

BULLETIN MAY 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

LETTERS START WITH AN ...AND FINALLY:

Letter to the Irish Times: 'Madam, I see that the British Parliament is to be hung. Seems a bit harsh! I wonder could we just secure ours in stocks and throw soft balls at them? Yours etc'

OUR NEW IT SERVICES:

I mentioned a while ago that we were about to get this going. Being at the CRE the other week highlighted the many areas that are a real concern for many charities and has helped us to focus the services we offer. Take a look at our website (www.iel.org.uk) for more information. Tony, our IT Director, is already talking to a number of charities about how we can help, and he will be glad to hear from you anytime.

GOVERNANCE TRAINING:

I tried to keep reminding you of this (you forget so quickly!) I have some detailed notes on governance which are helpful and also a very detailed trustee's manual which is also helpful but as dry as dust. They both need me to be there to explain the thinking behind them, and apply them to the local situation. My colleague Louise has managed to get funding for training in a number of cases, so [give us a call](#) to find out more.

COMMUNITY INTEREST COMPANIES (CICs):

Following a consultation (these can be worthwhile so join in when you get the chance), the limits on payments that can be made to investors has been raised. It not only have the dividend and interest caps been raised but they have also been simplified, making it easier to attract outside investment. [Let us know](#) if you need more information on this.

Daryl's Blog

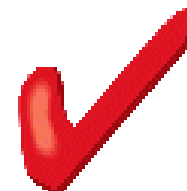
Updated: 19/05/2010



Induction Programme for New Trustees:

We will agree a plan to induct new trustees and work with you to implement it.

Contact us for further details:
www.iel.org.uk



Charity HealthCheck

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,

WHOLE PROFIT SHEDDING:

When a charity sets up a trading company it's usually so that profits can be put to the charity. Often there is what's called a 'whole Profit Shedding' clause in the governing document. This can be a good idea as it means there is no liability for Corporation Tax on the profits. However, there are some serious downsides. For example, if all the profit is transferred to the charity, where does working capital come from? The charity might end up having to 'lend' back some of the profits which can raise all sorts of issues. I'm trying to get my head round a situation where the circumstances weren't fully thought through at the time. If this is an issue for you contact us; we're busy building up some experience! There can also be VAT issues if there is no 'whole profit shedding'.

PAYING RENT AND OTHER COSTS FOR A WORKER:

Dealing with another query where a church is paying the rent on its pastor's flat and not declaring it for tax. Their accountant is understandably concerned. Should it be OK if the tenancy is in the name of the church, but it could be tricky if it's in the name of the pastor as it usually is. If the church takes on the tenancy it's shading towards the Manse Scheme which is perfectly acceptable and helps many churches set up a cost effective remuneration package. Jackie has been advising a number of churches on this recently. [Contact her](#) if you need help on this.

HOW TO AVOID PAYING OUT AN INSURANCE CLAIM:

One of our clients is going through a trying experience. The charity is on the receiving end of an unfair dismissal claim (there are things I want to say about this, but it will have to wait until it's settled.). What I want to bring to your attention now is the fact that when they called their insurance company to tell them about a possible claim, they were told in no uncertain terms that they weren't covered. The small print of their policy states that they must 'contact the insurer's legal team prior to carrying out a disciplinary'. This applies even to stage one which could be a verbal discussion. Bet you didn't know that! Two suggestions: read the small print in your legal expenses section, and make sure you are incorporated. We have high quality advice always available on insurance matters, incorporation and HR (don't I just milk these situations in my desperate quest for new clients!).

SIGN OF THINGS TO COME:

Charities in Brighton received a letter from the city council warning they might lose their discretionary rate relief next year. I bring this to your attention as an early warning that there will be big cuts and nothing will be sacred. Nevertheless, you can and should fight your corner where you can. Some recent campaigns to curb some of the more ridiculous impositions (village halls and water company charges comes to mind), have been successful. The voluntary sector peopled as it is with gentle, caring, public spirited people could be seen as an easy target.

PAXTON SOFTWARE:

We are proud of this software, mainly because we were heavily involved in its development so we know a bit about it. Sales are going up every month. I caught up with Gareth Jones from Paxton at the Christian Resources Exhibition; one thing

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Charity Accounts Software:

The latest in charity accounts software, simple but powerful and comprehensive. Check out the [Paxton website](#) for a demo. Don't forget we are accredited trainers for Paxton so call us for a quotation on 01243 555611 (ask for Viv) or email support@iel.org.uk



NVM HR & Recruitment:

Professional HR advice which is affordable, reliable and quick! Check out the [NVM](#) website.



Company Secretary

noted from our conversation was that he believes many charities are not using it to its full potential. I came across two examples of this only this week. I can't understand it; IT of any sort terrifies me. If you need training, [email](#) or call Viv. Viv's warm, caring and understanding (everything I'm not) and will quickly assess your situation and give you a steer.

THE FIVE DYSFUNCTIONS OF A TEAM by Patrick Lencioni:

This one is a must for the new cabinet, and I hope every minister reads it. It's a short read but immensely important if you are part of a team: If this book had been read and applied in a number of situations I have been involved in, I might have shed fewer tears. You can't change the past, but the future is in your hands. Books like this are a real Godsend. In a short read, it brings together the absolute importance of **trust, engagement in unfiltered conflict (before the decision taken), total commitment (after it's taken), accountability and results.** As soon as I read it I had to go back and rework it into my governance material.

MARYL'S BLOG:

Get a lot of pleasure out of this (also I cringe a lot when I press the send button, but when you get to my age you don't worry quite so much about what a fool you are making of yourself). I seem to be wanting to talk a lot about team dynamics, how to build trust and forgiveness these days, nothing to do with charities of course; just the thoughts of someone who sees the same old things holding us up and bringing us down. Someone said to a member of my team that 'he's writing about us' in the 'Ready Aim Fire' blog. I wasn't as it happens; I was writing about other people but if the cap fits...

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

Not this one from Andrew McIntock in Sheffield about 5 years ago; it still makes me smile, and it's especially relevant right now with all my talk about governance and meetings.

Minutes – the secretary's lament
The meeting is done;
The great go for their dinner.
The secretary stays
Getting thinner and thinner,
Ticking his brains
To record and report
What he thinks
They will think
What they ought to have thought.

Service:

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



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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