

# Integrated Budget Group

What it does and how it does it

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# History of IBG

IBG was created in May 2020. After a very successful 2019, funds were being spent too readily and when lockdown started, no public actions could take place which would generate donations. After inactivity during the winter of 2019/2020, funds were already draining. This produced a financial crisis, in March 2020 XR UK ran out of money and suddenly spending had to be reduced, mainly VLE, resulting in many rebels forced to leave XR. To better control spending, IBG was set up so that Finance no longer had the responsibility for budgets, accounting and spending. Instead the whole movement would be represented in decisions on how funds should be spent.

As at 5 Oct 2021, IBG has a parent circle of Sys & Cul.

# Mandate

In brief, the IBG decides how to allocate funds to strategic projects. Here is the [IBG's mandate](#).

XR is funded entirely by funds raised by Fundraising through a fundraiser website or by XR's Regular Giving through standing orders, where donations may be used for any reasonable XR UK purpose. Separate from that, a donor may make a 1 off donation that is unrestricted, or for a specific part or process within XR, when it becomes restricted. XR has to spend restricted funds as specified by the donor but if the specified purpose is already being funded by unrestricted funds, then the IBG with approval from Finance can simply increase the amount available from unrestricted funds. E.g. if a donor gives 10,000 to be only used for VLE then because IBG already funds VLE, that releases 10,000 to be spent as unrestricted.

# Financial model : cash flow projection

All income and the expenditure using that income is depicted in a Cash Flow Projection. This is used to model likely future outcomes from different scenarios of income and expenditure and helps IBG to decide how much budget can be given out. It was originally a spreadsheet showing the next 6 - 9 months by month. This was enhanced to be a more precise financial model showing actual income and expenditure to date and budgeted amounts for the future, [here](#)

## Income

### 1) monthly regular giving

**2) additional donations from rebellion fundraising:** fairly unpredictable, only included for modelling different scenarios,

**3) institutional donors:** fairly unpredictable, only included for modelling.

## Expenditure

**4) regular, essential costs, or "keeping the lights on" e.g. software licences, servers, Zoom accounts, warehouse rent, warehouse rates, tax, accountancy**

**5) movement costs :** these are nearly all VLE for ongoing, regular work, not for a rebellion or action, usually decided by IBG at 6 monthly intervals. The current movement budget runs Dec 2022 - May 2023.

**6) rebellion costs:** with no other info, assumed to be around 40% of extra fundraising from the rebellion fundraiser

## Maintenance of the cash flow projection

The cash flow should run for a rolling 6 - 9 months. Each month, the actual balance of unrestricted funds up to the end of the previous month is advised by Finance around the 7th - 10th of the current month and entered into the model. At no time should the balance carried forward be below 0 without agreement with Finance. Without extra fundraising from rebellions, the balance will eventually fall below 0 because XR's regular expenditure exceeds regular income.

Some entries will have been agreed and the rest are an estimate as follows. Each row of expenditure in the cash flow excluding regular costs and rebellion costs represents a chunk of

funding to be granted by IBG to a section of the movement :

1. 12 Nations and Regions, divided equally. A nation/region which is underspending consistently can offer their budget to another nation/region or return it as unused.
2. central circles
3. XR Youth
4. MOV (Marginalised and Oppressed Voices) - fixed monthly payments into a reserve from which a budget has to be agreed. If not spent 1 month, it accumulates **for how long before it is returned?**
5. ISN - funded through an agreement which can be changed by negotiation but any change only takes effect 6 months later. ISN is currently paid a minimum 5,000 / month and this amount increases if XR UK's monthly unrestricted income exceeds a threshold, currently set at 40,000. The increase is 1/8 of the extra income and is spread across future months or previous months so that the total paid in any month has a maximum of 10,000. The maximum paid to ISN in any calendar year has a maximum of 120,000.

# Allocation of Movement Budgets

## Intro

Movement budgets are for regular costs, not for rebellions or actions. There is a separate process for making requests for a rebellion or action but they all use the same Budget Request form. The movement budget will mainly be Volunteer Living Expenses (VLE) but also funds regular costs such as building rent and rates, software licences, accountancy, training, permanent equipment that will be used for rebellions etc. Movement budgets are agreed at times when fundraising from rebellions and actions are at their most predictable, usually in the month following a major rebellion or action.

Each movement's budget is usually for a 6 monthly period and is based on the previous 6 month period and on cash flow forecasts. It is finalised early in the first month of the new period. Reps from all circles seeking a budget submit requests for VLE, goods or services with a brief justification, to be evaluated by IBG alongside the requester's previous budget and actual expenditure.

## Summary

1. For a new movement budget, each circle meets to review and agree each VLE claimant's request. See section on VLE further on for more details.
2. A circle's BH prepares their budget.
3. The circle's parent circle may review and agree the budget, along with Actions and/or the Hive.
4. Each BH (or their delegate) completes a Jotform "XR UK Budget Request form". When they click Send, it goes to the IBG mailbox.
5. IBG members review each request for completeness, accuracy and clarity and may ask clarifying questions from the BH.
6. IBG reviews all requests together to decide how much each circle gets. The usual approach is for the IBG to split into 3 teams who each reviews 1/3 of the requests, ensuring that no-one reviews a request who has a conflict of interest.
7. IBG takes advice from Finance on availability of funds and then decides how to allocate funds to each request, based on how well they each meet strategic criteria and value for money in consultation with the Strategy team.
8. IBG advises all BHs their recommended funding.
9. For a 3 month review of an existing budget, circles follow the same process except that they only need request budget changes, not their complete budget.
10. Give feedback to IBG on how this process is working.

## **XR UK Budget request form (slightly out of date)**

The form asks similar questions whether for a movement budget or rebellion.

Using this form streamlines and standardises the request process so the IBG doesn't get too much or too little info and doesn't need to go back to the BH for missing info. The following questions on the proposed form are subject to review.

1. Name
2. Role
3. Your BH if not your role in 2
4. Circle
5. Is it for a movement budget or an action/event/rebellion? (if the latter, give name of action)
6. Lots more TBA

### **If requesting a movement budget : (slightly out of date)**

Items needing to be funded, shown as a spreadsheet, 1 item / row with the following in each column :

- Is this new funding / extension of existing amount / top up?
- Description of Goods / Services / Role needing VLE (no names),
- Purpose
- Amount
- Start month
- End month (state if ongoing)
- If for VLE, does the recipient also receive VLE from another source?
- To what extent (High/Medium/Low) does this item support XR's strategy regarding :
  - Critical functionality, either critical goods or services or VLE to support them
  - Substantial mobilisation : helps to grow the movement
  - Fundraising : support members of the Fundraising team and professional fundraisers
  - Cultural influencers : getting a public figure, VIP or person in power to support the movement by what they say or post on social media
  - Make our demands through NVDA

### **If not requesting a movement budget : (slightly out of date)**

- Describe the activities (max 100 words)
- Items needing to be funded shown as a spreadsheet, 1 item / row with the following in each column :
  - Purpose
  - Amount
  - Answers to same questions as in last bullet in 6.2 on by how much this supports XR's strategy.
- If you are from an Operations sub-circle, has Actions reviewed and approved this request?

How do you plan to self fund? (notes to be added on how to seek help from Fundraising)

If funding an affiliated / sister group, show the advice from Relationships (notes to be added on our policy for funding these groups)

**VLE** Do not try to give a personal reference for anyone receiving VLE but do describe how essential is the role. The IBG must not evaluate VLE based on named individuals as some may be known to them.

The VLE recipient's circle must have already agreed they are eligible and roughly how much VLE is needed using the Integrated Decision Making process described in XR's constitution. They are eligible if they could not work for XR otherwise and would have to instead seek paid work.

In effect, they are claiming living expenses, not a reward for hours worked or expertise and the definition used is "Payees have been given money according to their need, not according to the time spent doing things with us and not according to the value of the things they did." If this definition is not followed, then HMRC may regard VLE recipients as employed, whereupon XR would be subject to employment law.

State if the VLE is being offered for a role not yet filled and why, i.e. it is speculative in that the status of the role filler is unknown.

If VLE is for a linked or EC role, the team which they rep makes the claim.

State if a VLE recipient is also claiming VLE from another group and how the total VLE was calculated.

The maximum suggested by IBG for 1 month's VLE is £1,600 / person. If VLE is for an unfilled role, the maximum requested should be an average amount and it will be assumed that roles remaining unfilled will balance out those that become filled and will need more than the amount requested.

## **Claiming VLE**

Here are [detailed VLE claim procedures](#) issued by Finance. The following is a summary.

There are 2 forms of VLE - payroll VLE and CCFB (Capped Charges For Business). Anyone receiving payroll VLE is placed on XR's payroll, their tax and NI are deducted and they are paid monthly.

CCFB can be claimed if a person is self employed, whereupon they must agree to make their own arrangement to pay tax and NI. HMRC has rules you must follow to ensure you and XR remain compliant. To be eligible for CCFB you must fit 1 of these 2 criteria :

1. you are registered as self employed with HMRC and any existing self employed activities outside of XR are similar to those provided to XR

or :

2. all of the following apply :

- a. you have the right to provide a substitute worker to complete the work specified in the service agreement and
- b. you agree to make good any errors or defective work without additional payment and
- c. you are insured in respect of potential liabilities arising from the services you provide.

In either case 1 or 2, you must be happy to sign a service agreement

The claimant completes a Jotform and their BH reviews and approves the claim. Payroll VLE claims must be submitted monthly by a deadline so as to be included in the current month's payroll run but CCFB can be claimed at any time by attaching an invoice to the Jotform.

### **Ad hoc movement budget requests**

People's VLE needs may change or further goods or services may be needed during a movement budget period. The BH seeks approval by their parent circle and then makes the request to IBG through their IBG rep using the same form. Wherever possible, the request is considered during the 3 month review along with all others. IBG makes a decision based on levels of available funding and other requests being evaluated.

### **Distribution of budgets**

Nations and regions are given a "pot of money" divided into equal amounts initially which they can use for VLE, goods or services without further justification to IBG. They may decide between themselves to redistribute some of these funds from the pot where some nations or regions need more than others.

If an individual circle finds they are underspending on 1 type of expense during the budget period and need more elsewhere, they can reallocate the budget providing they do not overspend overall. E.g. if travel is low, they could spend more on VLE.

If a budget is not used by the end of the movement budget period, the underspend is returned, not carried forward.

### **Managing a budget**

When movement budgets are agreed, BHs are advised and Finance pays VLE as requests are made and approved by the BHs. BHs must ensure approved VLE and other costs will not exceed their budget.

At the time when the movement budget is approved, those rows in the model which have been agreed are frozen. Anyone modelling the cash flow must take care to protect the approved budget data.

## **Requests for funding of other movements**

There are many different movements with varying degrees by which they echo our principles and values, some being offshoots from XR. The Relationships circle should always advise whether they should be funded and for how much. The principle is that a movement only gets an initial donation to start up or to fund an action and then are expected to self fund.

## **Review of Movement Budgets**

Circles receiving a movement budget or now wishing to receive one should in liaison with IBG run a basic review, to take place after 3 months of a movement budget period. The IBG will decide if any request for more budget can be approved. A more comprehensive review is run after the end of the 6 month period.

Purpose of the review process : seek feedback from all circles, not just those getting budget, and from Finance, to collect views on the process and size of budgets and take appropriate actions, e.g. if fundraising revenue differs from expectations.

Finance presents a report of spend broken down by circle for the period under review.

Compare actual spend against allocated budget, by circle.

Survey all BHs (list from Finance) to ask :

1. Was the process easy to use?
2. Did you under spend? (compare with report from Finance)
3. Do you need more or less? Check if a VLE recipient's circumstances have changed and they are fulfilling their role's mandate.
4. Anything else?

Get the position from Finance of unrestricted funds as at end of the 3 monthly period.

Decide if any circle gets more budget or less for next 3 months.

# Funding rebellions, actions, campaigns and events

A rebellion comprises several actions and other co-ordinated activities. There may also be ad hoc self contained actions. Rebellions and actions are agreed in the 2 or 3 months leading up to a rebellion or other major action. Budgets should be in proportion to the expected extra fundraising income from the rebellion or action as well as impacts through NVDA.

## Summary of processes

1. Actions appoints a "lead BH" who is the single point of contact for IBG. They liaise with other BHs and ECs for any circles requesting a budget so that IBG can see the total being requested. They liaise with Relationships if a sister or affiliated group is being funded. All circles seeking funding must have a mandate.
2. The Lead BH prepares the budget using the **Funding Request form**. See [Allocation of Movement Budgets](#) for details of the form.
3. IBG meets to discuss the proposal and may have queries that the Lead BH needs to go away and answer.
4. When the request has been clarified, Finance advises the level of funding available. The Lead BH may need to adjust the request accordingly.
5. Strategy team is advised of the funding request for feedback.
6. Finance wherever possible, has a reserve of 10,000 to be used for pre-rebellion costs where funds have not been raised. This reserve is replenished from later donations.
7. IBG approves the budget and the Lead BH works with others to transfer funds to bank accounts or else Finance processes the expense claims.
8. Fundraising and M&M must be kept fully involved so they can prepare fundraising messages.
9. The Lead BH tracks expenditure against budget.

## Requests for funding a rebellion or a specific action or event

These requests should be prepared by the Budget Holder for the requesting circle or their delegate. A large action may have several Budget Holders who should nominate 1 BH as their rep, so the IBG has a single point of contact for queries.

The BH completes a **Funding Request form** The completed form must be discussed with Actions before coming to IBG. Exact figures are not needed, e.g. the BH is not expected to look up every train fare. Depending on the nature of the activity, it may need to be also discussed with Relationships and Legal circles. The BH or a representative from the appropriate circle then brings

the funding request to IBG. When the request has been discussed, the amounts funded by IBG are entered against each expense item. After the activity has ended, actual amounts spent are entered for comparison and review.

A reserve of 10,000 is set aside for initial rebellion costs in case there are insufficient funds at the start. This reserve must later be replenished and so is not shown in the cash flow because it is never actually an expenditure. This reserve is a contingency to prevent the cash flow becoming negative or if income from a rebellion or action is substantially below estimate. It must gain approval from Finance before being used.

It's very important to understand the terms and conditions of the bank accounts used to fund a rebellion, which cannot bank money for illegal use. This can be managed by only publicising spend against costs such as training, art materials etc, and NOT locks and glue.

If a request is agreed, responsibility then goes to Finance who liaises with the BH and releases the funds to their nominated bank account. Finance then controls expenditure and collects receipts from the BH.

# Managing a new budget

When a budget is approved for a circle or group, whether from the movement budget fund or rebellion fund, the amount is put into a reserve by Finance.

For full details on how to get a budget, see [Allocation of Movement Budgets](#) or [Funding rebellions and actions](#).

## Accessing funds and Connecting to the Finance Team

Once approval to spend the budget is given by the IBG, the Budget Holder (BH) tells Finance where to transfer the fund, using a JOT form. The BH must ensure that the total claims they are asked to approve don't exceed the original budget approved. Finance make checks also.

## Guide for making a VLE claim

For the nations, regions and Affinity Youth Network (AYN), there are 2 ways to access their allocations :

Nation/Region/AYN with no bank account : Finance holds the money, the BH monitors and controls via spreadsheets.

Nation/Region/AYN with bank account : Finance advances the money to the Nation/Region/AYN, their BH controls the funds. This system is less work for Finance.

## Payment approval

As circle members spend the money, they claim it back by sending the BH a receipt for goods and services by completing a Jot form. For VLE, they complete another Jot form monthly by a deadline. See section on Movement budget VLE for full guidelines. The claim details on the forms get copied into 1 row of a spreadsheet "Payments 2022". The spreadsheet has different tabs for VLE and goods and services. The claim row contains full details :

1. Date
2. Name of claimant
3. email address
4. Amount claimed
5. Team or project
6. BH name
7. Purpose
8. Payee name and bank account details
9. Link to receipts

10. Payroll no (VLE only)
11. Amount approved by BH
12. BH initials, to act as a signature for approval

The claimant tells the BH they made the claim and the BH approves it by entering the amount approved, which could be the full amount, 0 or somewhere inbetween plus their initials. The BH should anyway check for VLE claims near the monthly deadline around 16th in case they were not told.

### **Movement budget : Paying for goods or services**

A rebel or co-ordinator needing payment has it approved by the BH or someone with the accountability. A BH can approve their own request. When approved, BH submits a payment request to Finance or ask Finance to pay someone, which could be an external service provider through an invoice. Payment is made by transfer from Comp Rev to a bank account. It may be the bank a/c of the circle or if it has no bank account, to the account of the requester or that of a goods or service provider.

### **VLE to those registered for VLE payroll**

Someone receiving VLE for the first time sends an email to [VLE@comprev.co.uk](mailto:VLE@comprev.co.uk) and receives an auto reply with details of how to submit a VLE claim each month. They will need to supply bank details and their BH should be aware they will be claiming. They submit their monthly claim by a deadline each month, usually around 16th using a Jot form provided by Finance. This is automatically transferred to a "Payements 2022" spreadsheet. The BH must approve it by adding their initials and the amount approved, usually the amount but may be less or 0. A BH can approve their own claims. The individual is added to the payroll and then paid monthly in line with an agreed budget for the circle.

### **VLE for self employed**

This is called CCFB and needs more info for this type of claim to be approved by Finance. A similar Jot form is completed and the claimant submits an invoice. Payments are made every few days, there is no monthly deadline.

### **Cash advance**

Sometimes during rebellion, we advance to a BH or a trusted individual a cash amount that they can use, from a rebellion budget. They must maintain records of what they have spent and submit/collect receipts. This is the same as for goods or services but payment is in advance.

### **VLE reviews**

VLE reviews should be conducted every 3 months within a circle which is eligible for receiving funds from XRUK. The principle is to ensure transparency and accountability and to review any new requests.

## **How to make queries**

Finance@comprev.co.uk - general enquiries

Payments@comprev.co.uk - payments

vle@comprev.co.uk - VLE and payroll

Budgets@comprev.co.uk - budgets

Accounts@comprev.co.uk - account queries

Queries should go to these emails in the first instance unless it's urgent than you can contact a member of Finance direct.

# Decentralisation

Suggestions and notes on how we might decentralise some Actions activities (from IBG minutes 1/4/21)

IBG need to be able to look at the cash flow, and possibly hold circles accountable- or at least empower Budget holders to do this. For example: Production seems like the biggest drain on money for a team that has had nothing to do due to the pandemic. Some ideas:

Production budget is removed and reallocated during Rebellions. They haven't spent it and I am unsure even why we give them VLE outside of Rebellions. Instead of taking AC monthly fund and giving to N&Rs, a better way of decentralising money could be to fund Arts Factories in the regions. This is something Creative have been working hard on proposing to us. Creative circle is one of the most highly functioning productive spaces that supports actions EVERYWHERE. If regions have an Arts Factory to make flags and banners, they can make actions.