

BULLETIN No. 97: March 2011



This is a monthly bulletin going out to around 10,000 clients, contacts, friends, friends of friends 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 or this came to you by mistake, scroll down to the ...And Finally.

Daryl Martin

CHARITY COMMISSION PUBLISHES ITS PRIORITIES:

A 30% budget cut (ouch!) is forcing a major re-think on what they can deliver. They have identified 15 key priorities including registering charities, giving guidance to trustees, granting permissions as required by law, and dealing with abuse or mismanagement. They haven't yet said what they will stop doing, but say there will be a major rebalancing of the relationship with the sector. Interventions in individual charities will reduce over time and be confined to where there is 'serious and systemic risk'. One to one advice will be scaled down. Various processes will be streamlined and they will expect a right first time approach when charities are looking for permissions. Get the paperwork wrong and your application will be rejected. I'm sure they will come through this process fitter, leaner, stronger. More than ever charities need their own sources of advice and guidance. As ever we are here to help.

BULLYING ON THE INCREASE:

As life gets tougher people sometimes take it out on one another. Interestingly, it's the senior managers of charities and trustees themselves who say they have been bullied; 24% interviewed against 16% 2 years ago. That's not good, as it increases the likelihood of abuse further down the chain. Reduced training budgets don't help. It's easy to get into denial over this. If there's any possibility of it in your organisation deal with it. If you don't you risk increased absenteeism, poor motivation, low trust, and the inevitable visit to the employment tribunal. Call us; we have the experience to be able to find simple cost effective solutions. I am aware of charities where the CEO bullies trustees into rubber stamping his decisions and other charities where it's the other way round. Don't put up with it.

I've 3 pages of quotes on bullying here. The most heartrending is from a 9 year old schoolgirl. 'I just want the bullying to stop. That's all I ever wanted. I used to love going to school. Now I hate it'.

Don't forget we have a range of mediation services, and you can access my mediation notes via my blog.

PUBLIC LIABILITY INSURANCE:

If you have a playgroup or similar meeting at your premises, make sure adequate insurance arrangements are in place. If they are part of your charity they should be covered under your policy, though you might want to check the small print. If they are an 'affiliated' group they may need their own cover. Also make sure any contractors working on site have their own insurance.

CHARITY MANAGER GETS 18 MONTHS FOR STEALING £185,000:

She originally stole £145,000 by converting cheques made out to the charity. She got 18 months but unless she pays all the money back plus £40,000 interest she will get a further two and a half years in jail. There are a couple of lessons here for all of us. Right now there is a disparate but dedicated group of individuals finding clever ways to separate charities from their money, or other assets (even in one case, land, and don't tell me it can't be done). Make sure your systems are robust and that you have effective controls are in place. I can see a danger if trustees are lax in this area and fail to take reasonable care, that the courts could find them guilty of mismanagement and hold them to account. No need to be alarmed. There is plenty of advice and help available to you to minimise the risk. Our manual has a control system template that works well enough.

GRANT:

Do you remember that the last government set up a simple web based way of petitioning them, promising that any petition that attracted 500 signatures would be given serious attention. The new government has taken this down, saying that it was being rerouted to the YouGov site. Well it hasn't been, so a means of protest has been removed. And I thought they wanted to hear from us! Come on Cameron; you shouldn't put up with this nonsense from your civil servants.

DARYL'S BLOG:

Seems to be building a sizeable following in Eastern Europe; not sure if anyone here reads it except perhaps my incredibly loyal and supportive wife, and maybe a couple of steadfast friends. There's a stunning one on motivation another on Ethical Placebos which might interest you. [Sign up here...](#)

DEFECTORS TO ROME LOSING THEIR BUILDINGS:

It's so sad to see congregations who have worshipped together for decades being torn apart by the Pope's offer to welcome Anglican traditionalists into the Roman Catholic Church. Local communities are being split and long standing friendships divided. Some churches that are dividing have been able to work out a way of sharing premises, but many others are not being allowed by their bishop to do this. It's very sad to see Christian worshippers who have contributed so much over the years in time and money and service have to find somewhere else to hold their services. I'm staying clear of the arguments and the rights and wrongs but Christians above all others must see that their unity is not based on doctrinal agreement. All one in Christ must mean something especially in local expressions of church.

SUBSTANTIAL DONOR RULES:

HMRC has issued draft rules for 'tainted donation'. The current system is, like so much of the bad law that has been pressed upon us, tainted itself. Thankfully we will soon have new rules in place which will apply. Mind you, already people a lot brighter than me are finding flaws in the proposals! I'll prepare a paper when it's a done deal. Meantime, keep a watchful eye on any large donations where there might be any kind of benefit flowing to the donor.

TRUSTEES LIABLE FOR DEBTS:

This seems to get aired regularly. In a recent court case a Christian charity was being pursued for a debt relating to television work it carried on. The creditor decided to go for a winding up order under the Insolvency Act 1986. It appeared to escape the lawyer's attention that you can't do this for an unincorporated charity, and it failed. It was a High Court job and must have cost big bucks. The judge observed that if the lawyer had sued the trustees personally, the creditor might have won and the trustees could have been subject to unlimited personal liability. My best advice is still that you should incorporate. This lesson will have been picked up by a lot of lawyers so the world of big spending unincorporated charities has suddenly got rather more exciting. Contact us. (Thanks to Russell-Cooke for their excellent briefings on this and other matters)

CHARITIES OPERATING INTO SCOTLAND:

Despite having a good go at it our legislators weren't able to harmonise charity reporting requirements for England, Wales and Scotland. This means that a significant proportion of charities operating across borders fail to provide the right information in their yearend reports. (Must check we have got this one right). Generally

Scotland seems to be a bit behind the rest of the UK. A recent OSCAR report stated that more than a third of accounts still fail to meet the legal standards. We have a number of faithful Scottish clients and will be delighted to look after more.

CRE

Once again we plan to be at the Christian Resources Exhibition at Esher, May 10th to 13th. Look us up if you plan to be there. You could even pencil in an appointment. (So often the people I'm looking forward to catching up with turn up just as I've gone for a wander).

AND FINALLY...

When I'm in need of a challenge I often turn to Martin Luther King Jr. Here are a few of the things he said:

Unarmed truth and unconditional love will have the final word in reality. Right, temporarily defeated is stronger than evil triumphant.

If a man hasn't found something to die for, he isn't fit to live.

The means we use must be as pure as the ends we seek.

In the end we will not remember the lies of our enemies, but the silence of our friends.

Life's most persistent and urgent question is, 'what are you doing for others'.

YOUR HELP NEEDED! We work hard to keep the subscription list at around 10,000. This seems to ensure that we get a steady flow of enquiries coming in. Lately the numbers have been drifting down. If you get this bulletin passed on from someone else, as many do, or if you pass it on, perhaps you get the recipients to subscribe in their own right. Also if you could recommend this bulletin, we would all be so grateful. **This item in the January bulletin drew in over 75 new subscribers. This is fantastic. Thank you. Can you have another think please to help us increase our circulation?**

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