



Registration of Welsh Universities

Introduction

This guidance has been produced to help trustees of those Higher Education Institutions which are required to register with the Charity Commission. It highlights the role of charity trustees and explains what it means to be a registered charity.

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Why do Welsh Universities have to register?

Universities have always been charities, and governors/council members have always been trustees. Their role and responsibilities are set out later in this guidance.

Trustees have always had to comply with charity law, but some charities were 'exempt' from both the requirement to register and other regulatory requirements.

The Charities Act 2006 (now the [Charities Act 2011](#)) changed the way exempt charities are regulated in order to make them more accountable. Exempt charities now have their own principal regulator, or they have to be registered with the Commission.

The Higher Education Funding Council for England is acting as the principal regulator for most of the English Universities, but Welsh Higher Education Institutions have no principal regulator and are therefore required to register with the Commission.

What is the role of the Charity Commission?

The Charity Commission is the independent regulator for charitable activity and promotes public trust and confidence in charities by:

- ensuring legal compliance;
- enhancing accountability;
- encouraging effectiveness and impact; and
- promoting the public interest in charity.
- We achieve this by:
 - maintaining the Register of Charities;
 - providing advice and consent when required; and
 - producing guidance.

What is the role of a trustee?

Trustees are the people who serve on the governing body of a charity. They may be known as trustees, directors, board members, governors or committee members.

Trustees have, and must accept, ultimate responsibility for directing the affairs of their charity. They ensure it is solvent and well-run and delivers the charitable outcomes for the benefit of the public for which it was set up. Trustees need to keep in mind the following areas of responsibility.

Ensuring compliance

Trustees must ensure that their charity complies with:

- Charity law, and the requirements of the Charity Commission as regulator; in particular trustees must ensure that the charity prepares reports on its work, and submits Annual Returns and accounts as required by law.
- The provisions set out in the charity's own governing document. All trustees should have a copy of this document and be familiar with it.
- The requirements of other legislation and other regulators (if any) which govern the activities of the charity; these will vary according to the type of work the charity carries out and whether it employs staff or volunteers.
- The requirement for trustees to act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

Duty of prudence

Trustees must:

- Ensure that the charity is and will remain solvent; this means keeping themselves informed of the charity's activities and financial position.
- Use charitable funds and assets wisely, and only to further the purposes and interests of the charity.
- Avoid undertaking activities that might place the charity's property, funds, assets or reputation at undue risk.
- Take special care when investing the funds of the charity, or borrowing funds for the charity to use.

Duty of care

Trustees must:

- Exercise reasonable care and skill as trustees, using personal knowledge and experience to ensure that the charity is well-run and efficient.
- Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

Please see: [The Essential Trustee : What you need to know \(CC3\)](#) for further information.

What does being a registered charity mean?

Charities have a charity registration number

Trustees of registered charities, with a gross income of £10,000 or more in the last financial year, are required by section 39 of the Charities Act 2011 to state on a range of official documents that the charity is a registered charity.

The documents on which the statement must appear include:

- notices;
- advertisements;
- material placed on websites; and
- other documents issued by or on behalf of a charity intended to persuade the reader to give money or property to the charity.

Trustees must comply with charity law as set out in the Charities Act 2011. In particular, they:

- will need to follow certain statutory requirements when disposing of land

Trustees can usually sell or lease charity land without authority from us if they comply with certain legal requirements.

Part 7 of the Charities Act 2011 sets out the requirements that trustees must comply with when disposing of property. Briefly, these requirements are to:

- obtain and consider a written report from a qualified surveyor;
- advertise the disposal following advice from the surveyor; and
- decide they are satisfied that the proposed terms are the best that can reasonably be obtained in the circumstances of the disposal.

There are circumstances when our consent is required, for example where there is no power of sale, the trust on which a university property is held stipulates it must be used for a certain purpose, or the disposal is to a connected party.

Guidance on disposing of charity land which describes these circumstances in detail is available in [Sales, leases, transfers or mortgages \(CC28\)](#).

- may need our consent to pay trustees or connected parties

Trustees must not put themselves in a position where their personal interests conflict with their duty to act in the interests of the charity unless authorised to do so. That authority will come from statute, the charity's governing document or from the Charity Commission.

Trustees of universities, who are also paid employees, will need to have their payment authorised. Usually this authority already exists in the university's governing document but if it does not, or there is an additional proposal to pay trustees, our consent will be needed. This also applies to connected parties (spouses, children etc.) where there is financial interdependence.

Trustees may receive payment to cover legitimate expenses and there are special requirements for trustees when providing services and goods.

In all cases where trustees are receiving a benefit from the charity, the conflict of interest must be properly managed.

Full guidance on paying trustees can be found on our guidance [Trustee Expenses and Payments \(CC11\)](#).

- need to let us know if changes are made to the governing document

The law requires trustees of registered charities to tell us about changes to their charity's governing document so that the Register of Charities can be kept up to date.

Trustees must send details of changes to us, and include:

- what the changes were;
- evidence that changes were properly made;
- the date the special resolution was passed.

- need to send us an Annual Return and Accounts

What do trustees need to send us?

Charities with an annual income over £1 million must currently send us the following documents within 10 months of the end of their financial year:

An Annual Return which includes:

Part A - Charity information

This information forms part of the charity's entry on the Register, and includes key areas such as contact and trustee details as well as income and expenditure.

Part B - Financial information

This contains detailed financial information about the charity and requires a final version of the published accounts to be prepared. This section should be completed by someone who is familiar with those accounts. The information given is displayed on the charity's Register entry in a graphical form to illustrate the income, spending and assets of the charity.

Part C - Summary information return (SIR)

The SIR provides an easily accessible summary of the charity's key aims, activities and achievements. It is displayed on the charity's entry on our web Register to help the public understand what the charity does and how it has performed. Parts A and B of the Annual Return have to be submitted before Part C is made available online.

Reporting serious incidents

In completing the form, trustees must confirm that there are no serious incidents or other matters that they should report and have not already brought to our attention.

Our guidance - Reporting serious incidents provides more information.

Trustees' Annual Report (TAR) and accounts

When you submit the return online, you can attach the TAR and accounts. They may be in a combined document or separate documents, but must be in PDF format.

The guidance - Charity Accounting and Reporting on our website provides more information.

However, please note that although the guidance refers to the Charities SORP we will accept accounts that comply with the latest HE/FE SORP.

Can the charity submit online?

Yes. Trustees can [obtain a password](#) from us that allows them to:

- Complete and submit the Annual Return
- Send us Accounts and Annual Report
- View and amend the charity's details