eQuality Time’s Coronovirus Response

As COO, I recommend that I am placed on furlough during the Coronavirus epidemic. This document outlines the reasons why, the process, and the possible alternatives.

Tl;dr - we will run out of money in about six months. Most of the money we would spend is on my salary. The government isl willing to cover the cost of my salary for at least two of those months.

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# Why?

When the national shutdown started, eQuality Time was in the unfortunate position of relying entirely on schools for its income. We had almost £10,000 worth of arranged work canceled, in addition to about the same amount of licence fees expected from Higher Horizons.

Effectively, we have NO expected income at this time.

As of 31/3/20, our total charity funds are: £21,324.36

If we aren’t actively running projects, our running costs are slightly short of £3,000 a month, of which 90% is the COO’s salary.

Our reserve policy states:

*As a direct consequence of its aims and the projects that it supports, eQuality Time should hold a reasonable amount of money in its accounts to cover future expenses.*

*eQuality Time commits to hold in reserve the larger of:*

* *enough money to cover any committed outgoings including the minimum salary costs associated with any employees for six months and all liabilities,*
* *£10,000*

Without income, eQuality Time will breach it’s reserve policy at the end of May, and run entirely out of money at the end of November.

# Everything we know about Coronavirus Job Retention Scheme

A key points from the below is that I can be furloughed repeatedly, as long as it is for at least three weeks at a time.

From: [COVID-19: support for businesses](https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses)

*Under the Coronavirus Job Retention Scheme, all UK employers with a* [*PAYE*](https://www.gov.uk/paye-for-employers) *scheme will be able to access support to continue paying part of their employees’ salary for those that would otherwise have been laid off during this crisis.*

*This applies to employees who have been asked to stop working, but who are being kept on the pay roll, otherwise known as ‘furloughed workers’. HMRC will reimburse 80% of their wages, up to £2,500 per month. This is to safeguard workers from being made redundant.*

*The Coronavirus Job Retention Scheme will cover the cost of wages backdated to 1 March and is initially open for 3 months, but will be extended if necessary.*

From[*Check if your employer can use the Coronavirus Job Retention Scheme*](https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme)

*If your employer chooses to place you on furlough, you will need to remain on furlough for a minimum of 3 weeks. However, your employer can place you on furlough more than once, and one period can follow straight after an existing furlough period, while the scheme is open. The scheme will be open for at least 3 months.*

*...*

*Both you and your employer must agree to put you on furlough - so speak to your employer about whether they can claim. You cannot apply for the scheme yourself. Once agreed your employer must write to you confirming you have been furloughed to be eligible to claim.*

*…*

*Your employer will get a grant to cover 80% of your monthly earnings, up to a maximum of £2,500. Firms will be eligible for the grant once you have been furloughed, from 1 March. Your employer:*

*will pay you at least 80% of your usual monthly earnings, up to a maximum of £2,500, as your wage*

*can claim for a minimum of 3 weeks and for up to 3 months - but this may be extended*

*can choose to pay you more than the grant - but they do not have to*

*You’ll still pay Income Tax, National Insurance contributions and any other deductions from your wage.*

*…*

*Your employer will need to notify you before putting you on furlough.*

*Once you are on furlough you will not be able to work for your employer, but you can undertake training or volunteer subject to public health guidance, as long as you’re not:*

*making money for your employer*

*providing services to your employer*

*If workers are required to for example, complete training courses whilst they are furloughed, then they must be paid at least the NLW/NMW for the time spent training, even if this is more than the 80% of their wage that will be subsidised.*

From:[**Further details of Coronavirus Job Retention Scheme announced**](https://www.gov.uk/government/news/further-details-of-coronavirus-job-retention-scheme-announced)

*In a move that could save businesses an extra £300 a month for each employee under the scheme,the government will now cover the employer national insurance and minimum auto-enrollment pension scheme contributions employers pay on the wages they must pay their furloughed staff – on top of the wages covered under the scheme.*

**From:** [**Claim for your employee’s wages through the Coronavirus Job Retention Scheme**](https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme)

*To claim, you will need:*

*your ePAYE reference number*

*the number of employees being furloughed*

*the claim period (start and end date)*

*amount claimed (per the minimum length of furloughing of 3 weeks)*

*your bank account number and sort code*

*your contact name*

*your phone number*

*….*

*You can choose to provide top-up salary in addition to the grant.*

*…*

*A furloughed employee can take part in volunteer work or training, as long as it does not provide services to or generate revenue for, or on behalf of your organisation.*

# COO’s recommendation.

I suggest that I am placed on furlough from 6th April for a period of three weeks in the first instance. I will use the time until 6th of April to set up appropriate processes and permissions to make sure that the organisation will function as smoothly as possible while he is away. After three weeks, I’ll come back to work, check nothing is on fire, have a short meeting with one or more trustees, who either immediately either:

* place me back under furlough,
* place me back under furlough after a set number of days to deal with urgent matters.
* Decide that national conditions have changed significantly enough to consider ending the Furlough

 This process to repeat until the scheme ends (currently end of May)

This will save almost six thousand pounds in salary costs for the organisation during this time.

# Alternatives

## Head down, work hard

There is a lot to do.

We have NO shortage of work at eQuality Time. There is considerable work to do on the Open Voice Factory that will occupy much of my time on it’s own, and there are a great many grant applications to write, which should produce some level of income.

More urgently, we are in the process of developing a virtual WWW camp to be run for the children of key workers.

This alternative is effectively “Assume that the COO will come up with something income-generating in the next six months; that is his job after all”

## Reduction in Hours

eQuality Time could reduce the overall amount of time in the COO’s contract. This saves considerably less money than the Coronavirus Job Retention Scheme, but does mean that the COO can continue to work during the crises. One issue with this is that the COO is already only working 60% of full time, so there are relatively few hours to cut.

# Next actions

* The chair of trustees to send me an official notice of furloughing.
* COO to put into place as many measures as possible for while he is away.

## Official Notice of Furloughing

There are template letters at <https://www.makeuk.org/news-and-events/news/2020/03/25/covid-19-furlough-letter-to-employee?fbclid=iwar3ba2zwunsqr9mekj26gha4w1wzy-neo--w7v0uazr-ven9nw9uva4zvko> that might be useful.