

Charities that are connected with non-charitable organisations

Duties and principles: at a glance

Keep the charity separate – don't blur the boundaries

- Do you have evidence that if you share names, websites, offices or operational activity, the charity can be easily distinguished from the non-charitable organisation?
- How do you independently review the charity's relationship with the non-charitable organisation?
- Are the charity's senior staff connected to the non-charitable organisation? How do you manage this conflict?

Make independent decisions

- How do you identify the charity's best interests, and ensure that the interests of the non-charitable organisation does not influence your decisions?
- Do you look at a range of relevant material to help you make fully informed decisions?
- Do you ask questions and properly scrutinise information from, or about, the non-charitable organisation?

Be open and accountable

- Do you make the required external disclosures about the relationship, for example on your website and in your accounts?
- Does your record-keeping provide evidence that you are acting in accordance with your legal duties?
- Does the non-charitable organisation avoid giving the impression that it is the charity?

Comply with your legal duties

Place your trustee duties at the centre of your actions and decisions when managing the relationship with the non-charitable organisation.

For example, you must act **only in the charity's best interests**

You must **only further the charity's purposes** for the public benefit, not the aims of the non-charitable organisation

Manage the risks, review the relationship

- Can you identify if the risks have changed? For example, if the non-charitable organisation:
 - enters into new relationships with third parties
 - doesn't comply fully with a funding agreement
 - issues a controversial press statement without your knowledge
 - acts in breach of the law
- Could you bring the connection to an end?

Avoid conflicts of interest and loyalty

- Do you support the aims of the non-charitable organisation; is there a conflict of loyalty in play?
- How good are your procedures at helping you identify if trustees are conflicted?

Personal benefits

- Do trustees or connected persons receive payment from the charity or from the non-charitable organisation?
- Are these authorised?

Use written agreements / contracts

- Do you have proper agreements in place to cover: sharing staff, offices, intellectual property; working together; providing or receiving funds?
- Does the charity have adequate protection if things went wrong?