

# DEBT AND MONEY

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THE UNION  
MANCHESTER  
METROPOLITAN  
UNIVERSITY

# DEBT AND MONEY

This booklet contains tips and advice to help you feel more confident about managing your money. This can help you feel more in control and secure, so you can get on with enjoying University with as few financial pressures.

And if you're struggling to cope, we are here to help.

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# SETTING UP A BANK ACCOUNT

Different banks offer different services, and some will benefit you more than others. Compare accounts to get the best one for you.

## TRY TO CONSIDER

- + A bank of building society that is easy to access e.g. near to campus. If you need to go into a branch, this will make things easier.
- + Picking a bank that understand students' needs.
- + Whether it is worth transferring your home account to a university branch.
- + Being clear about what your arranged overdraft limit is and staying within this, 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.

## TRY TO AVOID

- + Rely on overdrafts as an additional source of income.
- + Go over agreed limits without checking whether it is permitted.
- + Tackling problems alone. 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

Making sure you are getting all the money you are entitled to, and that you know when and how you will get it, will help you cover all your expenses.

With a clear idea of your income, you can create a realistic budget that will help you to stay in control of your finances.

## USEFUL INFO

Your Maintenance Loan is received once a term, at the start of each term. Here are the University's 20/21 term dates so you know when to expect your payments.

<b>Autumn Term</b> 14 Sept - 11 Dec 2020	13 weeks	First term's loan is paid (plus grants in limited circumstances). Payment usually received three days after term starts.
<b>Winter vacation</b>	3 weeks	No funding payable.
<b>Spring Term</b> 4 Jan - 1 Apr 2021	13 weeks	Second term's student finance is paid on 4 January.
<b>Easter vacation</b>	3 weeks	No funding payable.
<b>Summer Term</b> 26 Apr - 18 Jun 2021	8 weeks	Third terms funding is paid on 26 April.
<b>Summer vacation</b>	12 weeks	There is no loan or grant payable, and many students consider seeking work. If you have children or disabilities you may be entitled to government benefits. Contact the Advice Centre.

## 11 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. You can find current student job vacancies at the University at Jobs4Students, and student vacancies at The Union on our website. The University Careers Service can also give you advice on finding work.
3. Apply to the University's Day to Day Fund. This is a non-repayable award for students in financial hardship. The Advice Centre will assist you with the application. (<https://www2.mmu.ac.uk/student-life/finance/support/support-funds/>)
4. If you are studying a pre-registration healthcare course at either an Undergraduate or Postgraduate level, you might be eligible for the NHS Learning Support Fund. The Advice Centre can give you more information.
5. If you have a disability, check whether you qualify for Disabled Students' Allowance (DSA) from Student Finance. Contact the University Disability Service.
6. If you are on a part-time undergraduate course, apply for support from Student Finance.
7. Claim a rebate if you have overpaid Income Tax. Visit [www.gov.uk/claim-tax-refund](https://www.gov.uk/claim-tax-refund).
8. Check that your tax code is correct if you are working. Your tax code sets how much tax is taken out of your pay.
9. 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.
10. Apply to charitable trusts for an award. Details are available at the Advice Centre and reference libraries.
11. If you have a spare room, consider taking 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.

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

# MANAGING YOUR OUTGOINGS

It's important to know what all your expenses are, and when you are expected to make any payments. These payment dates might not coincide with the dates you receive any income, so you should set aside money regularly to make sure you can cover upcoming costs.

Your costs will include regular outgoings such as rent, and you should also try to set aside money for irregular costs such as field trips, and unforeseen costs.

Your maximum income will determine what you can afford, so figure this out before you sign into any contracts such as a rental agreement or phone contract, to help make sure you can afford them. Contracts are typically legally binding and there are usually consequences for missing payments.

If you expect your income won't cover all your outgoings then you will need to consider ways to improve your income, ways to reduce your outgoings, and prioritising which payments to pay first. Contact the Advice Centre and we can help you explore your options.

## 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 – 14 October 2020
- + £375 in term two – 20 January 2021

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.

## 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
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.

# CREATING A BUDGET

A budget is just a plan of your income and expenses over a period of time. It might take a little time to begin with, but making a budget will help you cover all your expenses and could even help you save for the things you really want. The steps to making a budget are simple and straightforward and you can use our template on the next page to help you with this

1. List all of your outgoings across either across an academic year or calendar year. This could include things like rent, energy bills and a TV license. Average these out across a weekly or monthly basis and try to be realistic about any variable costs such as food and clothing. Add these all up.
2. List all your total income across the same period of time. This could include things like your Maintenance Loan payments, pay from work and any bursaries. Average these out across a weekly or monthly basis.
3. Deduct your weekly or monthly expenditure from your income. If there is a shortfall, you will need to consider ways to balance your budget.

Your income and expenditure may change, and your essential expenditure will vary from week to week and term to term. Spend some time regularly reviewing your budget so that it is accurate, and helps you to plan ahead.

**NEED ADVICE ON  
BUDGETING?**  
DROP IN AND SPEAK  
TO US

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	
<b>TOTAL: FIXED COSTS</b>	

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	
<b>TOTAL: VARIABLE COSTS</b>	
<b>TOTAL: EXPENDITURE</b>	

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	
<b>TOTAL: INCOME</b>	

SUMMARY	£ PER WEEK
TOTAL: income	
TOTAL: expenditure	
<b>BALANCE/SHORTFALL</b>	

NOTES
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# 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

# 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

### 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.

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# 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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