



News

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Trustees: do you know the questions you need to ask?

Are you part of an effective trustee board? Has your board got a great plan for the charity's future success? Can your charity cope with any funding difficulties facing it now? If you're not confident of these answers, you can use our checklist '[Charity governance, finance and resilience: 15 questions trustees should ask](#)' to help with these and other key questions that will help you operate effectively. These 15 questions can help you:

- structure discussions about what your charity does and how it does it
- make sure your charity is financially secure, even in tough economic times

- develop plans and timetables for action
- demonstrate you are responding appropriately to change

Be sure to use the links provided in the checklist to find commission guidance covering:

- strategy - opportunities and risks
- financial health
- governance, including safeguarding
- making the best use of resources

Have you read our reserves guidance yet?

Trustees should feel supported and have help to make the right call about how much to hold in reserves, without feeling overburdened. That's why [we've updated our guidance](#), to make it clearer and more streamlined. It's important for charities to have a policy explaining their approach to reserves. We know that there is no single level or even a range of reserves that is right for all charities. Any target set by trustees for the level of reserves to be held, or decision that there is no need for reserves, should reflect the particular circumstances of

the individual charity. Check our guidance for an explanation of:

- what reserves are
- the importance of having a reserves policy and how to develop one
- the legal requirements for publishing your policy and reporting on it
- what trustees should do to keep proper oversight of their charity's reserves
- the importance of reserves in maintaining your charity's activities

As regulator there is a limit on how much we can do and we understand that these are individual decisions for trustees to make. Ahead of a full review of the guidance later this year, we hope these tools will help you manage any difficulties properly and with confidence. It's also important that trustees keep their level of reserves under review throughout the year. Where a charity hasn't got the reserves it thinks it needs, it is exposed to greater risk and we would encourage trustees to address this actively. [Read more about reserves](#).

Transforming your commission

All charities will at some point interact with the commission, whether this is to file their accounts, complete their annual return, or update their charity's details. We are invested in making the user journey through essential services, faster, easier, more intuitive and above all more accurate. In the near future we will be launching a digital survey and need your

continuing feedback to help us identify challenges within our current systems.

As part of our digital transformation, we will be launching the annual return 2016 in the next few months. [Keep an eye on our home page](#) for further updates.

The new online registration service is here

The commission recently launched the public beta of the new online registration service. It offers improvements to users including:

- clearer application forms
- auto prompting and completion
- introduction of tailored question sets for charity types
- a charity name check facility
- hard copy printing

- quicker turnaround times

This is the first of the commission's new digital services, transforming the experience trustees have with the commission, which will become 'digital by default'. The service will make it easier for applicants to provide the commission with the information it needs to be able to make a quicker registration decision where appropriate.

The new beta version will run in parallel with the existing registration service for a short period, giving applicants the opportunity to become familiar with, and apply using the new service. We would encourage users to give us feedback on the new service as we continue to refine it. [Make sure you check our homepage](#) for more information.

Enabling charities to improve their work

Our inquiries are not always based on complaints or compliance issues. Some of our recent case work highlights where we have worked with a charity to enable them to continue with their mission. For example:

- [Barnsley Metropolitan Borough Council](#) asked for advice on behalf of the Lacewood School charity on

the sale of its old school site to fund educational grants for young people in the area

- [Shakespeare Birthplace Trust](#) received professional advice on the sale of land not of historical interest - the commission clarified what was within its powers as a charity

Guidance update for managing financial difficulties

We recognise that charities operate in a very challenging environment, with many charities facing a daily challenge of making ends meet. That's why it is all the more important that trustees are in control of their charity's finances. [Our updated guidance](#) recommends that trustees review their charity's financial position and its performance against budgets and future projections at least once a month. It explains:

- trustee duties in relation to the protection of charity assets
- what trustees need to know about the charity's assets and if their use is restricted
- when a charity may face insolvency if it's unable to pay its debts
- when trustees may be liable for any debts as they fall due

Trustees are encouraged to keep the finances of their charity under regular review. The extent of the review should vary according to the size and stability of the charity. This analysis of financial trends and deviations from budget predictions can assist in the early identification of financial problems.

Public meeting Southampton

On Monday 29 February, the commission held its first live-streamed public meeting as part of an effort to improve services and interaction through digital technology. There are a number of digital improvements to our services and communications in the pipeline and through this, we're hoping to attract a wider audience and make it easier for trustees to access our information and services.

Key highlights of the day included:

- a speech by our Chairman William Shawcross asking charities to pull together and show worthiness of the privileged place they hold in society

- sessions on:
 - lessons from our casework
 - the digital-by-default agenda, including what this means for our digital services on offer to charities
 - our [new fundraising guidance](#)
 - a discussion on the implications of charities contributing to our funding

The transcript of William's speech is [available on GOV.UK](#). For details about the next public meeting, [keep an eye on our homepage](#), where a recording of February's public meeting will shortly be made available.

Funding non-charitable organisations: new draft guidance

Charities can further their purposes by funding other charities, or in some cases, organisations that aren't charities; to carry out charitable work or projects. This grant funding can benefit causes or groups which otherwise struggle to obtain the support they need. If you are considering a grant to an organisation that isn't a charity, make sure you understand the risks and boundaries before you start. Remember, organisations that aren't charities don't have to

deliver a public benefit or stick to charitable objectives. However, any grant you make must only be used for activities that are within your charity's purposes. Some of the factors we expect trustees to take into account:

- make sure you understand your own charity's purposes
- take reasonable steps to assess risks and carry out due diligence or assurance processes on the organisation

- have appropriate governance systems and procedures in place for making decisions about grants

We've published this new [draft guidance](#) to help trustees make informed decisions about funding non-charities. We value your feedback, please send any comments or suggestions to policydgr@charitycommission.gov.uk.

Guidance update for Gift Aid: charities and their trading subsidiaries

Some charities engage in trading as a way to raise funds or to further their objects. If your charity has a wholly-owned trading subsidiary, you'll need to check the limits on the Gift Aid that the subsidiary can pay over to the charity. We've updated section 4.5 of our guidance Trustees trading and tax (CC35) to clarify the limit; we've also included links to [related guidance on](#)

[the tax, accounting and company law considerations](#). It's important to apply the limits to any financial year starting on or after 1 April 2015 and to decide on the action to take if previous payments have been over this limit.

Are your contact details up-to-date?

It's important to make sure that we have the correct contact details for your charity's named contacts. This includes providing us with an address that is checked regularly and a correct email address, so we can get in touch with you quickly and easily. Please take a moment to [log in to our online portal](#) to check that we have the correct information for your charity.

Charities (Protection and Social Investment) Act 2016

On 16 March, the Charities (Protection and Social Investment) Bill received Royal Assent and became an act.

There are some changes in the new act which all charities will need to be aware of:

- people who have committed certain offences will be disqualified from being a trustee or taking certain roles in a charity
- new rules relating to agreements which charities make with professional fundraisers and commercial participators
- new requirements about the information relating to fundraising which is to be included in larger charities' annual reports
- a new power for charities to make social investments

None of these changes have come into force yet. Some will do so in the next few months but we expect that some of them will not be implemented for over a year, allowing sufficient time for charities to understand how the changes might affect them, and take any actions which may be needed. Keep an eye out for the [next CC News](#), [follow us on Twitter](#) and [check our homepage](#), to ensure that you have all the information you need about these changes.

The act also gives the commission a number of new powers which will strengthen our ability to tackle the most serious forms of abuse. For a lot of charities the powers will have no direct impact but all will benefit from the increase in public trust and confidence that will flow from charities being better regulated. Amongst other things, when these powers come into force the commission will be able to disqualify unfit individuals from trusteeship and give official warnings.

A new guide to the chair-chief executive relationship

The Association of Chairs has produced a new guide to help chairs explore and strengthen the relationship that they have with their CEO. Forging a successful chair-CEO relationship is a key part of the

chair's role but one that is often challenging in practice. It is vital that chairs invest time, energy and effort in making it a success. The guide provides pointers for when things go wrong, offers insights

from research and identifies what is needed at key stages in the chair-CEO relationship. It may also be useful to vice chairs, trustees, CEOs and governance advisers. [Download your free copy.](#)

Late filing of accounts

Have you filed your charity's accounts yet? As this goes to press **11,928 charities** have not complied with all their filing requirements. If your charity's income is over £25,000, your accounts must be digitally filed with the commission. Make sure you:

- check your work before you submit to ensure the right information has been sent to us
- create, or make sure you have created a password to access our secure online services
- ensure you record your charity's income in whole pounds, not decimals

- remember that the tick box asking if accounts are qualified means that **an independent auditor or examiner has concerns** about some aspects of the accounts

The commission takes failure to file very seriously and it can affect not only your status as a charity but also your reputation with supporters and grant funders. We would encourage trustees to do their part to ensure that charities remain transparent and maintain public trust and confidence in charities as a whole. Find instructions for how to file [in our 'Prepare a charity annual return' guidance](#). Want to find out whether charities in your local area have complied? [Use the register of charities advanced search](#).



Want to keep up with all our news, guidance and events? Make sure you're following us on Twitter @ChtyCommission