

DEBT AND MONEY

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THE UNION
MANCHESTER
METROPOLITAN
UNIVERSITY

DEBT AND MONEY

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Most students have to cope with a very tight budget, so it's important to manage your money effectively to avoid financial pressures affecting your studies and enjoyment of university life.

As there is little emergency support available to students, it helps if you can establish a realistic budget early in the year and stick to it.

SETTING UP A BANK ACCOUNT

Managing your finances will centre around your bank account, so make sure to compare the services available.

DO

- Choose a bank or building society that is easy to access (e.g. near campus).
- Make sure your chosen bank understands students' needs.
- Check whether it is worth transferring your home account to a university branch.
- Understand what your overdraft limit is to avoid high bank charges and interest rates.
- Speak to your bank immediately if you break your overdraft limit and explain the situation.
- Sign up for internet banking to access your statements at any time of day.
- Make sure that you understand the terms of any credit you are thinking of using.
- Avoid expensive credit, such as unauthorised bank overdrafts or pay day loans.

DON'T

- Rely on overdrafts as an additional source of income.
- Go over agreed limits without checking whether it is permitted.
- Avoid tackling problems. Seek help from the Advice Centre as soon as possible.

HAVING PROBLEMS SETTING UP YOUR ACCOUNT?
DROP IN AND SPEAK TO US

KNOWING YOUR INCOME

IF YOU'RE UNSURE ABOUT ANY ASPECT OF YOUR INCOME DROP IN AND SPEAK TO US

THINGS YOU SHOULD KNOW

- How much money you are guaranteed to receive.
- When and how your money will be paid.
- Deadlines for making claims.
- The rules for grant, loan and benefit entitlement.

REMEMBER
YOUR INCOME MAY COME IN AT DIFFERENT TIMES AND OVER DIFFERENT PERIODS - FOR INSTANCE, YOUR MAINTENANCE LOAN IS RECEIVED ONCE A TERM AND YOUR WAGES MAY BE PAID MONTHLY.

USEFUL INFO

The MMU year broken down

Autumn Term 17 Sept - 14 Dec 2018	13 weeks	First term's loan is paid (plus grants in limited circumstances). Payment usually received three days after term starts on 17 September.
Winter vacation	3 weeks	No funding payable.
Spring Term 7 Jan - 5 Apr 2019	13 weeks	Second term's student finance is paid on 7 January.
Easter vacation	3 weeks	No funding payable.
Summer Term 29 Apr - 21 Jun 2019	10 weeks	Third terms funding is paid on 29 April.
Summer vacation	12 weeks	No loan or grant payable – many students need to seek work. If you have children or disabilities you may be entitled to government benefits. Contact the Advice Centre.

10 WAYS TO INCREASE YOUR INCOME

1. Apply for your full student support entitlement. The Advice Centre can help check that you are in receipt of all the student support you are entitled to and help resolve any issues you are having with student finance.
2. Find a part-time or holiday job that will fit in with your studies.
3. Apply to the University's Day to Day Fund. This is a non-repayable award for students in dire financial hardship. The Advice Centre will assist you with the application.
4. If you have a disability, check whether you qualify for Disabled Students' Allowance (DSA) from Student Finance. Contact the University Disability Service.
5. If you are on a part-time undergraduate course, apply for tuition fee support from Student Finance.
6. Claim a rebate if you have overpaid Income Tax. Visit www.gov.uk/claim-tax-refund.
7. Check that your tax code is correct if you are working.
8. Check your eligibility for benefits if you have children, are disabled, a part time student or over 60. You can do this with the Advice Centre.
9. Apply to charitable trusts for an award. Details are available at the Advice Centre and reference libraries.
10. Take in a lodger, but firstly check with the landlord or mortgage lender that your contract or agreement allows this. This may affect benefit entitlement, so check with the Advice Centre.

MANAGING YOUR OUTGOINGS

REMEMBER
AVERAGE THESE COSTS OUT OVER AN APPROPRIATE PERIOD SO THAT YOU ARE SETTING ASIDE MONEY REGULARLY TO COVER THEM.

COSTS TO KEEP IN MIND

- Regular outgoings for term-time and the holidays.
- Lifestyle costs such as clothes and entertainment.
- Unforeseen costs and emergencies.
- Irregular costs such as dissertation binding and field trips.

USING YOUR MET CARD

If you are eligible for the MMU Support Package, some of that support may come in the form of a Met Card.

You should look carefully at the options available for spending that money and try to use it instead of the money you have in your bank account, to ensure that you make the best use of it.

These payments are paid in two instalments during the academic year:

- £375 in term one – 17 October 2018
- £375 in term two – 23 January 2019

TOP 10 WAYS TO CUT YOUR COSTS

1. If you have a mortgage, discuss with your lender ways in which monthly payments can be reduced.
2. Look at ways of reducing rent costs. The Advice Centre can advise on housing matters.
3. Re-negotiate debt and credit card repayments to manageable amounts.
4. Consider various ways to budget fuel costs and arrears. If you are already on a budget scheme, make sure the payments reflect your usage.
5. Check all bills carefully. If you receive an estimated fuel bill, compare it with the actual meter reading. If the estimate is low or high you can ask to have the bill adjusted.
6. Check whether your possessions can be included on your parents' home contents insurance policy. Or get quotes from several

insurance companies. Specialist student insurance can be more expensive than ordinary insurance policies, so compare the premiums and terms and conditions.

7. Find out about money saving schemes available to students, such as discounts on goods, entertainment and travel.
8. Apply for help with NHS costs, using the HC1 form. Available from the Advice Centre, doctors, dentists and opticians.
9. Avoid paying a summer retainer on your accommodation, either by negotiating with the landlord or by securing your accommodation in late August or early September.
10. Book travel home well in advance to get cheaper fares.

BALANCING YOUR BUDGET

10 WAYS TO MAINTAIN A HEALTHY BALANCE

1. Put money for essentials aside (rent, bills etc.) before spending on other items.
2. Treat money owed to the University with the utmost priority. The University can impose sanctions for unpaid debts and can even suspend you from your course.
3. Get a mini statement whenever you use the cash machine at the

bank or use a banking app on your phone and set up alerts.

4. Check your bank statements at least once a month. Keep them in case you need to apply to the Day to Day Fund, which requires statements from the previous three months.
5. Sign up to internet banking, which is available from most high street banks. This will help you stay aware of your finances at all times.
6. Consider paying your bills by monthly or fortnightly instalments.

7. Don't move out of your accommodation early without checking your legal position. You could be left owing a large debt to your landlord. See the Advice Centre for housing help.
8. Apply to the Day to Day Fund in plenty of time - it will take at least four weeks to process.
9. Respond to letters from the bank promptly.
10. If you get into financial difficulty, seek help quickly. Come and see the Advice Centre.

NEED ADVICE ON BUDGETING? DROP IN AND SPEAK TO US

REMEMBER

- Calculate expected income and expenditure and plan ahead.
- Review your budget regularly.
- Allow for unexpected expenditure and emergencies.
- Be aware that essential expenditure will vary from week to week and term to term.

USE OUR EXPENDITURE SHEET TO HELP MANAGE YOUR BUDGET

FIXED COSTS	£ PER WEEK
Rent/mortgage	
Council Tax (if applicable)	
Water rates	
Electricity	
Gas	
Possessions insurance	
TV License	
Childcare	
TOTAL: FIXED COSTS	
VARIABLE COSTS	
Food and housekeeping	
Telephone: landline	
Internet	
Telephone: mobile	
Travel: university	
Travel: home (for holidays)	
Car: road tax	
Car: insurance	
Car: repairs/servicing	
Car: petrol	
Clothing	
Laundry	
Course costs (books, printing, photocopying etc)	
Toiletries/personal expenditure	
Medical costs/prescriptions (if no HC1)	
Entertainment	
Birthdays and Christmas	
Sports, hobbies, leisure	
Credit card payments	
Loan repayments	
Other	
TOTAL: VARIABLE COSTS	
TOTAL: EXPENDITURE	

INCOME	£ PER WEEK
Maintenance Loan	
Maintenance Grant	
MMU Bursary/Student Support Package	
Parents' contribution	
Wages	
Day to Day Fund	
Childcare Grant	
Parents' Learning Allowance	
Adult Dependants' Grant	
Child Benefit	
Child Tax Credits	
Maintenance payments	
Other	
TOTAL: INCOME	

SUMMARY	£ PER WEEK
TOTAL: income	
TOTAL: expenditure	
BALANCE/SHORTFALL	

NOTES

COPING WITH DEBT

If you are already in debt or you anticipate problems in the future, it is important to seek help as soon as possible. The Advice Centre can advise on the options available to you. We offer a free debt management service and can help by negotiating manageable repayment plans with your creditors.

IF YOU'RE WORRIED THAT YOU ARE UNABLE TO DEAL WITH YOUR DEBTS DROP IN AND SPEAK TO US

IF YOU OWE MONEY TO MMU YOU MAY:

- Have problems re-enrolling.
- Be suspended from your studies.
- Have your MMU bursary withheld.
- Have your IT and library access withdrawn.
- Not be able to receive your degree certificate after graduation.

DEALING WITH DEBT STEP BY STEP

- 1. Check that you actually owe the money.** For example, does the electricity bill cover a period before you moved in or should Student Finance England be paying your tuition fees?
- 2. Make sure you get full details of the money owed.** How much is it, when from, and is the charge an estimate or an actual amount?
- 3. Work out what you can afford to pay.** Like making a budget this involves listing your income and expenditure. However, now you need to work from the position of "what is the least I need to spend" instead of "how much do I have to spend".
- 4. Determine the priority of your debt.**
PRIORITY DEBTS
 - Rent arrears
 - Utility arrears
 - Council tax arrears
 - Court fines and debts to MMU

- Utility arrears
- Council tax arrears
- Court fines and debts to MMU

NON-PRIORITY

- Credit cards
- Overdrafts
- Store cards

HOW REPAYMENT IS CALCULATED

Most debt work looks at monthly payment plans, as the majority of people are paid monthly. If you are receiving your student support termly, you may wish to offer a termly amount. You may also need to think about the difference between term-time and summer.

Once you are happy with your financial statement and payment plan, you need to make the offer to the creditor. We usually suggest that this is done in writing so that the creditor can examine your financial statement rather than trying to make a decision over the phone or pressurise you into paying more than you can afford.

The National Debtline is a useful website with many helpful resources such as sample letters.
<https://www.nationaldebtline.org>

We have produced a separate fact sheet on owing money to MMU including sample letters and financial statements.

CONTACT US

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Disclaimer: The Union has made every effort to ensure that the information in this leaflet is accurate. The Union cannot be held responsible for the consequences of any action taken as a result of reading this leaflet. Before taking any action you are advised to visit the Advice Centre.

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