



# News

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## Managing financial difficulties and insolvency

Trustees are expected to know and understand their charity's financial position so it can continue to operate effectively. The commission has produced [guidance](#) which

explains the key elements of effective financial management and details the role of trustees; it also explains the potential liabilities which a trustee might incur, and

outlines the role of the commission where charities are facing insolvency or are winding up.

## Have you read 'The essential trustee' yet?

The [essential trustee](#) is the key guidance for all charity trustees in England and Wales. It explains what we expect of trustees and outlines their responsibilities.

Many of the problems that we deal with on a day-to-day basis are caused by trustees not understanding their roles and responsibilities; following good practice will help trustees to run their charity effectively, avoid difficulties and comply with their legal duties.

This new version aims to make it easier for trustees to understand their legal duties and avoid many of the basic errors that often lead to serious problems. The guidance is clearer, shorter, includes links to other

guidance, and sets out lessons from our work. It also comes with an [at-a-glance summary](#), and explains a trustee's role as 6 main duties:

- ensure your charity is carrying out its purposes for the public benefit
- comply with your charity's governing document and the law
- act in your charity's best interests
- manage your charity's resources responsibly
- act with reasonable care and skill
- ensure your charity is accountable

## Are your contact details up-to-date?

It is important to ensure that your charity's named contact's details are up-to-date, particularly email addresses. You need to

supply us with an address that is checked regularly, so we can get in touch with you quickly and easily. Log on to our

[online portal](#) to check we have the correct information for your charity.

## New research on trust and confidence in the Charity Commission

Since 2005, the commission has been measuring levels of public trust and confidence in charities; but until now, we have never conducted research on public perceptions of us as regulator.

Earlier this year we commissioned independent research company Populus to evaluate the effectiveness and impact of our work, and explore the underlying attitudes and perceptions that inform peoples' views of the commission and charity regulation.

When asked to rate trust and confidence in the commission, the public gave an average score of 6.0 out of 10 (not far behind the 6.7 level of public trust in charities), and charities gave an even higher score of 8.3.

The research also demonstrated that the more people know about our work, the more they trust us; which indicates that we can increase this score by further raising awareness of what we do, and by engaging more widely. As a trustee, we would encourage you to put a clear statement on your charity's website to say that it is regulated by the commission, and to include a link to GOV.UK.

[The full report](#) also shows that there is strong support amongst the public and charities for the commission being given new powers; this is a vote of confidence for The Charities (Protection and Social Investment) Bill, which will continue its passage through Parliament after the summer recess.

## Annual report and strategic plan

Our annual report and strategic plan were published at the end of June. The [strategic plan](#) sets out our 4 key priorities for 2015-18, which include protecting charities from

abuse or mismanagement, and enabling trustees to run their charities effectively. The [annual report](#) shows what we have done in 2014-15 to improve our

approach to monitoring charities. It includes figures which illustrate the extent of our success in protecting charity funds.

### Fundraising: CC20 consultation

Periodically we renew and revise our guidance to ensure that it remains relevant and up-to-date. In October, we will be opening a consultation on our guidance related to charities and fundraising (CC20). This [guidance](#) sets out what charities and their trustees need to consider when fundraising from the public. Later on in the year we will advise how you can contribute to the consultation process.

## Does your charity own or rent property?

Most charities in England or Wales can buy or sell land they own without needing to get our approval, providing:

- it's in the charity's best interests
- the trustees try to get the best deal for their charity
- the trustees follow the requirements set out in our [charity land and property guidance](#)

However, the process is generally more complex [when the commission's approval is needed](#) - for

example, if you're selling land to someone connected to your charity.

That's where the [Ethical Property Foundation](#) comes in. If you're a charity, you can sign up for free to access over 125 pages of regularly updated property guidance, checklists and templates. And if you can't find the answer you need, you can contact its property advisers for bespoke, one-to-one advice on more complex issues.

## Charity fraud event: 30 October 2015

Fraud is a serious threat to every organisation - and charities are no exception. With reported fraud increasing at an alarming pace, it is vital for charities of all sizes and types to build strong fraud defences to protect income and assets and meet their duties.

We are hosting a one day fraud conference with the Fraud Advisory Panel to equip trustees and managers with the knowledge and skills needed to recognise the tell-tale signs of fraud and shape an effective response.

The conference, which is supported by a range of sector bodies, will bring together leading practitioners and senior figures from the charity and counter-fraud worlds to discuss the challenges charities face, highlight current risks, and share best practice. Confirmed speakers include representatives from the British Council, Cifas, Help for Heroes, Institute of Business Ethics, Oxfam GB, and Save the Children International.

To book online, visit the [Fraud Advisory Panel website](#).

## Lessons for the wider sector from our case work

We regularly publish [reports of our wider case work with charities](#), which reflect lessons that other trustees can learn from the situations we encountered. It's a good discipline to read these short reports and ask 'could that problem happen in our charity?'

or 'do we need the commission's permission to take x step?'

Not all of our case reports are about compliance cases, [some highlight where we have worked with a charity to enable them to continue with their mission](#).

We also publish [longer reports of all our formal investigations](#), known as statutory inquiries, into charities. For example, we recently [published a report of a case involving concerns about the content of a charity's website](#).

## Regulatory alerts: funding of non-charitable organisations

Funding a non-charitable organisation can be an effective way to further your charity's purposes, but you must be clear about what your charity hopes to achieve through doing so. We expect trustees to exercise due diligence to ensure that funds are only used for activities which further your charity's

purposes, and that your charity's assets and reputation are protected. [Read more about what constitutes inappropriate funding and also find some examples of scenarios that would raise regulatory concerns](#).

## Safer giving

We recognise that there are certain times of year when the public are particularly generous in their donations to charity, such as at Christmas and during emergency appeals. Ramadan is also one of those times. Over June and July,

the commission ran a [Safer giving campaign](#) to encourage the public to make certain checks before giving. It's important as a donor to familiarise yourself with these checks and, as a charity, to make sure that you

are following best practice when fundraising and accepting donations. Over 30,000 people have viewed our [video](#) explaining the importance of checking that charities are registered.

### Professional advisers can file your accounts for you

Did you know that a [professional adviser can be nominated by a charity to file the charity's accounts online](#), this saves considerable time for the professional; the charity and the commission.

## Honorary treasurers: be aware of changes affecting the SORP from 2016

Charities preparing receipts and payments accounts (cash accounts) are not affected at all, but those charities preparing their accounts using the SORP need to know about some changes ahead.

For accounting years beginning on or after 1 January 2016 it is proposed that we move back to just one SORP - the [Charities SORP \(FRS 102\)](#). This will simplify charity accounting and mean that trustees or their advisers will not need to choose between the 2 SORPs as they currently do now for accounting years beginning on or after 1 January 2015. It is also proposed that the

extra reporting requirements for larger charities stays unchanged at gross income of £500,000 or more rather than going up in line with the audit threshold. To learn more about these changes and to have your say please view the dedicated charities [SORP micro-site](#).

The changes in 2016 are because UK accounting standards on which the SORP is based are changing. Changes to accounting standards mean changes to the SORP but we hope that this will then be followed with a period of stability.

### Are you thinking of the future of your charity?

The [United Kingdom Community Foundation network](#) offers multiple services to assist charities where they struggle to disperse funds; they cannot find trustees or they need assistance to administer their charitable funds.

## Revised trustee declaration form published

If you are applying to register a new charity, make sure you complete the latest version of the [trustee declaration form](#). Applications are often held up when the wrong form is supplied or incorrectly completed.

To send us a correctly completed declaration all the trustees should:

- read the guidance on GOV.UK about [eligibility and trustee responsibilities](#)
- check our guidance about [personal benefit](#), if applicable

- check our guidance about [safeguarding](#) if the charity works with vulnerable groups

Tips for completing the form:

- ensure the organisation name is complete and matches the name in the governing document and application form
- if using multiple forms, the name of the organisation must be on each form
- all the eligible trustees have signed and dated the form(s)

- if the organisation works with vulnerable groups, ensure that box is ticked
- the corporate trusteeship box should only be ticked if the organisation has a corporate trustee
- check the declaration fits with the information given in the application for charity registration

## A date for your diary: Trustees' Week 2015

Trustees' Week is an annual event to showcase the great work that trustees do and highlight opportunities for people from all walks of life to get involved and make a difference. This year the event takes place from 2-8 November, and Paula Sussex, our CEO, will

be speaking at the official launch on 2 November 2015. To find out more and see if there is an event happening near you, visit the [Trustees' Week website](#).



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