



NEWS

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Resilience in a recession

Introduction by Dame Suzi Leather

For many charities, times are increasingly tough. Our second Economic Survey of Charities, covered in this issue, shows how the impact of the recession is deepening and widening. Trustees will be trying to do whatever they can to sustain their charities and vital services during these difficult times. Some may find new opportunities, such as rising volunteer numbers or ways of working collaboratively with other charities.

Knowing where to start to review processes for survival can be daunting and not all charities have the same service areas and frameworks. This issue of the

newsletter includes a separate Checklist which trustees can use as a set of practical suggestions to discuss governance issues and options for their charities.

I would strongly encourage recipients of this newsletter to ask their trustee boards to use the Checklist as a basis for discussing the opportunities on offer and actions they can take. Extra copies of the Checklist can be downloaded from our website at www.charitycommission.gov.uk

In the current climate, clearly explaining the impact of what your charity does will be more important than ever. This issue covers the illustrative examples we've produced

to help trustees meet the public benefit reporting requirement. It also includes new initiatives and reports which charities may find useful and survey results which throw new light on the charity/beneficiary relationship.

We are committed to doing everything we can to help you. For the sake of the growing number of people who will need charities this year, I very much hope the sector will be able to weather the storm in 2009, as it has done through so many difficult times before.

Suzi Leather

Dame Suzi Leather, Chair

www.charitycommission.gov.uk

Our strategy in action

Further help to tell your public benefit story

All charities with financial years starting on or after 1 April 2008 will now have to report on the public benefit their work delivers using the Trustees' Annual Report (TAR).

To help develop trustees' thinking we have published five examples of how public benefit can be described in a TAR. These fictional examples include a drugs advice centre, a grant-making charity, a youth club, a church and a fee-charging independent school. The examples cover charities both under the £500,000 audit threshold and those above it, and are available from our website under 'Public benefit guidance'.

These examples shouldn't be treated as 'templates' but will hopefully show trustees how to report on the public benefit their charities' deliver in a clear and straightforward way. We'll be adding more examples to this library over the next few months.

We've also published four additional sets of supplementary public benefit guidance - for charities with purposes that include:

- The Advancement of Religion for the Public Benefit
- The Prevention or Relief of Poverty for the Public Benefit

- The Advancement of Education for the Public Benefit
- Public Benefit and Fee-charging

All the guidance relating to the public benefit requirement is available to download from our website

www.charitycommission.gov.uk under 'Public benefit guidance'.

Further consultations on draft supplementary guidance on the public benefit of charities with other charitable purposes, such as benevolent funds and the advancement of human rights, will follow later this year.

Economic downturn – the impact on charities

Our most recent *Economic Survey of Charities*, published in March, revealed the deepening impact of the recession on charities in England and Wales. In our first survey, published last September, 38% of charities surveyed said they had been hit by the credit crunch; the most recent figure has now risen to 52%. Of these, 58% have

experienced a decrease in income.

While 32% of the charities surveyed said they have taken steps to combat the effects of the recession, only 3% had considered collaborating with another charity and 3% had considered merging.

Working collaboratively with other charities may help share expertise

and costs. We'd encourage trustees to consider collaborative working as an opportunity to help mitigate the risks the financial downturn brings.

More information on the survey's findings is available from our website under 'Promoting Effective Performance' and then 'Surveys'.

Beneficiaries and you

Beneficiaries are the primary reason that charities exist. Who they are, what they expect and how they are treated must be of central importance to each and every charity. In February, we published new research into the relationship between the two. *A Balancing Act: New perspectives on the charity/beneficiary relationship* examines, for the first time, public perceptions of using charity services as well as

the different ways in which charities address beneficiary involvement and satisfaction.

The report contains many examples of good practice but also a number of areas which some charities might find it timely to consider.





Handling complaints

Only 29% of the charities we surveyed stated they had a complaints or feedback procedure. This figure doesn't represent any improvement since our 2006 report, *Cause for Complaint?*, into how charities manage complaints about their services. Charities urgently need to get to grips with this issue.

Cause for Complaint? is available to download from our website under 'Publications' and is a good place to start for charities who want to benefit from the enhanced accountability and improved services which an effective complaints management system can bring.

Passing it on

Few charities can help everyone who approaches them, whether through lack of resources or because the request is outside the services a particular charity provides. The obvious thing to do in these situations, if you know of another

organisation which could help, is to refer people onwards - yet 13% of charities who responded to our research said they never do so.

As the recession bites, it's inevitable that there will be more people approaching charities for help and likely that charities will see

their incomes diminish. In these circumstances, it's more necessary than ever that if a charity can't help, but knows another organisation that can, that they have an established referral process.

Still in the red?

Our new online Register of charities shows at a glance which charities are overdue with their annual returns and accounts, making it even more important that charities send in these documents on time. However, many charities don't understand why they are

still showing as overdue on the Register when they have sent in their accounts but not their annual returns.

Because we use income details from the annual return, we need both sets of documents - both the accounts and the annual return -

before we can update a charity's entry on the on-line Register.

Guidance on completing these documents, *Annual Returns and Help with Preparing Charity Accounts and Reports*, can be found on our website under 'Meeting our requirements'.

Registering as a charity - make life easier

We regularly receive requests, generally from a charity's legal advisors, for hard copies of the application form to register as a charity (CC5a), the trustee declaration form (CC5c) and model governing documents. Responding to these requests takes time and so delays a charity's registration date.

All these documents are available to download and print out immediately from our website. Applicants can print off these documents at any stage, saving time and resources. Online application documents printed off have exactly the same legal standing as hard copies.

Those who help would-be charities apply for registration may like to know that registering a charity can now be done online. Our online registration service is a quick and easy way of getting registration application forms and governing documents to the Commission. The user-friendly system will provide you with online guidance throughout the form-completion process, and allows you to save the form at any time and come back to it later if you wish.

Using the online application system will reduce the time it takes to



assess your application and complete charity registration.

Would-be charities and their advisers may also find it helpful to know that there are a wide range of example objects available to download from our website. Example objects covering most types of charity can be found on our website under 'About Charities.'

Reporting serious incidents

We've encountered a few cases already this year of charities experiencing a serious incident but failing to let us know until the situation had escalated. Serious incident reporting is all about letting us know about a serious

problem as soon as possible so that we can offer advice at the earliest opportunity. If your charity has an income over £25,000 you *must*, as part of the Annual Return, confirm that there are no serious incidents relating to your charity over the

past year that you haven't brought to our attention.

However, serious incidents should be reported to us immediately, not just on completion of the Annual Return.

What counts as a serious incident?

Generally, a serious incident is one which has, or could, result in a significant loss of funds or a significant risk to a charity's property, work, beneficiaries or reputation, including:

- Fraud, theft or significant loss of funds or other property
- Significant sums of money or other property donated to the charity from an unknown or unverified source
- Any known or alleged links to a banned organisation, terrorist or other unlawful activity
- Someone currently acting as a trustee who is disqualified from that role
- Charities dealing with vulnerable beneficiaries not having a policy to safeguard them
- No vetting procedure to ensure trustees or staff are eligible to act in that role
- Suspicions, allegations and incidents of abuse or mistreatment of beneficiaries
- The charity having been subject to a criminal investigation or one by another regulator or agency, or having had sanctions imposed or concerns raised by another regulator or agency, such as the Health and Safety Executive or Ofsted

Find out more

For more information on reporting serious incidents see 'Reporting serious incidents' on our website under 'Meeting our Requirements'.

Update on the Charitable Incorporated Organisation (CIO)



Last year, we ran a joint consultation with the Office of the Third Sector on the secondary legislation and model constitutions needed to complete the legal framework for the CIO. We received an excellent level of response, given the highly technical nature of the consultation.

The Office of the Third Sector is reviewing all the responses in detail, and expects to make

a number of changes to the framework as a result. A summary of consultation responses and next steps will be published later in the Summer, but the CIO is not expected to be an option available for charities until April 2010.

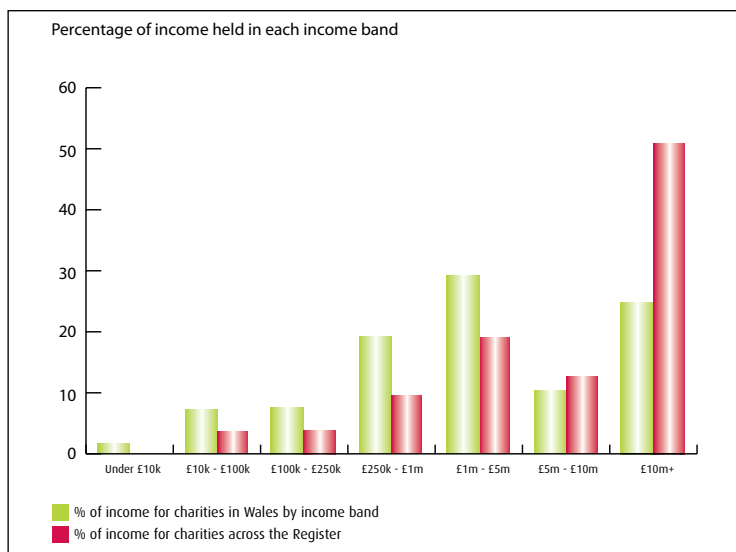
Spotlight on charities in Wales

The charity sector in Wales differs in some key respects from that of England. In February, for the first time, we published an overview of charities in Wales. A *snapshot of charities in Wales* showed that 90% of the 9,000 charities in Wales work solely in Wales and are run by nearly 42,000 trustees.

The report shows that the breakdown of charities in Wales by income band is slightly different to the breakdown of charities across the Register. The number of small

charities, with income under £1 million, for example, is larger than the proportion of small charities across the Register as a whole. It also shows that Wales has a smaller proportion of larger charities, those with incomes over £5 million, than the Register as a whole. Together, charities in Wales have a combined income of £1 billion.

A *snapshot of charities in Wales* can be found on our website at the end of the list of the 'CC' series guidance under 'Publications'.



Going green, starting small

Many charities want to take environmental responsibility but either don't know where to start, are concerned about the cost or are not sure if doing so is within their charitable objects. While charity law doesn't require charities with non-environmental charitable purposes to engage in environmental activity, we support and encourage all charities considering developing environmentally sustainable practices as one way of maximising their effectiveness.

In December we published a report, *Going Green: Charities and environmental responsibility*, which looked at the experiences of 21 charities interested in tackling the green challenge.

Interestingly, the report shows that charities are often implementing

greener ways of working as the result of pressure from key individuals within the organisation. The risk here, of course, is that when these individuals move on the impetus for organisational change can become lost or diluted.

Encouragingly, *Going Green* shows there are a wide range of ways in which the ways charities run their businesses can increase environmental sustainability from transport to suppliers to recycling – even the smallest changes can make a difference.

The report provides a range of examples and further sources of advice and support; it's available from our website under 'Publications'.

Excepted charities - now registering

The requirement for 'excepted' charities with annual incomes of over £100,000 to register with the Commission came into force at the end of January 2009.

Excepted charities are 'excepted' from the requirement to register with us, either by legislation or by an order from us. Most excepted charities are connected with churches and chapels, charitable funds of the armed forces or Scout and Guide groups.

These charities must now apply to us for registration if their income is over £100,000 a year, unless we send them a written decision saying they don't need to do so. We'll only make such a decision if the charity's income has risen above the registration threshold due to exceptional circumstances and will fall below it in the future.

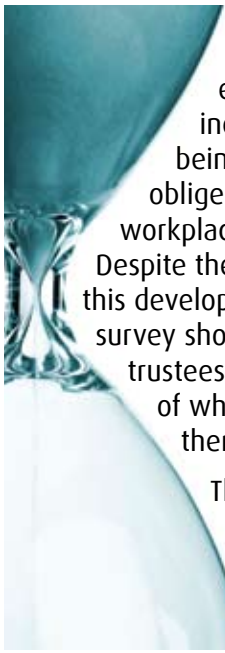
Excepted charities with annual incomes under £100,000 don't have to register with us until 2012; allowing time for a review of the Charities Act 2006 in 2011.

We aim to register the 4,000 – 5,000 excepted charities above the threshold by 1 October this year. For more information please see 'Excepted charities registration timetable' under 'Registering a charity' on our website.

When these excepted charities have been registered we will start registering those exempt charities with annual incomes over £100,000 who will be eligible to register. The first of these charities will be eligible to register from late Autumn 2009.

Good governance in action

Countdown to 2012



October 2012 will see all employers, including charities, being legally obliged to offer a workplace pension.

Despite the importance of this development, a recent survey showed many charity trustees remain unaware of what it will mean for them.

The new duties are part of a programme of wider government

pension reforms that aim to make saving for retirement the norm. The new duties mean employers will be obliged to automatically enrol eligible workers into a qualifying workplace pension scheme and make a contribution.

A minimum employer contribution of 3% on a band of earnings will be required, although employers can put in more. The total minimum contribution for eligible workers should equal 8%, made up of employer contributions, worker contributions and tax relief. To help employers, the minimum contribution will be phased in from 1% to 3%.

As part of these overarching reforms the government has created the National Employment Savings Trust (NEST) to provide a low charge workplace pension scheme that any employer can use. NEST will be run as a trust-based occupational pension scheme and is aimed at low to medium earners, many of whom will not have had access to a workplace pension before. Employers can choose NEST, or another qualifying scheme.

For more information visit www.nestpensions.org.uk

Going all out for Gift Aid

In the current climate, it's more important than ever that charities make sure they claim and maximise Gift Aid. To enable more charities to do so, HM Revenue & Customs (HMRC) have launched a CD-based Toolkit.

The Toolkit contains clear, basic guidance, templates, an interactive claim form and other materials to help charities and community amateur sports clubs (CASCs)

get started with Gift Aid and use Gift Aid in different fundraising situations. The Toolkit complements the updated and improved guidance on the HMRC website.

Charities and CASCs can get the new Toolkit by calling HMRC Charities on 08453 020 203 or e-mailing charities@hmrc.gov.uk.

The Institute of Fundraising also provides information and advice on all forms of tax-effective giving

through its dedicated helpline: 0845 458 4586 and website: www.tax-effectivegiving.org.uk and has launched the online discussion forum:

www.giftaidhelp.org to match Gift Aid experts with fundraisers in need of support. The Institute also provides comprehensive one-day training workshops for small charities on charitable tax reliefs. Workshops are located throughout England and Wales.

Land on your feet

New land registration rules affect non-company charities from April 6 2009. If your charity owns land that:

- isn't registered under the Land Registration Acts; and
- is vested in the names of individual trustees; and
- is transferred to a new trustee by deed after 6 April 2009,

then it will probably have to be registered with the Land Registry. The only exception is land that is

held under a lease which has less than seven years to run. If you register the land voluntarily before the next transfer you will get a 25% discount on the normal Land Registry first registration fee.

More information is available in two Land Registry Practice Guides – *First Registrations (No1)* and *Charities (No14)*. Both are available from the Land Registry website at www.landregistry.gov.uk or from your local Land Registry office.

You can also use the Land Registry website to check if your charity's land is registered.

One way of avoiding transfers of charity land to new trustees is to vest it in the Official Custodian for Charities. See our publication .

We strongly recommend that trustees always consider whether they need professional advice when dealing with issues involving land.

Free health and safety advice

Health and safety issues can easily be overlooked during periods of high pressure. But for charities, often increasingly dipping into their reserves just to stay afloat, a major health and safety incident can be the final straw.

Fortunately for a whole range of smaller organisations, the HSE has produced an extensive range

of example risk assessments on their website. These include start-to-finish steps for a charity shop, village hall, call centre and an office-based organisation.

While they shouldn't be treated as one-size-fits-all assessments which can just be rubber-stamped by the board, they do provide useful examples checklists from which

charities of different types can implement reviews of their health and safety risks and put them right.

The HSE's website at www.hse.gov.uk also contains the practical *Five steps to risk assessment* which covers the initial basic steps in a straightforward, sensible way.

Finding and keeping your trustees

Effective trustee boards are more important now than ever; but we know that many charities struggle with recruiting and integrating new trustees. Charity Trustee Networks (CTN) has launched two initiatives to help:

Trusteefinder

This is an online bank of 6,000 trustee vacancies which can be searched to find vacancies anywhere in the UK. Charities and trustees can register for free on the website and post their own trustee vacancies which can then be searched by anyone looking for a trustee role themselves. To post a new vacancy go to www.trusteefinder.org.uk

In a recession there may be many more people available and keen to take on this role so it's worth taking the time to use such sites. Other sites which offer volunteering services include REACH www.reach-online.org.uk and the national volunteering database www.do-it.org.uk

Developing codes of conduct

Virtually all boards encounter issues such as conflicts of interest, uncertainty about responsibilities or difficult one-to-one relationships. The commitment by a board to a code of conduct, however informal, can help to prevent these types of problems or tackle them effectively when they occur.

CTN has produced *Codes of Conduct for Trustees*, a free to download practical resource to help trustees work well together, avoid problems on the board and provide tools to address them should they arise – without things getting personal.

Codes of Conduct for Trustees includes sample codes of conduct, useful tools, signposting to other resources and case studies showing how other charities have used codes of conduct. It's available to download from www.trusteenet.org.uk/resources/codes-conduct-trustees-ctn-booklet

Membership of the Fundraising Standards Board

These days, fundraising is higher than ever on many trustees' agendas. Aside from income from contracts and grants, public fundraising is often a charity's main relationship with the public and having a good fundraising reputation, and demonstrating best practice, is important.

More than 1,000 charities have now signed up to the Fundraising Standards Board's (FRSB) self-regulatory membership scheme for fundraising. Members display the 'give with confidence' tick on their fundraising materials, giving existing and potential donors assurance of the charity's

commitment to the FRSB's Fundraising Promise and its key principles:

- Committed to high standards
- Honest and open
- Clear
- Respectful
- Fair and reasonable
- Accountable

Membership fees start at £30 a year for charities with the lowest levels of income tiered to £5,000 at the top end. Self-regulation is a sector-wide commitment to the highest standards of fundraising.

For more information visit www.frsb.org.uk or call 0845 402 5442.





Questions, questions

Q Our new funder says we need to give them a 'registration certificate'. Can you send us one?

A This is a fairly common misunderstanding – we don't actually produce such certificates. What funders are generally after is proof that your organisation is a registered charity. You can provide them with either an electronic link

to your charity's register entry online or print it off yourself and let them have the hard copy.

Q I'm probably over-reacting but if Swine Flu escalates we may have to cancel our AGM. Can we use email or post to register votes on proposals?

A This situation has actually happened before, during the outbreak of Foot and Mouth disease in 2001. We agreed

then that a charity can accept postal or email votes for a one-off occasion without having to add a specific provision to its governing document. Doing this on a regular basis would require a change to the governing document but as a one-off such as an AGM it's fine.

How to contact us

Charity Commission Direct for general queries and to contact any of our offices:

Email

If you would like versions of this newsletter either in Welsh or on CD please order from Charity Commission Direct on 0845 300 0218.

Your comments and suggestions for improving this letter are welcome. Please write to CC News Editor at the Charity Commission address above or email.

Main contacts of charities will automatically receive an email from us whenever a new edition of Charity Commission News is published on our website provided we have an up-to-date email address for them. If you are the main contact for a charity and you need to update your details, you can do this via our website from this page:

http://www.charitycommission.gov.uk/Manage_your_charity/Change_details_index.aspx

Even if you are not your charity's main contact you can still receive updates. Anyone can do this quickly and easily by subscribing to our new *Charity Commission News* email update service from this page:

<http://www.charitycommission.gov.uk/rss/default.aspx>

From the same page, you can also sign up to receive general updates too. This service provides details of new and updated guidance, reports, consultations and forthcoming events.

big board talk

...the conversation
all charities need to have

The economic downturn

15 questions trustees need to ask



Introduction

The Charity Commission is the independent regulator of charities in England and Wales. Our aim is to provide the best possible regulation of charities in order to increase their effectiveness and public trust and confidence in the work they do.

In light of the current recession, we have produced a practical tool, in the form of this checklist, for trustees to use. We have designed the checklist to be suitable for all charities to use. The 15 main questions will not all be relevant to every charity – it will depend on a charity's size and how it operates. The checklist reflects a good practice approach that charities should use when regularly reviewing the way they operate, and this approach becomes especially important during an economic downturn.

The checklist is a template which can be used by different types and sizes of charity, and adapted to suit particular circumstances. It is intended to help structure a discussion as an agenda item at a trustee meeting, away day discussion or planning meeting. It will also help the trustees to develop a plan and timetable for action. The Charity Commission strongly encourages trustee boards of all charities to use this checklist.

If your board carefully works through the areas in this checklist that relate to your charity, it will help to demonstrate that your trustees are acting appropriately in the current circumstances.

To help focus the discussion the checklist is organised into four broad areas:

- Strategy – opportunities and risks (A)
- Financial health (B)
- Governance (C)
- Making best use of resources (D)

Our guidance on various topics is signposted throughout the checklist and is available on our website www.charitycommission.gov.uk.

Checklist

A. Strategy – opportunities and risks

1. What effect is the economic downturn having on our charity and its activities?

- What is the impact of the economic downturn on the environment in which we operate?
- How can we best reflect the downturn's possible implications in any scenario or forward planning that we do?
- Are we focussing on the right things, or have we drifted into activities that are over and above our core charitable purposes? If we have, is it justified?
- Are there opportunities of which we could take advantage? For example:
 - an increasing pool of volunteers, including those with different skills
 - cheaper accommodation or equipment costs
 - opportunities to re-negotiate contracts
- Are there particular risks we should consider? For example:
 - increased or reduced demand for services, or changes in the type of services needed
 - reduced income from investments
 - funding uncertainty in some areas
- Is there a need for us to rethink whether we want to continue operating?

For further information:

Managing in a Downturn www.cfdg.org.uk

B. Financial health

2. Are we financially strong enough to sustain our operations?

- Do we have up to date information about our charity's finances, cash flow and debts/obligations?
- Do we have access to the right type of financial advice?
- Based on the information we have:
 - do we know what might happen to our future income?
 - can we protect (or increase) our current income?
 - can we continue our programme of activities for the foreseeable future?
 - can we make our money go further, for example by identifying costs we can cut?
 - can we fulfil our contractual obligations?
 - can we meet our financial commitments as they fall due?
 - are we financially solvent?
- Are we clear about the core activities we want to sustain under any circumstances?
- Are we clear about the prospects for the longer term?

For further information:

Managing financial difficulties and insolvency in charities (CC12)

3. Do we know what impact the economic climate is having on our donors and support for our charity?

- How secure is our funding, for example contracts from other bodies for service delivery, statutory funding or grants, for the foreseeable future?
- Is it possible to diversify or broaden our sources of income?
- Do we need to rethink our fundraising strategy?
- Are there new opportunities, or current approaches which need to change?

For further information:

Charities and Fundraising (CC20)

Introductory Pack on Funding and Finance - www.ncvo-vol.org.uk/

Institute of Fundraising – www.institute-of-fundraising.org.uk

4. Do we have any reserves?

- Do we have a reserves policy? If not, why not?
- Do we know the level of our reserves?
- In what circumstances do we intend to use our reserves – is now the right time?
- Have we considered:
 - new priorities or needs which have arisen because of the economic downturn?
 - spending from our reserves in order to reduce the impact of the downturn on our beneficiaries?
 - a longer term strategy to replenish reserves, or spending them in their entirety?
 - using reserves to restructure our work ?

For further information:

Charities' Reserves (CC19)

Charity Reserves and Defined Benefit Pension Schemes www.charitycommission.gov.uk/supportingcharities/pensions.asp

Accounting and Reporting for Charities: Statement of Recommended Practice (SORP) www.charity-commission.gov.uk/investigations/sorp/sorp05docs.asp

5. Have we reviewed our banking arrangements and, where relevant, our investments?

- Have we recently reviewed our banking arrangements - for example, the willingness of our bank to lend money?
- What can we do about any reductions in the level of income generated by our investments?
- Have we revisited our investment policies, in the light of the economic downturn, to ensure that they are appropriate for current and future needs?
- Have we reviewed the diversity, suitability and risks associated with our spread of investments?

For further information:

Investment of Charitable Funds (CC14)

Understanding charitable investments: available from www.cafonline.org

6. Have we reviewed our contractual commitments, for example office leases, rental agreements, equipment hire?

- Do we know what our contractual commitments are?
- Do we understand the obligations of any existing or new contracts?
- Are these obligations manageable in the current economic climate?
- Can we terminate any contracts we are party to if necessary?
- Should we review any contracts we have with fundraisers?
- If we cannot meet the terms of a contract are we aware of the financial and reputational risks we could face?

For further information:

Charities and Risk Management - www.charitycommission.gov.uk/investigations/charrisk.asp

7. Have we reviewed any contracts to deliver public services?

- Do we understand the obligations of any existing or new contracts?
- Are these obligations manageable in the current economic climate?
- Can we terminate any contracts we are party to if necessary?
- If we cannot meet the terms of a contract are we aware of the financial and reputational risks we could face?
- Have we planned for what happens when the contract ends?

For further information:

Charities and Public Service Delivery (CC37)

Introductory Pack on Funding and Finance www.ncvo-vol.org.uk/publications

8. If we have a pension scheme, have we reviewed it recently?

- Do we know the risks and liabilities attached to our charity's pension scheme?
- What plans do we have to manage those risks and liabilities?
- Should we get specialist advice?

For further information:

Charity Reserves and Defined Benefit Pension Schemes www.charitycommission.gov.uk/supportingcharities/pensions.asp

Defined Benefit Pension Schemes – Questions and answers www.charitycommission.gov.uk/supportingcharities/dpps.asp

Alert to the risks in the downturn – statement by the Pensions Regulator www.thepensionsregulator.gov.uk/whatsNew/pn09-04.aspx

9. How can we make best use of any permanent endowment investments we hold?

- Have we thought about finding money for the charity's purposes by making use of the greater flexibility to spend permanent endowment offered by the Charities Act 2006?

For further information:

Charities Act 2006: what trustees need to know http://www.cabinetoffice.gov.uk/third_sector/law_and_regulation/charities_act_2006.aspx

Permanent Endowment (OG44) - www.charitycommission.gov.uk/supportingcharities/ogs/index044.asp

C. Governance

10. Are we an effective trustee body?

- Have we recently reviewed our performance as a trustee body?
- Have we recently reviewed the skills, knowledge and experience we have as a trustee body? Have the needs changed in the current circumstances?
- Are we aware of the importance of effective communication and negotiation with those with an interest in our charity, including our staff?
- Do we have the guidance we need to ensure that our decisions are made in the best interests of our charity and its beneficiaries?
- Do we need to monitor the charity's affairs more closely, for example by meeting more frequently?
- Do we feel able to take difficult or unpopular decisions if needed, for example on:
 - stopping some activities
 - staffing
 - staff benefits

For further information:

Hallmarks of an Effective Charity (CC10)

The Essential Trustee (CC3)

11. Do we have adequate safeguards in place to prevent fraud?

- Do we have proper financial controls and procedures in place to prevent fraud?
- Do they need reviewing and updating, to take account of the increased risk of fraud as a result of the economic downturn?
- Are there controls and procedures in place to reduce the risk of misuse of personal data?

For further information:

Internal Financial Controls (CC8)

Fraud Advisory Panel - www.fraudadvisorypanel.org

Fraud in the Charitable Sector: report available on - http://www.fraudadvisorypanel.org/newsite/pdf_show.php?id=104

D. Making best use of resources

12. Are we making the best use of the financial benefits we have as a charity?

- Do we understand how to make the most of Gift Aid?
- Are we making the most of our potential tax relief as a charity?
- Are we aware of government financial help available for charities during the recession? If yes, have we considered whether it is appropriate for our charity, and whether to apply for it?

For further information:

Gift Aid - www.hmrc.gov.uk/charities/gift-aid.htm

Charities and tax/trading - www.hmrc.gov.uk/charities/news.htm

Trustees, trading and tax (CC35) www.charitycommission.gov.uk/publications/cc35.asp

Government Action Plan - www.cabinetoffice.gov.uk/third_sector

13. Are we making the best use of our staff and volunteers?

- Are we aware of our obligations as employers and do we know where to go for further information?
- Do our staff have the right mix of skills and experience that our charity needs to be effective?
- Could we introduce more flexible patterns of working in order to focus our resources where most needed?
- Do we need the same type and number of staff? Are there better opportunities to recruit in a more competitive job market?
- Do we think that there is more potential to give people an opportunity to volunteer for our charity in the current circumstances?
- Are we proactive in attracting potential volunteers and have we reviewed the way we support and use them?

For further information:

Good Employment Guide - UK Workforce hub www.ukworkforcehub.org.uk/hr/good-employment-guide

ACAS www.acas.org.uk

Volunteering England - www.volunteering.org.uk

14. Have we considered collaborating with other charities?

- Are there activities that we think could be run more effectively by working with others, such as sharing equipment, sharing staff, running joint training sessions, or sharing back office services?
- Do we know how to identify other charities with similar purposes operating in our area that we could contact to discuss possible collaboration or joint working?
- Should we consider the possibility of a formal merger with another charity or charities in the interests of our beneficiaries?

For further information:

The Register of Charities: gives full details of all charities registered with the Charity Commission - www.charitycommission.gov.uk

Collaborative working and merger resources - www.charitycommission.gov.uk/enhancingcharities/cwmresources.asp

Collaborative Working and Mergers: An Introduction (CC34)

NCVO - www.ncvo-vol.org.uk/collaborativeworking/

15. Are we making the best use we can of our property?

- Have we thought about how we use any assets, such as buildings or equipment we own or rent? Could we use them differently, share them with others, re-negotiate terms or sell them?
- Is this a good time to buy property instead of renting it?

For further information:

Sales, leases, transfers or mortgages: What trustees need to know about disposing of charity land (CC28)

To see the Charity Commission guidance mentioned above:

View and/or print from our website www.charitycommission.gov.uk;

Order during opening hours – Monday to Friday 08.00-20.00 and 9.00-13.00 Saturdays by phoning

0845 300 0218 or Typetalk: **0845 300 0219**

Write to **Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG**

Other sources of information on addressing the economic downturn:

Association of Chief Executives of Voluntary Organisations (ACEVO) www.recessionsupport.org.uk

Charity Finance Directors' Group (CFDG) www.cfdg.org.uk/

National Association for Voluntary and Community Action (NAVCA) www.navca.org.uk/localvs/recession/

National Council for Voluntary Organisations (NCVO) www.ncvo-vol.org.uk/topics.asp?id=11798

Office of the Third Sector www.cabinetoffice.gov.uk

County Voluntary Councils in Wales www.sustainablefundingcymru.org.uk/help/cvcs

Wales Council for Voluntary Action (WCVA) www.wcva.org.uk