 01 April to 07 May 2015. If you are contesting the General Election you will receive a full year's budget on 01 April, though you should be aware

that this will be reduced to 25% on 07 May should you not be returned at the Election.

All MPs leaving parliament will receive a budget to help with the cost of winding-up their office and parliamentary affairs. This will be available for costs incurred from 08 May 2015. Redundancy costs and the costs associated with leaving your accommodation will be met from IPSA's contingency fund.

Allocating costs to 2014/15 and 2015/16

Generally goods and services you have paid for before 31 March 2015 will be allocated against your 2014/15 budget; those paid for after that date will be charged to your 2015/16 budget. The year will be determined by the transaction date given on the claim form. Therefore if you give a transaction date of 31 March 2015 or before the expense will be charged to 2014/15.

Other than for rent or large advance payments for services, you will not be required to pro-rate the cost of services that are provided across both years.

Rent and large advance payments for services, contracts or subscriptions: Office and accommodation rents account for a significant proportion of your running costs and so these should be accurately apportioned to each year. Other large costs for services, contracts or subscriptions should be treated the same way. Therefore where these span the financial years the costs that relate to each year will need to be calculated and allocated accordingly.

If, on or before 31 March, you have made any large advance payments for services, contracts or subscriptions, (e.g. council tax or business rates) that relate entirely to a period beginning on or after 01 April 2015 and which you claim through reimbursement, please put the transaction date as 01 April 2015 so that the claim will automatically be charged to the new financial year.

Where you have used your payment card for any such costs before the end of the financial year, we will allocate the cost to 2015/16 for you.

Direct rental payments: If we pay your landlord on your behalf we will automatically allocate the rent for the period up to 31 March to 2014/15 and rent for the period after 01 April to 2015/16.

Reimbursement rent claims: You will need to allocate reimbursement claims to the correct years. Therefore if you claim for a payment that straddles the end of the

financial year, you should calculate the number of days to which the payment relates up to 31 March and after.

Example: If you claim on 30 April your rental payment of £500 that covers the period 25 March to 24 April, you should allocate 6 days of the 30 day rental period to 2014/15 and 24 days to 2015/16 i.e.

$$6/30 \times £500 = £100 \text{ to } 2014/15$$

$$24/30 \times £500 = £400 \text{ to } 2015/16$$

You can use our online [year-end calculator](#) to help you.

Please note, if you have paid for a service, contract or subscription for a period beyond the General Election, if you are not re-elected you will need to repay any refunds received.

Payroll: Unlike in previous years where payroll costs were charged to the year in which they were paid, from this year-end payroll costs will be charged to the year to which they relate. Any timesheets, overtime or additional hours worked during the week ending **29 March 2015** that are paid in April will be reallocated back to 2014/15.

Please note, in line with the deadline for the submission of expense claims, timesheets, overtime and additional hours claims for 2014/15 will not be paid if submitted after 15 May 2015.

Payment card: If you have used your payment card, the year to which the cost will be charged will be dependent upon the date on which the transaction was processed by Barclaycard.

Barclaycard usually process costs on the day you make the payment, or within a day or two. We therefore advise you to be very careful when using your card around the end of the financial year, so you can be sure the payment will be allocated to the appropriate year. For example, if you pay a phone bill on 30th March, Barclaycard may process it on 1st April, so it would be allocated to your 2015/16 budget.

Stationery direct payments: If you have used Banner, XMA or Commercial for your stationery or office supplies, we will allocate the cost to the year in which you made the online purchase.

Travel direct payments: If you have used Chambers or the Trainline for your travel, we will allocate the cost to the year that the journey is taken.

Tax

P11Ds: You will receive your P60 for your salary in May and a P11D for your annual expenditure in July. Both your P60 and P11D will be emailed to you. If you are standing-down or in the event that you are not re-elected and so no longer have access to your parliamentary email address, we shall send your P60 and P11D to the alternate email address you have provided: **if you have not already done so, please provide us with an alternative to your parliamentary email address.**

Where necessary, we will also send P11Ds to your staff.

Self-employed staff: As the employer, you are required to make sure that all of the workers that you engage have the correct employment status. This is necessary to ensure that the correct tax and National Insurance contributions are paid and also to establish whether the tax should be deducted through PAYE or self-assessment. Employment status is not a matter of choice; it is determined by the terms and conditions of the work being undertaken, even if the work is only casual or part-time. You can find a complete guide to employment status on HMRC's website (www.hmrc.gov.uk/employment-status).

In order to check the employment status of any of your workers, you may make use of HMRC's employment status indicator tool (www.hmrc.gov.uk/calcs/esi.htm). This will provide you with a view on whether the worker should be treated as an employee or as self-employed. Alternatively you can contact the HMRC Status Customer Service Team on 03000 527 450.

If you determine that a worker is an employee then they should be registered on the IPSA payroll in the usual manner.

Where you determine that a staff member is self-employed you will need to complete and return a [Self-Employed Staff Member Declaration](#) form, found on our website under Staffing Forms. Once you have done so you will be able to claim the costs for reimbursement using the expense type 'Professional Services (Staff)'.

Repayments to IPSA

You may have received notification of repayments due to us arising from:

- advance loans of up to £4,000;
- deposit loans that you have not returned to us for properties that you have vacated;

- overpayment of direct rental payments;
- incorrectly reimbursed claims, for instance due to duplicate claims;
- ineligible use of the payment card or use for which you do not wish to claim but have not repaid; or
- budget overspends from 2012/13 and / or 2013/14.

Any amounts due should be repaid by as soon as possible and advance loans no later than 31 March 2015.

You should ensure that your total spend for the year remains within your 2014/15 budget. As we have explained earlier this year, should you exceed your budget we will seek recovery from you - **you will not be able to roll the overspend over to offset against your 2015/16 budget and would need to send us a cheque or BACS payment to cover the amount.** You can monitor your spending by:

- reviewing the *Summary of Expenditure* report available through the online expense system, for help with this, please refer to our [how to run budget reports](#);
- using the staff *salary projection* tool on our website, this [staff budgeting report](#) guide will help you;
- keeping track of purchases made through the direct payment suppliers; and
- monitoring use of your payment card.

Please note, if you are forecast to overspend your staffing, office costs or accommodation budget, we may cease any direct payment arrangements for rent or restrict your use of the payment card and stationery direct payment facilities.

Should you need any further help identifying and monitoring your expenditure or have any queries relating to repayments, please contact us as soon as possible.