

Charity Insight

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Introduction



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A handwritten signature in black ink that reads "Simon". The signature is written in a cursive style with a long horizontal stroke underneath.

Welcome to the second charity newsletter of 2020. There has been rather a lot going on since our last charity newsletter in early February. The global pandemic has grounded a lot of economic activity to a halt and charities have been understandably impacted. However as we begin to hopefully see some light at the end of the tunnel the importance of charities in our new 'normal' should not be underestimated.

As always we hope you enjoy our latest newsletter please do get in touch if you would like further information.

At Hawsons we recognise that not-for-profit organisations have very different requirements from other businesses and are currently exposed to a challenging economic climate.

Our dedicated team fully understands the complex, ever-changing regulatory requirements of the charity and not-for-profit sector. Irrespective of your size we wish to support you to maximise the benefits you could achieve through our specialist professional advice.

Charities & not-for-profit organisations are currently facing extensive changes in their regulatory and legal framework. Given the additional pressures on fundraising, complex tax regimes, internal risk exposure and stakeholder demands, it has never been more important to obtain specialist professional advice.

Charity COVID-19 Update

At this moment in time many charities will be understandably concerned about what the COVID-19 outbreak means for them. The government want to assure charities that they will be as flexible and pragmatic as possible during the coronavirus outbreak. They will also advise trustees to consider what their decisions will mean for the charity on a long term basis.

Annual General Meeting (AGM)

Many charities have asked if they can postpone or cancel their AGM and other key meetings. The government has said that their own health advice may have to lead to the cancelation of important charity meetings and events. Furthermore, the Charity Commission (the CC) have asked that where possible they would like charities to submit their annual reports on time. However, the CC will be understanding if you are unable to do this if your AGM is postponed or cancelled. If you cannot submit your annual report on time you will need to call the CC on 0300 066 9197 open Monday to Friday 9am to 5pm.

Video calling and teleconferencing instead of face to face meetings

Holding face-to-face meetings is becoming more and more difficult. Therefore, holding video calls and teleconferencing is now a preferable option, at least in the short term. In some charity governing documents there is a clause that allow the trustees of the charity to meet virtually. Current advice is to check these documents and meet virtually if possible so you can get any immediate annual reports filed on time.

If you do not have this clause in your governing document, you can still decide to have virtual meetings. But, you should record this decision and demonstrate that it is for continuing effective governance of the charity.

Chancellor Announces Coronavirus Aid for Frontline Charities

A Government funding package of £750 million to help charities was announced by Chancellor Rishi Sunak on 8 April. This package has been put in place with some charities facing possible collapse due to falling income levels as a result of the COVID-19 outbreak.

Thousands of charities will be eligible for a cash grant if they provide a key service during the COVID-19 pandemic. Government departments will be given £360 million to allocate directly to these charities.

An additional £370 million will be allocated to small and medium sized local charities, providing essential supplies such as food and medicine and those that provide financial advice.

The final £20 million will be the minimum contribution made by the Government to the Emergencies Trust Appeal as well as matching the £67,110,010 raised by BBC One's Big Night In on 23rd April.

Mr Sunak said after the announcement that the government would not be able to match every pound of spending that charities would have received this year. But he did add that charities are eligible for the government's job retention scheme.

Sunak said that the purpose of this scheme was to help charities that were helping to fight coronavirus. He added that "Shutting up shop at this moment would contravene their very purpose."

For further information please visit the government website here: <https://www.gov.uk/government/news/chancellor-sets-out-extra-750-million-coronavirus-funding-for-frontline-charities>

What do charities need to report to the Charity Commission?

The CC understand that the coronavirus outbreak means that charities will face extremely demanding challenges to get through the pandemic. The primary interest of charities must now be to look after the community your charity serves and the people within them.

In terms of reporting incidents to the Charity Commission it is still the trustees' responsibility to do this. They still advise that you should follow the existing guidelines as to whether anything should be reported. However, the CC have also stated that they want trustees to use their own judgement in deciding on what incidents should and should not be reported to them.

What is the position on restricted and unrestricted funds?

Trustees should consider their short, medium and long term aims when considering their charity's financial position. The reserves of the charity can be used to support it during times of uncertainty, however you should consider any restrictions imposed on the use of these funds. Internally designated restrictions may be able to be re-purposed. However accessing restricted funds should only be done as a last resort and the charity should consider the wider implications of taking such action. The CC are available to provide support before taking any such decisions.



Independent Age Launch £2m Fund for Smaller Charities

Independent Age is inviting small charities that work with older people to apply for a share of a £2m fund. The aim is to support charities that will make a difference to older people. This national charity is planning four rounds of funding with each round offering £500,000 in June, July, August, and September.

The organisation will be prioritising charities working with two specific groups of people. The first group is older people with complicated and difficult living circumstances. For example, those with no family, friendships, or that have disabilities and long-term health conditions or are caring for dependent adults.

The second group is older people that are in danger (“out of sight and out of mind”). For example, older people that are isolated and find it difficult to access services, homelessness, HIV or they are in an abusive relationship.

The first round of funding is currently open and independent age is planning on paying 200 grants of between £5,000- £15,000.

Chief executive of Independent Age Deborah Alsina comments: “The Covid-19 crisis has changed life for all of us, but older people are among the hardest hit. Tremendous efforts are being made across the UK to make sure that older people get the practical help they need and can stay safe, healthy, connected and contributing during a long period of socially isolating.”

If you would like to find out how to access this fund please visit the [Independent Age](#) website.

Charity Commission Updated Guidance

The Charity Commission has updated its guidance on how to report serious incidents during the coronavirus pandemic.

The Charity Commission has outlined in this report that it is still vitally important to report serious incidents to them. Reporting incidents as early as possible enables the Charity Commission to give the appropriate advice as quickly as possible.

Furthermore, reporting these incidents can also help identify any threats to the charity sector during the coronavirus pandemic. Identifying these threats could help the Charity Commission minimise these threats earlier.

[Click here to read the full report](#)



Get in touch...

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