

Whitley Bay Big Local
Trustees' Report and Unaudited Accounts
for the year ended 31st March 2022
Company No. CE010450
Charity No. 1171848

Whitley Bay Big Local

Contents

1. Legal and Administrative Information
2. Trustees' Report
3. Independent Examiner's Report
4. Statement of Financial Activities
5. Balance Sheet
6. Notes to the Accounts

Whitley Bay Big Local**Legal and Administrative Information**

Trustees:	Carmen Borger – Resigned December 2021
	Jessica Burns
	Daniel Crowe
	Helen Frankenberg
	Dimitrios Farmakis
	Suzanne Halliwell
	Marie-Louise O'Hanrahan
	Brett Miller - Resigned September 2021
	Anne Hetherington
	Rob York – Resigned October 2021
Contact Address:	Deborah Frazer – Appointed June 2021
	158 Whitley Road
	Whitley Bay
	Tyne and Wear
	NE26 2LY
Independent Examiner:	P. S. Hutchinson BSc FCA
	Harrison Hutchinson Ltd
	246 Park View
	Whitley Bay
	NE26 3QX

Whitley Bay Big Local

Trustees' Report

for the year ended 31st March 2022

Structure, governance and management

The charity is constituted as a Charitable Incorporated Organisation registered with the Charity Commission under Registered Charity No.1171848.

The trustees are responsible for the management and administration of the charity. The trustees give their time freely and receive no remuneration or other financial benefits.

We welcomed one new resident trustee to the board. Three board members resigned so the charity ended the year with a board of eight trustees, five of whom are residents and three live outside the Big Local area.

Objectives and activities

The objects of the charity are:

"To promote for the benefit of the inhabitants of the community of Whitley Bay and, in particular, those inhabitants in need of relief from financial hardship due to their social and/or economic circumstances by associating together the said inhabitants, and the statutory authorities, voluntary and other organisations in a common effort to improve facilities and service provision in the interest of social welfare, community cohesion and improving conditions and life chances for local residents."

The activities of the charity are:

Whitley Bay Big Local is a community-led initiative to enable all who live or work in the Big Local area to get together to improve the community and make the town a place to be proud of.

Whitley Bay Big Local (WBBL) is one of 150 community-led groups throughout England and Wales who have been granted £1 million to be spent over 10 years as part of the Big Local funding programme. The grant is overseen by a national body called Local Trust and used to support people living in a targeted geographical community to identify issues of concern, propose solutions and resource those ideas.

The overall national programme 'outcomes' that we are working towards are:

- Communities will be better able to identify local needs and take action in response to them
- People will have increased skills and confidence, so that they continue to identify and respond to needs in the future
- The community will make a difference to the needs it prioritises
- People will feel that their area is an even better place to live.

In March 2017, after 4 years operating as an un-constituted community group, Whitley Bay Big Local registered as a Charitable Incorporated Organisation (CIO), registered with the Charity Commission in England and Wales, registration No: 1171848.

Consultation with our community highlighted key strengths such as our beautiful coastline, fantastic schools and our friendly, inclusive and creative community. However, there are a number of persistent and underlying local issues that motivate Whitley Bay Big Local Trustees to work with local people and other partners to help to make Whitley Bay a better place to live, work and visit.

Our work focused on two key 'themes' in 2021/22:

- Environment & Sustainability- helping to improve how Whitley Bay looks for residents and visitors, and reducing our impact on the world around us through sustainable business practices
- Health and wellbeing – providing activities and support to local people in Whitley Bay.

Whitley Bay Big Local

Trustees' Report (cont'd)

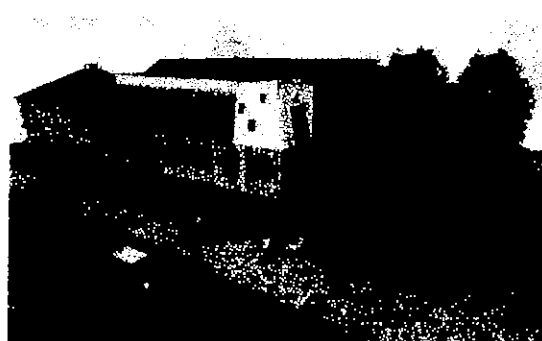
for the year ended 31st March 2022

Achievements and performance for the year ended 31st March 2022

At the start of the financial year, the United Kingdom was coming to the end of its third enforced lockdown. This meant continued uncertainty, social distancing and inability to plan or deliver sessions in what might be considered a normal way. Fortunately, by the 17 May 2021, most restrictions were lifted, meaning that we were able to return to normal to some extent. Over the course of the year we saw people slowly return to the building who we hadn't seen for years, many of whom had been living in very isolated conditions. It's been fantastic to see everyone back together, taking part in activities and supporting each other after long periods in isolation.

Since the early rounds of consultation with local residents, a key theme for Whitley Bay Big Local has been to adopt a property for community ownership. Two previous properties were considered, but purchase became impossible. In the summer of 2019, the Charity moved into the former Job Centre building at 158 Whitley Road, with the plan to purchase and refurbish the building into a sustainable community hub. Despite various COVID related setbacks, the purchase of the building went ahead in October 2021 thanks to a grant from the Department of Levelling Up, Housing and Communities 'Community Ownership Fund' and a mortgage from Charity Bank. We also received a grant of £39,900 from North of Tyne Combined Authority towards refurbishment works.

Following on from the purchase of the building and as part of our consultation activities for the new Big Local plan, we engaged local people in several rounds of community consultation and adopted their thoughts and ideas into a sustainable business plan for the development. The board approved a collective vision for the building that will see it become a 'Community Eco-Hub'. The plan is to retro-fit the building as a near zero emissions building (NZEB) and engage people in activities that inform and inspire them to make a difference locally to global environmental concerns. To achieve the ambition of developing an NZEB, trustees have engaged CEAD architects, a local architectural firm who have developed drawings and will guide the board through the process of applying for planning permission and appointing contractors. Remaining funds from the purchase of the building has been added to ringfenced funding of £169,000 to create an initial capital refurbishment fund to use as leverage to secure the required funding early in 2022. Work is set to begin in 2022.



From Job Centre Building to 'Community Eco-Hub', ambitious plans are in place to convert the newly refurbished building to a high standard for community occupation and minimize its impact on the world around it.

Whitley Bay Big Local

Trustees' Report (cont'd)

for the year ended 31st March 2022

This year was the 8th year of the Big Local grant and the 3rd year of the current three-year plan. In an effort to streamline governance of the organisation and prepare for a sustainable future post Big Local grant, changes were implemented to reduce the overall number of meetings, whilst improving accountability and ongoing consultation with local people. This change saw the arts and creativity theme group merge into a new 'Health and Wellbeing' theme. The 'Environment' theme group became 'Environment and Sustainability'. The property theme group merged into a newly formed 'Operations Group'. Going forward, the two main themes for Whitley Bay Big Local are:

Environment and Sustainability – We aim to engage people locally to address global environmental concerns

Health and Wellbeing – We aim to meet the needs of local people through the delivery of activities and initiatives to improve their health and wellbeing

We are also making more efforts to be accountable to our residents on an ongoing basis, by attending public marketplaces, events, distributing newsletters and encouraging people to have their say around the year.

Environment and sustainability

Outdoor gym, town centre bench seating and potential beach huts – these ambitious, resident led schemes involved considerable commitment from North Tyneside Council to grant permission, support and sometimes maintain these schemes. Despite investing considerable time into these initiatives, our efforts were thwarted. A compromise was agreed to place a gym of sorts on Council land, but this compromise was too much, and in the end, all three initiatives have been shelved. There is much learning about different approaches from these activities, with a new sense of understanding that self-determination of projects is necessary for budget allocation.

The **Neighbourhood Caretaker Scheme** has continued to develop and contribute to Whitley Bay as an even better place to live, work and visit. In April 2021 we recruited our first 'Tidy Town Worker' onto the payroll. The role has developed to support trainees and we have had up to six trainee gardeners working on various different projects.

We have established **Bay Leaf**, a social enterprise that offers affordable garden maintenance services for local residents. The scheme helps to make Whitley Bay a nicer place to live, whilst offering opportunities for training and support for volunteers.

Through funding received from the National Lottery's Together for Our Planet programme, we have been able to commission an **Environmental Action Plan**. The plan has involved stakeholder interviews, community consultation and action research and has identified numerous areas where we can work with local people to address global environmental concerns.

We have continued to offer Small Sparks funding to facilitate good ideas that benefit the environment, as well as community funding for large projects. This has funded initiatives such as bat boxes in Whitley Park and the makeover of a community garden.

Whitley Bay Big Local

Trustees' Report

for the year ended 31st March 2022

Health and Wellbeing:

This year saw the start of the 'Spirit of 2012' funded Bay Create project. The project is being delivered in partnership with Barnado's and our core beneficiaries. Bay Create is an inter-generational programme, with residents contributing to ambitious arts installations that will be displayed around Whitley Bay.

We have continued our core offer of drop-in support on Thursday and Friday mornings. Sessions are attended by between 25 and 40 local residents, most of whom have support needs caused by loneliness or other mental health challenges. We rely on volunteers to support the session, so we want to say a huge thank you to all.

During drop in groups we offer volunteer led activities such as sewing support and knitting groups. We have a regular benefits advisor who attends each week and have also welcomed external organisations to offer specialist advice such as Cancer Research, Age UK and Healthwatch'.

Throughout the year we expanded and improved our 'take what you need, pay what you can' pantry. In the year we have increased the number of supermarkets that we collect surplus food from. We receive weekly donations of surplus food from Fareshare and regularly get donations from partners including Tin on the Wall. Huge thanks to our regular volunteers without whom this vital service would be impossible.

Future Plans-2022/23 and beyond

Developing a 'Community Eco-Hub'

The board approved an ambitious vision to convert the former Job Centre Building into a Community Eco-Hub for Whitley Bay. This will require the board to prioritise decisions for the capital refurbishment project that reduce our dependence on grid energy and provide opportunities to inform and inspire local action to address

The capital fundraising campaign and building refurbishment is likely to dominate the agenda next year. We will apply to as many funders as possible and also look for financial support from local people towards the development. We will continue to consult with local people and submit a planning application. Once planning permission is secure we will appoint contractors, with an ambition to complete the works by the end of the financial year.

Broadening reach after COVID

As we recover from COVID and the frequent lockdowns, we look forward to being able to re-open the centre more fully and to see people return from enforced lockdowns. As we have been allowed to open for support sessions we've heard how much people came to rely on Big Local support sessions. We want to continue and

New Big Local Plan:

This year was the third year in a three-year Big Local plan. The rules of Big Local funding require the charity to demonstrate how we've consulted broadly with local people to confirm the need for the activities in the new plan. As it makes sense to consolidate consultation on the new plan with the consultation required on the building plans, the board has agreed to extend the final year in the plan for an additional four months, meaning that a final two-year plan will start in August 2022. Funding in the final plan will 'parachute down' over the next two years to provide continuation funding for the activities and team that make a huge difference to people's lives and ease the transition from Big Local funding to financial independence and sustainability.

Whitley Bay Big Local**Trustees' Report****for the year ended 31st March 2022****Financial Sustainability:**

As we reach the end of the Big Local programme, the core funding from Big Local will come to an end. A new business plan will be implemented that aims to blend trading with grant funding to ensure Whitley Bay Big Local is a going concern for the foreseeable future.

Financial review:

This year we appointed a new Treasurer (Anne Hetherington). Anne has carefully managed income and expenditure, giving the charity a steady platform from which it can confidently plan and allocate resources.

The year saw total income of £691,912 and expenditure of £278,346, realising a surplus of £413,566. Total funds carried forward were £596,655, of which £45,226 can be considered unrestricted free reserves. Free reserves are equivalent to 2 months total expenditure, however a further £50,000 has been designated by the board for refurbishment works and could be un-designated in the event of a negative financial event.

The income this year is considerably greater than usual as it contains £300,000 income from Community Ownership Fund towards the purchase of the building which was completed in November 2021. Restricted funds of £596,655 include the value of new capital items (building purchase and new condensing gas boiler) as well as grants that are held awaiting refurbishment work to start.

The balance sheet is strengthened as a result of building purchase. The building is now represented as a fixed asset, giving the charity a stable base for social/environmental impact activities and trading to ensure Whitley Bay Big Local remains a going concern.

The trustees are satisfied with the current financial position and believe Whitley Bay Big Local has a solid financial underpinning to achieve its objectives.

Whitley Bay Blg Local**Trustees' report (cont'd)****for the year ended 31st March 2022****Reserves policy**

The trustees aim to maintain unrestricted 'free' reserves at a level of between 3-6 months total expenditure to account for unanticipated losses of income. At 31st March 2022 free reserves (excluding designated funds) were £45,226, equivalent to 2 months total expenditure. The trustees intend to continue to focus on generating unrestricted income in order to raise free reserves to a level of at least three months total expenditure.

Investment policy

The charity has no long-term investments. All cash assets are held in a Lloyds instant access current account.

Statement of trustees' responsibilities

The charity trustees are responsible for preparing an annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees for the purposes of charity law who served during the year and up to the date of this report are set out on page 1. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the trustees on 12th November 2022 and signed on their behalf by



Deborah Frazer
Trustee

Whitley Bay Big Local**Independent Examiner's Report to the Trustees of
Whitley Bay Big Local
for the year ended 31st March 2022**

I report on the accounts of the charity for the year ended 31st March 2022 which are set out on pages 4 to 6.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for my work or for this report.

Respective responsibilities of the trustees and examiner

The charity's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011) and that an independent examination is needed. It is my responsibility to:

- examine the accounts (under section 145 of the Act),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act; have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

P. S. Hutchinson BSc FCA
Chartered Accountant
246 Park View
Whitley Bay
Tyne & Wear
NE26 3QX

Whitley Bay Big Local
Statement of financial activities
for the year ended 31st March 2022

	Notes	<u>Restricted</u> £	<u>Unrestricted</u> £	Totals 2022 £	Totals 2021 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	639,302	29,074	668,376	276,309
Activities for generating funds	3	-	-	-	-
Investment income		-	-	-	-
Other incoming resources	4	-	23,536	23,536	7,783
Total incoming resources		<u>639,302</u>	<u>52,610</u>	<u>691,912</u>	<u>284,092</u>
Resources expended					
Costs of generating funds					
Grants and awards		-	-	-	-
Community activities	5	40,196	2,212	42,408	30,393
Charitable activities					
Donations	6	-	-	-	3,028
Events	7	165,023	-	165,023	85,378
Governance costs	8	35,678	35,237	70,915	62,709
Total resources expended		<u>240,897</u>	<u>37,449</u>	<u>278,346</u>	<u>181,508</u>
Net incoming/(outgoing) resources		<u>398,405</u>	<u>15,161</u>	<u>413,566</u>	<u>102,584</u>
Reconciliation of funds					
Total funds brought forward		<u>103,024</u>	<u>80,065</u>	<u>183,089</u>	<u>80,505</u>
Total funds carried forward		<u>501,429</u>	<u>95,226</u>	<u>596,655</u>	<u>183,089</u>

The notes on pages 6a to 6c form an integral part of these financial statements

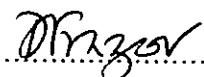
Whitley Bay Big Local

Balance sheet

As at 31st March 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets	9		342,930		-
Current assets					
Debtors	10	302,739		135,633	
Cash at bank and in hand		133,993		49,079	
		<u>436,732</u>		<u>184,712</u>	
Creditors: amounts falling due within one year	11	<u>(9,576)</u>		<u>(1,623)</u>	
Net current assets			427,156		183,089
Creditors: amounts falling year	12		(173,431)		-
Net assets		£	<u>596,655</u>	£	<u>183,089</u>
Funds					
Restricted	13		501,429		103,024
Designated	14		50,000		50,000
Unrestricted			45,226		30,065
		£	<u>596,655</u>	£	<u>183,089</u>

Approved by the trustees on 12th November 2022
and signed on their behalf by Deborah Frazer

X  Trustee

The notes on pages 6a to 6e form an integral part of these financial statements

Whitley Bay Big Local

Notes to the financial statements

for the year ended 31st March 2022

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 2011.

Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Investment income is included when received.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows;

Land and buildings – Not depreciated

Plant and machinery – 10% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Whitley Bay Big Local
Notes to the financial statements
for the year ended 31st March 2022

2. Voluntary income

	2022	2021
	£	£
Donations	7,074	737
NTC Grant	36,300	29,732
NOTCA	39,900	-
Local Trust CCC	57,999	75,933
Big Local Grant	161,318	121,777
Grants	65,785	48,130
Levelling Up, Housing and Communities Grant	300,000	-
	<u>668,376</u>	<u>276,309</u>

3. Activities for generating funds

	2022	2021
	£	£
Fundraising events	-	-
Benefit advice	-	-
Food project	-	-
Support vulnerable residents	-	-
Barnardo's	-	-
Base - shop	-	-
Delivery - roles	-	-
	<u>-</u>	<u>-</u>

4. Other incoming resources

	2022	2021
	£	£
Room hire	23,536	5,933
Other income	-	1,850
	<u>23,536</u>	<u>7,783</u>

5. Community activities

	2022	2021
	£	£
Rent	27,930	22,033
Insurance	835	1,173
Light and heat	11,787	6,069
Advertising and marketing	479	200
Telephone	1,377	918
	<u>42,408</u>	<u>30,393</u>

Whitley Bay Big Local

Notes to the financial statements

for the year ended 31st March 2022

6. Donations

	2022	2021
	£	£
Sundry	-	3,028
	-	3,028
	<u> </u>	<u> </u>

7. Events

	2022	2021
	£	£
Projects	105,151	68,668
Workers	59,872	16,710
	<u>165,023</u>	<u>85,378</u>

8. Governance

	£	£
Caretaker	3,488	2,060
Repairs	6,682	10,399
Rates	409	713
Accountancy	563	1,500
Bank charges	125	108
Travelling expenses	-	31
Professional fees	11,482	7,924
Office costs	6,206	2,743
Consultancy	1,801	-
Salaries	36,834	35,749
Sundries	-	1,482
Depreciation	1,160	-
Mortgage interest	2,165	-
	<u>70,915</u>	<u>62,709</u>

Whitley Bay Big Local

Notes to the financial statements

for the year ended 31st March 2022

9. Fixed assets

	Community building £	Plant and machinery £	Total £
Cost			
At 1st April 2021	-	-	-
Additions	332,493	11,597	344,090
Disposals	-	-	-
At 31st March 2022	<u>332,493</u>	<u>11,597</u>	<u>344,090</u>
Depreciation			
At 1st April 2021	-	-	-
On disposals	-	-	-
Charge for year	-	1,160	1,160
At 31st March 2022	<u>-</u>	<u>1,160</u>	<u>1,160</u>
Net book value			
At 31st March 2022	<u>332,493</u>	<u>10,437</u>	<u>342,930</u>
At 31st March 2021	<u>-</u>	<u>-</u>	<u>-</u>

10. Debtors

	2022 £	2021 £
Funds held by third party	-	107,549
Room hire	2,530	-
Prepayments	-	27,930
Equals	209	154
Levelling Up, Housing and Communities Grant	300,000	-
	<u>302,739</u>	<u>135,633</u>

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	420	420
Creditors	2,205	875
PAYE and NI	1,571	157
Pensions	380	171
Mortgage	5,000	-
	<u>9,576</u>	<u>1,623</u>

Whitley Bay Big Local

Notes to the financial statements

for the year ended 31st March 2022

12. Creditors: amounts falling due after one year

	2022 £	2021 £
Mortgage	173,431	-
	<u>173,431</u>	<u>-</u>

12. Restricted funds

	Balance b.fwd	Incoming resources	Resources expended	Balance c.fwd
Local Trust CCC	7,378	57,999	(56,338)	9,039
YAP Spirit of 2012	17,585	37,236	(47,718)	7,103
Big Local	73,746	161,318	(93,528)	141,536
TNL Together for our Planet	-	10,000	(3,250)	6,750
Rank Foundation Pebbles	2,800	-	(2,800)	-
NTC Public Health	-	12,000	(12,000)	-
Dr Bike	1,515	3,000	(4,515)	-
Kickstart	-	14,049	(17,281)	(3,232)
Virgin Media	-	1,000	(1,000)	-
NTC Back Lane Project	-	200	(200)	-
RW Mann Trust	-	1,000	(1,000)	-
British Science Week	-	500	(500)	-
Neighbourly/Aldi	-	800	(400)	400
NTC John O'Shea	-	300	(300)	-
NOTCA	-	39,900	(12,073)	27,827
Community building	-	300,000	1,569	301,569
Capitalised items	-	-	10,437	10,437
	<u>103,024</u>	<u>639,302</u>	<u>(240,897)</u>	<u>501,429</u>

14. Designated funds

	Balance b.fwd	Incoming resources	Resources expended	Balance c.fwd
Purchase and refurbishment	50,000	-	-	50,000
	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>

The Charity will sometimes raise funds to meet particular objectives but the donor chooses not to restrict the Charity in how the funds are to be used. These funds are legally unrestricted but the Trustees choose to designate the purpose for which the funds are to be used.