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Faith in Focus

The newsletter from the Faith & Social Cohesion Unit

Welcome

Welcome to the first edition of the Faith and Social Cohesion Unit's newsletter – Faith in Focus. I'd like to take this opportunity to tell you about what we do and what we can do for you and your organisation. As the independent regulator of charities in England and Wales the Charity Commission works with organisations from many different faiths every day. Last year the Charity Commission recruited a dedicated team to continue and develop this work with faith-based organisations.

The Faith and Social Cohesion Unit has a bold vision – our aim is to enhance and advance high standards of governance and accountability among faith-based groups, promote the benefits of registering as a charity, and promote the valuable contribution these charities make to society. In

short by helping the Charity Commission become better at meeting your needs, we hope we will help you become better at serving your communities, which will help you get the recognition you deserve for the contribution you make.

So what can we do for you? If you are involved with a faith-based organisation such as a Mosque or community centre that is not a registered charity then our team can offer advice on the registration process. We can even arrange for workshops to be held in your local area on how – and why – to register. If you are already a registered charity we can provide you with a whole range of free specialist advice and guidance, and we can also direct you towards appropriate training and networking opportunities.

I hope this first edition of Faith in Focus gives an insight into the work we are doing with organisations like yours, and provides useful information on aspects of charity law which affect you and your organisation. Further information about the work of the Faith and Social Cohesion Unit is available on the Charity Commission's website:

www.charitycommission.gov.uk

Ghulam Rasool
Head of the Faith and Social Cohesion Unit (FSCU)

Should you ... register as a charity?

Does your organisation have charitable purposes?
(eg advancing religion, education or the relief of poverty)

and

Do you have an income of over £5,000?

then

You must register with the Charity Commission
In accordance with Charities Act 2006 you must register your organisation (including places of worship) if you are a charity with income over £5000.

What is a charity?

Charities are as diverse as British society. They range from small local groups with few resources to international household names with budgets of millions.

Of the 190,000 registered charities in England and Wales we estimate, from the information charities have given us, that around 29,000 charities are either expressly set up to advance religion or have a faith-based approach to their work.

Being a charity is not a matter of preference or opinion, but a matter of law. If an organisation is set up solely for charitable purposes and has an annual income of over £5000 then in most cases it needs to be registered with us. This duty applies even when your organisation has registered its property with the Local Authority under the Places of Worship Registration Act. In many cases we can still regulate an organisation which is a charity even if it is not registered with us, and its trustees will have the legal duties and responsibilities expected of charity trustees.

Historically, the concept of charity has been closely linked with a religious sense of duty about helping others. Faith-based organisations often provide assistance to those in need, and may provide a focus for their community through a place of worship or community centre. Any such activity would normally be considered charitable.

Benefits of registering as a charity

- People are more likely to offer time, energy or money to a registered charity.
- Many grant-makers only give to registered charities.
- Charities do not normally have to pay income or corporation tax (in the case of some types of income), capital gains tax, or stamp duty, and gifts to charities are free of inheritance tax.
- Charities pay no more than 20% of normal business rates on the buildings that they use and occupy to further their charitable aims. Charities are also entitled to a compulsory 80% relief from Council Tax imposed by Local Authorities;

and in many cases the relief given is 100%.

- Charities registered with the Charity Commission have the benefit of a charity registration number and the badge or brand of charity, for fundraising purposes, and can maximise the financial benefit through Gift Aid arrangements.

Next steps

Registering as a charity is probably less complicated than you think. Information about how to register can be found on our website under Registering as a Charity here: www.charitycommission.gov.uk/registration/default.asp

For further advice you can also contact the Faith and Social Cohesion Unit team via:

Email: FSCUinfo@charitycommission.gsi.gov.uk

Tel: 020 7674 2442

Fax: 020 7674 2300

Policy in practice

The **Charities Act 2006** has brought in a number of changes which are important for religious charities. Details of the main provisions and when they are being implemented can be found on our website at www.charitycommission.gov.uk in the 'About Us' section.

An important change for charities advancing a religion is that, like all other charities, they now have to be

able to demonstrate, explicitly, that their aims are for the public benefit. The public benefit provisions in the Charities Act came into force in April 2008 and we published general guidance on the subject, Charities and Public Benefit, for all charity trustees at the start of this year. This guidance can be downloaded from our website, or you can order a hard copy by calling **Charity Commission Direct** on **0845 300 0218**.

Later this year we'll be finalising our supplementary guidance on public benefit for charities that advance religion after holding a four month consultation with a wide variety of faith-based organisations. Look out for the final guidance on our website later in the year or contact the **Faith and Social Cohesion Unit** on **0207 674 2442** for further information.

News and views

In March the Faith and Social Cohesion Unit held two regional events with members of the Muslim community. Around 300 delegates attended the events, representing Mosques, Muslim charities or voluntary organisations, and national and regional Muslim umbrella organisations. The launch and consultation events were held in Birmingham and London, and gave



Birmingham event

participants an opportunity to hear about the work of the new team, and the team the chance to listen to views on how to develop its service and help charities perform as effectively as possible.

The events also provided advice on a number of key areas including: the implications of the Charities Act 2006 for faith-based charities, and the benefits of charity registration and the process involved.

We have had lots of good feedback from the two events which will be extremely helpful in developing the work of the faith team, and we'll be using the information we have gathered to help shape our thinking as we move forward. For information about upcoming news and events, please see the Faith and Social Cohesion Unit's pages on our website at: www.charitycommission.gov.uk/tcc/faithsc.asp



London event

Spotlight on ... the Mosques and Imams National Advisory Body (MINAB)

Said Ferjani, Chair of the MINAB
(Rotating Chair May 2008 – July 2008)

The Mosques and Imams National Advisory Board (MINAB) was formally launched in June 2006. Set up by the Al-Khoei Foundation, British Muslim Forum, Muslim Association of Britain and Muslim Council of Britain, we are an independent body which aims to work with and represent all Muslim traditions and schools of thought.

The MINAB is an advisory body that facilitates self-regulation through getting consensus from members to develop quality standards, to which members will aspire towards. Its advisory role is to provide guidance and build the capacity of members so they can move towards achievement of the agreed standards.

We have been working closely with the Charity Commission's Faith and Social Cohesion Unit since it was established last year. It is heartening to see the Charity Commission's new team working with various Muslim

organisations, charities and Mosques, to promote the benefits of registering as a charity and to ensure that governance within charities is strengthened, helping faith communities play their legitimate role in building a vibrant society.

We see our relationship with the Faith and Social Cohesion Unit as key to helping Muslim organisations effectively serve their communities. Our relationship with the Charity

Commission's team is strikingly similar to the relationship between the General Medical Council (GMC) and the British Medical Association (BMA). The GMC ensures adherence to the minimum statutory requirements while the BMA compliments and extends the work

of the GMC by promoting wider good practice beyond the minimum requirements. I very much hope that by working together we can strengthen Muslim charities and promote the good work they are doing in communities across the country today.

For more information about the work of MINAB, please see our website: www.minab.org.uk



Getting in touch

We are keen to hear from you. The Faith and Social Cohesion Unit has a team of outreach officers who can assist faith-based charities. For more information about the team's work, contact us at:



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