

BULLETIN AUGUST 2010



This is a bulletin which I send out regularly to around 10,000 clients, contacts, friends, friends of friend's so forth, to keep them in touch with what's going on in the world of charities. Tip: if, like me, you have a low attention span, scroll down to the...And finally, which hopefully won't disappoint?

Daryl Martin

AUD

One of our readers, a charity treasurer, is having discussions with a gentleman from the other side of the world that is very keen to give the charity a significant amount of financial support. He has to decide whether to give out his bank details. Has anyone had any recent experience of people e-mailing and telephoning out of the blue wanting to hand over large donations? I can see a couple of possible pitfalls, but of course it could be genuine. Your help needed on this one please email support@iel.org.uk), and I'll publish some comments in September.

NET AIDING EXPENSES

Another previous item that fell afoul of my desire to keep things brief. I suggested that trustees who don't take expenses they are entitled to could take the expenses, then donate them back to the charity and gift aid them. I should have made it clearer that the money must be paid out; a contra in the books won't suffice. Thanks Merlin for this one; also [Sandy Adirondack](#), whose exceptionally well researched bulletins make this one seem very pedestrian.

PLACES OF WORSHIP NOT REGISTERED

I tried to simplify what was turning out to be a complex note, trying to clarify a difficult point that emerged out of the Finance Act 2010: if your charity is a Place of Worship, and not registered with the Charity Commission, make sure that you really don't need to be registered. I had a couple of e-mails where this admittedly complex situation wasn't understood. Get it wrong and the charity loses its right to tax benefits (gift aid etc). If you download the excellent [Stewardship paper](#), read section 8.4.4. [Contact us](#) for specific guidance if you are still lost (Thanks to Carol, a very sharp young lady from [FacilitAid](#) for this).

Daryl's Blog

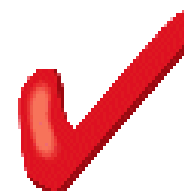
Updated: 26/08/2010



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Does your Charity conform to the requirements of the Charity Commission?
Do your Operational Procedures need reviewing?

Contact us on 01243 555611 (ask for Rachel) or email support@iel.org.uk to find out how we can help.



End of Year accounts,

GREAT CAREER MOVE FOR SOMEONE

Centre for Youth Ministry is looking for a Head of Commercial Services. This is an interesting opportunity for the right person. Click on the link below and take a look at the details. I had the privilege of meeting the board some months ago for some training on roles and responsibilities. They're a good team and I can thoroughly recommend them.

[M Commercial Services Manager Recruitment](#)

GOVERNANCE REVIEWS

I had a bit of a backlog at the beginning of the summer; this is now cleared, and Rachel has capacity for more. So if it's a few years since your governing document has been reviewed, send her a copy and she will look at it for you and give you an overview; no charge for this. She can also take on some more incorporations (if you're not still waiting for CIOs I trust!).

TRAINING

Having focussed on Trustee training for a couple of years I have been reminded that I have a training module that's helpful for people carrying out independent examinations, or treasurers wanting a good grounding on year end account preparation. Let me know if this interests you. I have had a couple of requests from the North; if anyone in the Leeds or Leicester area is interested, [contact me?](#) I can get enough interested people grouped I can run a local course.

PUBLIC BENEFIT

Having previously looked at charities involved in advancing religion, education, and the arts, and fee charging charities, the Charity Commission is now turning its attention to sports and recreation charities. Apparently more than 1 in 3 charities in this sector had no awareness of the public benefit requirement. Well, what a mess! They might have been living on these past 3 years! It sounds as though there might be a lot else they aren't aware of in terms of governance, accountability etc. [Contact me](#) for a synopsis of my very helpful material.

CICs (COMMUNITY INTEREST COMPANIES)

We often recommend setting up a CIC as a vehicle for a project that belongs in the voluntary sector but isn't quite charitable. If this is something that interests you, [contact us](#) for a discussion. We are also starting to get yearend accounts coming in from CICs. Ask us for a quote; could be less than you might think.

DOWNTURN

The rubber's finally hitting the road and it's getting serious, doom and gloom on all sides. We have to be realistic; it's going to get a lot worse yet. Friends of mine (good charity givers) are losing their (hitherto secure) jobs, charity income is under threat. I shall try and make some helpful constructive comments each time I write. Friday is blog day and I am going to address the issue (counter-intuitively). Read it and give feedback if you get a moment. Our contribution will be to keep our fees as sharp as we can and work with charities who can't afford to pay high fees (unfortunately, if we agreed to the requests that we get to write off fees for work done, we'd soon have to shut down; what we will do is to work sympathetically with hard pressed clients, and not get cross).

and Independent Examination

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SANDY ADIRONDACK

*Training and consultancy on governance and law
for the voluntary sector*

Sandy Adirondack is a freelance management consultant and trainer working exclusively in the voluntary/not-for-profit sector. Her main specialisms are the legal aspects of voluntary sector governance and management, and helping boards become more effective.

www.sandy-a.co.uk



Company Secretary Service

A number of Charities have already signed up to this new service. [Contact us](#) for details.



BUDGETS

At the same time, many of our clients have a solid budget process; smaller charities often neglect this. This year make sure you have a sound realistic budget. For example, next year your gift aid income will be down by 11.4% if your giving stays the same (with the ending of transitional relief). How will you make up the shortfall? How much will the VAT increase impact your costs? The same applies with new NI rates. We are used to helping charities with their budget process. [Contact Viv](#) if you need our help; could save you some headaches later on.

BUDGET JUNE 2010

One of Stewardship's major contributions to UK charities is that they have the ability to go through and summarise major financial issues. They have done a great job in working through the June 'emergency' budget. You can download their briefing paper from their website: www.stewardship.org.uk

BUSINESS LEVELS

My, whose job it is to see that business levels are maintained is pulling her hair out right now. The extended period of hot weather in June and July seems to have caused admin staff in charities across the country to neglect their duties and go outside with long cooling drinks. I don't blame them, but as soon as August is over, they'll remember that the accounts now have to be signed off **within 9 months**, or the sky falls in. Then all at once we'll be up to our ears in trial balances with sharp deadlines to meet. So please take pity on Maizi, Paul, Jackie, Matt, and all the other faithful support service team and give them a fighting chance (end of pity party).

CHARITY COMMISSION PUBLICATIONS

This is an area where the CC has excelled in the last few years. Their latest guidance papers cover internal controls, insolvency, reserves and risk management. The guidance on internal controls [CC8](#), provides info on electronic banking and safeguards against fraud.

READ FINALLY... (being the main or only thing a lot of people read)

Reminder to the ladies: If it doesn't fit in the shop it won't at home. (I fell into this trap recently, so who am I!)

Never take offence; only small people take offence. (Douglas Murray was reported to the police for telling an Irish joke. I'd tell it myself if it was a better joke.) In Ireland where's your pride, you should be ashamed! I'm probably safer telling an Australian joke: Australian says to his wife, 'Begorrah Kate, just so you know, I don't want to end up in a vegetative state, dependent on some machine and fluids from a bottle. If that ever happens just pull the plug.' His wife got up, unplugged the TV and threw out all his beer.

Don't spend much time with someone who doesn't make you laugh.

Remember to clean and tidy less and read more. (Remember Mary and Martha: most of

Gift Aid:

[Email Janice](#) if you need help on your gift aid claims or if you need envelopes for cash donations



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are Marthas and proud of it!)

on't know where these came from, but here's a corker from Teddy Roosevelt:
e best executive is the one who has sense enough to pick good people to do
at he wants done, and self-restraint enough to keep from meddling with them
ile they do it.

, and a nice chocolate one from a reader of last month's And Finally: Inside
ery fat person is a thin person and a lot of chocolate (Terry Pratchett); probably
olains why mine isn't coming down.

ppy Holidays

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