

Corona Virus

Financial matters – Update 23rd April 2020

Furlough Scheme:

1: HMRC Email

A lot of clients got an email from HMRC yesterday saying they had to make their claim for a refund by last night for April and prior Furlough claims.

This was misleading in that there is no deadline on making claims for Furlough refunds presently.

The email was trying to say that if you wanted the funds in from HMRC by next Thursday to meet your salary payments going out then you needed to get the claim in by last night as it takes 6 working days to process, verify and make payment of claims.

If you missed this deadline then you do not have to wait for another month for your refund to be issued. It will be issued 6 working days after the claim goes in.

Where we complete your payroll we will be submitting your claim to HMRC on your behalf. We have large numbers of claims to go in and we are putting additional resource into getting the claims in over the next week or so. However we think it's important the claims are properly checked before they go in to avoid risk of rejection. However we hope they will all be submitted in the next 7-10 days.

If you have urgent cash needs then let us know and we will prioritise your submission.

Rest assure we will get all claims in as quickly as possible so you get you funds back without delay.

2: April Payrolls:

As you can imagine our payroll department are all working extended hours in order to process payrolls this month. Nearly every payroll has significant changes due to Furlough, SSP and other changes meaning that they are taking much longer to process than usual.

Please bear with our payroll department during this peak at the end of the month and try not to bombard them with emails and queries if not urgent. ***If you have any queries about Furlough please contact your Partner or Associate by email or phone in the first instance.***

We will be trying to get all payrolls out on time to you in order to make payment to your staff by the end of the month next Thursday.

3: Payroll Fees:

If we deal with your payroll you may be wondering when you will get your annual fees for the 2019/20 payroll work which are usually issued in early April. Due to the Coronavirus the issuing of these have been delayed but we hope to get them out to you in the next fortnight.

Where we complete your payroll we will assume unless you let us know otherwise that you want us to complete your Furlough claim from HMRC. If you do not then please let us know. There will be a small charge for the Furlough submissions which are not part of the normal payroll process. We currently anticipate it will be about £40+VAT per client per month which will be billed in due course.

CBIL – Bank Loan scheme:

This continues to get mixed press. Our information is that the banks are trying to process claims but are changing their processes as they go.

In particular Barclays have changed their application form in the last 24 hours meaning you may need to complete a new form.

It would also appear that where the request is for a lower amount then the managers have more discretion on what is needed to support the application. It may therefore be worth talking to your manager about what level of borrowing is likely to be acceptable. It may be better to reduce the request to under £100,000 to come within the managers discretion

We are also getting mixed messages about what the loan is to be used for. In nearly all cases it is to fund losses whilst there is little or no income. However these losses must be shown to be minimised as much as possible. The bank look to you having mitigated your cash outflows as much as possible before they grant a loan.

Action:

Let us know if you urgently need your Furlough submission made to HMRC

Renew Furlough with staff if the end of the initial period has been reached.

Continue to monitor your weekly cashflow and look forward at least 8 weeks

We appreciate these are difficult times and are here to support you as much as possible.

23rd April 2020

Mark Williams – mark.williams@wacoaccountants.co.uk 07894 095 264

Paul Smith – paul.smith@wacoaccountants.co.uk 07970 021 846

Chris Brown – Chris.brown@wacoaccountants.co.uk 07894 095 267

Henry Williams – Henry.williams@wacoaccountants.co.uk 07988 608 692

Ollie Sawyers – Oliver.sawyers@wacoaccountants.co.uk 07824 316 540

James Brooker – james.brooker@wacoaccountants.co.uk 07792 073 004

Williams & Co, 8/10 South Street, Epsom, Surrey, KT18 7PF