



ANNUAL RETURN 2007

GUIDANCE NOTES



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INTRODUCTION

This booklet provides guidance on how to complete questions in the Annual Return 2007 and defines specific terms used in the form. The form you requested is for charities whose income in 2007 was between £25,001 and £500,000.

Please complete the form using **black ink** and return it to the Charity Commission in the envelope provided as soon as possible and before the submission deadline shown on the front of the form. If your financial year-end in Section A1 has changed, you must submit your form within ten months of the new financial year-end.

Areas of the form where we print data that we currently hold are marked with a small blue arrow, as shown in the example below.

Current details

→ Charity website ⓘ www.acharity.co.uk

Please do not make any handwritten amendments to the pre-printed data on the form as we will not process them.

You should enter any changes to data we currently hold or supply new information in the white boxed areas. These areas are indicated with a larger arrow, as in the example below.

Gross income ⓘ

→ £

Total expenditure ⓘ

→ £

What financial period does the form cover?

You should complete the form for financial periods that ended in 2007. If the charity has changed its financial year-end and, as a result, will not have a financial period ending in 2007, then you do not need to complete this form. Instead, you should call Charity Commission Direct on 0845 300 0218 to give us details of your new financial year-end.

If the charity has changed its financial year-end and, as a result, it will have two financial periods ending in 2007, you need only complete this form for the first of those financial periods. However, you must submit accounts for both periods.

When do I submit the form?

All charities with a gross income greater than £10,000 have a legal duty to provide the Annual Return and accounts to the Charity Commission within ten months of their financial year-end.

The ten-month period after a given date always ends on the same date in the appropriate month. This means that a charity with a financial year-end of 30 September has until midnight on 30 July of the following year to deliver its Annual Return and accounts, not 31 July.

If there is no corresponding date, the last day of the month will apply. For example, a charity with a financial year-end of 30 April has until midnight on 28/29 February of the following year to deliver its documents.

Trustees' annual reports and accounts are an important window onto charities' activities for those who fund them and the wider public. Sending your documents to us as soon after your financial year-end as possible may help you access funding.

For those that fail to comply, an entry will appear on the Register of Charities showing that the charity is in default. This may affect donations and funds from other sources.

How do I return my form?

You should return your Annual Return form and accounts in the envelope provided. The envelope enclosed this year is not freepost and you will need to pay the correct postage when returning it. If you mislay the envelope, please send the documents to the following address:

Charity Commission, PO Box 1268, Liverpool, L69 3AR

Data protection

Any information you give to us will be held securely and in accordance with the rules on data protection. We will treat personal details as private and confidential and safeguard them. We will not disclose them to anyone unconnected with the Charity Commission unless you have consented to their release, or in certain circumstances where:

- we are legally obliged to do so;
- disclosure is necessary for the proper discharge of our statutory functions;
- disclosure is necessary to comply with our function as regulator of charities and is in the public interest.

We will ensure that any disclosure made for this purpose is proportionate, considers your right to privacy and is dealt with fairly and lawfully in accordance with the Data Protection Principles of the Data Protection Act.

The Data Protection Act 1998 regulates the use of 'personal data', which is essentially any information, whether kept in computer or paper files, about identifiable living individuals. As a 'data controller' under the Act, we must comply with its requirements.

PART A – CHARITY INFORMATION

A1 – Financial year

Your financial year details, based on currently held data, will be pre-printed here. This financial year should normally be 12 months long but, under certain circumstances, it can be shorter or longer. For unincorporated charities, it can vary from 6 months up to 18 months. Different rules apply for charities that are companies.

If the information pre-printed is wrong, or if you wish to change the financial year, please use the boxes under 'Amended details' and enter the dates in the format dd/mm/yyyy, for example 31/03/2007.

If no dates are pre-printed on the form, we do not currently hold any financial year information for your charity and you must complete section A1 by confirming the financial year dates under 'Amended details'.

A2 – Income and expenditure

Enter the charity's gross income and total expenditure in the boxes provided. Please round all figures to the nearest pound and do not include separators (commas). Figures should be formatted as shown in the example below.

Gross income **P**

→ £

Total expenditure **P**

→ £

The income and expenditure are based on the figures in the charity's accounts for the financial year shown in A1. The definitions below tell you what to include and what to leave out.

Definition of gross income

This is the total recorded income of the charity in all unrestricted and restricted income funds, but not resources received as capital (endowment) funds, nor capital gains in an income fund.

You should calculate income before deduction of any costs or expenses. The calculation of income should **include**:

- voluntary income from donations (including any related gift-aid tax reclaims), grants, gifts and legacies (see **Note 1** below);
- gross proceeds from fund-raising and other trading activities undertaken for generating funds;
- investment income (including interest, dividends, related tax reclaims and rents);
- gross proceeds from the sale of goods or services in furtherance of the charity's objectives; and
- the amount of any expendable endowment spent or transferred to income funds and, where a charity operates a total return approach to investment of capital funds, the amount of any unapplied total return allocated or transferred to income funds during the year (see **Note 2** below).

The calculation should **exclude** the following from income:

- receipt of a loan by the charity;
- loan repayments to the charity;
- proceeds, gains or profits on the sale or disposal of investments and functional fixed assets; and
- actuarial gains on any defined benefit pension scheme.

Note 1: Any gifts or donations that the donor expects the charity will or may keep for investment or ongoing use are capital (endowment), and should be excluded.

Note 2: Any allocation of unapplied total return will only affect endowed charities that have obtained a consent order from the Charity Commission to operate a total return approach to investments.

Definition of total expenditure

You should give the gross expenditure in all funds including capital (endowment).

You should **include** in expenditure:

- costs of generating funds, including fund-raising, trading activities, investment property costs and investment management fees;
- charitable expenditure in furtherance of the objects of the charity including:
 - grants and donations payable;
 - support costs; and
 - governance and management and administration costs of the charity.

Exclude from expenditure:

- granting of a loan;
- repayment of a loan;
- purchase of investments and functional fixed assets;
- losses on disposal of investments and functional fixed assets; and
- actuarial losses on any defined benefit pension scheme.

A3 – Charity contact

This part will show the current contact details we hold for your charity. The charity contact is recorded on the Register of Charities as the point of contact for the public. Their name and address are displayed on our website and we use them to get in touch with the charity.

There are two types of contact: an individual contact and an organisation contact. The differences between these are outlined below.

If the pre-printed details are incorrect or incomplete, or if you wish to inform us of a new contact, please use section A3a for an individual contact or A3b for an organisation contact. Do not give both an individual contact and an organisation contact.

Individual contact

An individual contact is a named person. This can be one of the charity trustees, such as the chairperson, or it can be a person who acts for the charity but is not a trustee. The contact details are displayed on the Register of Charities, so it should be someone with a good working knowledge of the charity who is able to answer queries from the public.

For an individual contact, we need their full name, and the postal address. The postal address need not be their home address; it could be the charity's address if it has one. It should be somewhere that post is checked regularly and can be received easily.

Organisation contact

If the charity does not wish to have a named individual as its contact, it can use an organisation. This could be a firm of solicitors acting on the charity's behalf, or the charity itself at the charity address if it has one. For an organisation contact we need the organisation name, full postal address and postcode.

The contact address is displayed on the Register of Charities and may be used by the public to get in touch with the charity, so the organisation should be able to answer general queries about the charity, or at least direct queries to the correct person.

A3a – New or amended individual charity contact

Use this section to amend existing details, or give us details of a new individual contact. Whether you are amending details, or informing us of a new individual, please provide a full set of details for that person rather than just the missing information. This will include:

- all their personal names (also known as first or given names);
- their family name (also known as surname);
- their date of birth;
- their full address and postcode.

If you wish, you can also supply a telephone and fax number as well as entering a suffix to the name to record any honours the individual would like to appear after their name, e.g. BA, OBE.

You also have the opportunity to enter a preferred name for the contact, for example, Bob Clarkin instead of Mr Robert James Clarkin. This will be the name displayed on the Register of Charities and for mailing the charity, otherwise the full name details will be used.

If you currently have a named individual as the charity's contact, but would prefer to use an organisation instead, you should use section A3b to give details of the new organisation contact.

A3b – New or amended organisation charity contact

Use this section to amend existing details, or give us details of a new organisation contact. Whether you are amending details or informing us of a new organisation, we will need a full set of details for that organisation, which consists of the organisation's name, full address and postcode.

You can add a phone and fax number for the organisation, if they are available.

If you currently have an organisation as the charity's contact, but would prefer to use a named individual instead, you should use section A3a to give details of the new individual contact.

A4 – Corporate trustee

This part will only have details pre-printed if we know that the charity has a corporate trustee, e.g. a parish council or NHS Trust. Please check that the corporate trustee's name, address, telephone and email details are correct.

If they are incorrect or incomplete, or if this section is blank and your charity has a corporate trustee, please enter the correct details in full under section A4a, 'New or amended corporate trustee'.

If you are unsure whether your charity has a corporate trustee, please consult its governing document. Most charities will have either a corporate trustee or individual trustees, not both.

A4a – New or amended corporate trustee

Use this section to amend existing details or give us details of a new corporate trustee. Whether you are amending details, or informing us of a new corporate trustee, we will need a full set of details, which consists of:

- the corporate trustee's name;
- the corporate trustee's full address and postcode.

It would also be useful to have a telephone number and an email address if they are available. Please note that the corporate trustee's name will be displayed on our website, but we will not make public any address, telephone or email details supplied.

If your charity has more than one corporate trustee, please attach a covering letter to the form stating the name and full address of each corporate trustee, or use our online services to check and amend these details.

A5 – Current individual trustees

Use this section to amend the details of the individual trustees we currently have recorded on the Register of Charities. We require details of trustees in post at the time of completing the form and not necessarily at the financial year-end of the charity. New trustees (or trustees that have been acting for some time but are not listed) should be entered at A6 'New individual trustees'.

If an individual listed is no longer acting as a trustee, please put a cross in the box 'No longer trustee' and we will remove them from our records.

The charity trustees are the people responsible for controlling the management and administration of the charity according to the charity's governing document, regardless of what they are called. For instance, in the case of an unincorporated association, the executive or management committee are normally its trustees, including the honorary officers and all other voting members of the committee. In the case of a charitable company, the directors are usually the trustees.

If your charity has individuals as trustees, the details we currently hold will be pre-printed on the form. Please note that if we have not been supplied with a full set of details for a trustee in the past, their details may not have been added to our database, and will not be shown. If any part of a name or address for a trustee is incorrect or incomplete, please enter the correct details again in full under 'Amended details' rather than just the incorrect or missing information. A full set of details consists of:

- all their personal names (also known as first or given names);
- their family name (also known as surname);
- their date of birth;
- their full home address and postcode

We require the home address rather than a work or charity address so that the information is valid for identification and intelligence purposes.

In addition, it would be helpful for you to supply a contact telephone number and email address. You may also enter, as a suffix, honours the individual would like to appear after their name, e.g. BA, OBE.

You can also change how individual trustees are addressed by entering a preferred name for each trustee, for example, Bob Clarkin instead of Mr Robert James Clarkin. This will be the name displayed on the Register of Charities and for mailing the charity, otherwise the full name details will be used.

We have recently begun recording email addresses for trustees. These addresses will not be shown to the public. We may use them from time to time to email important updates about trusteeship. If the trustees do not wish to receive these updates, please put a cross in the relevant box on page 4.

Please note that unless a dispensation is granted, the names of the trustees will appear on the public Register of Charities, which can be viewed on our website. Trustees' addresses and other personal details will not be made public. For information on dispensations, please call Charity Commission Direct on 0845 300 0218.

A6 – New individual trustees

Use this section to give us details of new individual trustees. This includes trustees who may have been acting as trustees for some time but whose details are not pre-printed on the form and are not recorded on the Register of Charities. For all individuals we need a full set of details for each person, which will consist of:

- all their personal names (also known as first or given names);
- their family name (also known as surname);
- their date of birth;
- their full home address and postcode.

We require the home address rather than a work or charity address so that the information is valid for identification and intelligence purposes.

In addition it would be helpful to supply a contact telephone number and email address. You may also enter, as a suffix, honours the individual would like to appear after his or her name, e.g. BA, OBE.

You can also change how individual trustees are addressed by entering a preferred name for each trustee, for example, Bob Clarkin instead of Mr Robert James Clarkin. This will be the name displayed on the Register of Charities and for mailing the charity, otherwise the full name details will be used.

If your charity has more new trustees than can be entered in this section of the form, please make copies of a blank page from this section of the form and attach these extra pages inside the form when you return it to us.

Please note that unless a dispensation is granted for security or other reasons, the trustees' names will appear on the Register of Charities, which can be viewed on our website. For information on dispensations please call Charity Commission Direct on 0845 300 0218.

A7 – Area of operation

The Register of Charities is open to inspection by any member of the public and is available on our website. To make it easier for the public, beneficiaries and potential funders to navigate the Register and to find charities in specific places, we ask all charities to tell us exactly where they operate.

When we refer to ‘area of operation’, we mean the geographical area where the charity spends its charitable funds in furtherance of its charitable purposes, rather than the location of its administrative offices. For instance, if a charity established to operate an orphanage in Romania has its base in Hertfordshire, the area of operation should simply be shown as Romania.

The governing document may or may not place a restriction on where the charity can operate. If it does, the area is referred to as the ‘area of benefit’ and this should be shown on our Register. If it does not specify a geographical area or is worded in a way that allows the charity to operate worldwide, but in practice the charity operates within a particular country, local authority area or other locality, then you should enter these areas on the form. We have changed the format of areas of operation on our Register, and some charities previously classified as operating worldwide or in specific continents will find that no details have been pre-printed. If this applies to you, we need you to supply details of the actual countries or areas in which you are now operating.

It is important that the Register accurately reflects the area(s) where trustees have chosen to focus the resources of the charity for the time being. The area of operation may change from year to year, but if the trustees keep their Register entry up to date they are less likely to receive requests for help from outside of their remit.

In Part A7a, for charities operating in England and Wales, we can only accept valid entries for local authorities from the reference list below.

Unitary authority areas

Bath and North East Somerset	Isle of Anglesey	Reading
Blackburn with Darwen	Isle of Wight	Redcar and Cleveland
Blackpool	Isles of Scilly	Rhondda Cynon Taff
Blaenau Gwent	Kingston upon Hull City	Rutland
Bournemouth	Leicester City	Slough
Bracknell Forest	Luton	South Gloucestershire
Bridgend	Medway	Southampton City
Brighton and Hove	Merthyr Tydfil	Southend-on-Sea
Bristol City	Middlesbrough	Stockton-on-Tees
Caerphilly	Milton Keynes	Stoke-on-Trent City
Cardiff	Monmouthshire	Swansea, City of
Carmarthenshire	Neath Port Talbot	Swindon
Ceredigion	Newport City	Telford and Wrekin
Conwy	North East Lincolnshire	Thurrock
Darlington	North Lincolnshire	Torbay
Denbighshire	North Somerset	Torfaen
Derby City	Nottingham City	Vale of Glamorgan
East Riding of Yorkshire	Pembrokeshire	Warrington
Flintshire	Peterborough City	West Berkshire
Gwynedd	Plymouth City	Windsor and Maidenhead
Halton	Poole	Wokingham
Hartlepool	Portsmouth City	Wrexham
Herefordshire	Powys	York, City of

London boroughs

Barking and Dagenham
Barnet
Bexley
Brent
Bromley
Camden
City of London
Croydon
Ealing
Enfield
Greenwich
Hackney
Hammersmith and Fulham
Haringey
Harrow
Havering
Hillingdon
Hounslow
Islington
Kensington and Chelsea
Kingston upon Thames
Lambeth
Lewisham
Merton
Newham
Redbridge
Richmond upon Thames
Southwark
Sutton
Tower Hamlets
Waltham Forest
Wandsworth
Westminster City

Metropolitan boroughs

Barnsley
Birmingham City
Bolton
Bradford City
Bury
Calderdale
Coventry City
Doncaster
Dudley
Gateshead
Kirklees
Knowsley
Leeds City
Liverpool City
Manchester City
Newcastle upon Tyne City
North Tyneside
Oldham
Rochdale
Rotherham
Salford city
Sandwell
Sefton
Sheffield City
Solihull
South Tyneside
St Helens
Stockport
Sunderland
Tameside
Trafford
Wakefield, City of
Walsall
Wigan
Wirral
Wolverhampton

Non-metropolitan counties

Bedfordshire
Buckinghamshire
Cambridgeshire
Cheshire
Cornwall
Cumbria
Derbyshire
Devon
Dorset
Durham
East Sussex
Essex
Gloucestershire
Hampshire
Hertfordshire
Kent
Lancashire
Leicestershire
Lincolnshire
Norfolk
North Yorkshire
Northamptonshire
Northumberland
Nottinghamshire
Oxfordshire
Shropshire
Somerset
Staffordshire
Suffolk
Surrey
Warwickshire
West Sussex
Wiltshire
Worcestershire

In Part A7b, for charities operating outside England and Wales, we can only accept valid entries for countries from the reference list below.

Africa

Algeria
Angola
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Central African Republic
Chad
Comoros
Congo
Djibouti
Egypt
Equatorial Guinea
Eritrea
Ethiopia
Gabon

Gambia
Ghana
Guinea
Guinea-Bissau
Ivory Coast
Kenya
Lesotho
Liberia
Libya
Madagascar
Malawi
Mali
Mauritania
Mauritius
Morocco
Mozambique
Namibia

Niger
Nigeria
Rwanda
Sao Tome and Principe
Senegal
Seychelles
Sierra Leone
Somalia
South Africa
Sudan
Swaziland
Tanzania
Togo
Tunisia
Uganda
Zambia
Zimbabwe

Antarctica

Antarctica

Asia

Afghanistan
Armenia
Bahrain
Bangladesh
Bhutan
Brunei
Cambodia
China
India
Indonesia
Iran
Iraq
Israel
Japan
Jordan
Kazakhstan
Kuwait
Kyrgyzstan
Laos
Lebanon
Malaysia
Maldives
Mongolia
Myanmar
Nepal
North Korea
Oman
Pakistan
Philippines
Qatar
Saudi Arabia
Singapore
South Korea
Sri Lanka
Syria
Tajikistan
Thailand
Timor-Leste
Turkey
Turkmenistan
United Arab Emirates
Uzbekistan
Vietnam
Yemen

Europe

Albania
Andorra
Austria
Azerbaijan
Belarus
Belgium
Bosnia and Herzegovina
Bulgaria
Cape Verde
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Georgia
Germany
Greece
Hungary
Iceland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Macedonia
Malta
Moldova
Monaco
Montenegro
Netherlands
Northern Ireland
Norway
Poland
Portugal
Republic of Ireland
Romania
Russia
San Marino
Scotland
Serbia
Slovakia
Slovenia
Spain
Sweden
Switzerland
Ukraine

North America

Antigua and Barbuda
Bahamas
Barbados
Belize
Canada
Costa Rica

Cuba
Dominica
Dominican Republic
El Salvador
Grenada
Guatemala
Haiti
Honduras
Jamaica
Mexico
Nicaragua
Panama
St Kitts and Nevis
St Lucia
St Vincent and the Grenadines
Trinidad and Tobago
United States of America

Oceania

Australia
Fiji
Kiribati
Marshall Islands
Micronesia
Nauru
New Zealand
Palau
Papua New Guinea
Samoa
Solomon Islands
Tonga
Tuvalu
Vanuatu

South America

Argentina
Bolivia
Brazil
Chile
Colombia
Ecuador
Guyana
Paraguay
Peru
Surinam
Uruguay
Venezuela

A8 – Charity classification

We ask charities to classify themselves using three ‘elements’. These describe WHAT the charity does, WHO it helps, and HOW it operates. This makes it easier for potential donors, beneficiaries and others to find the charities they want on the Register of Charities. We have shown the classifications you have previously chosen with a tick under ‘Current details’ to the left of the page. Please check these, and if the details are incorrect or incomplete please amend by crossing the appropriate ‘Remove’ or ‘Add’ boxes next to each classification. The classifications are broad categories that we cannot tailor to suit individual charities, so we will not update our records from any manual amendments you make to the text.

Every charity should select at least one category in each of the three elements to describe their activities. These classifications will be displayed to the public.

A9 – Charity activities

Here you should give a brief description of your charity’s activities to supplement the broad classifications chosen in A8. This description will be shown on the Register of Charities and is a useful way for a charity to expand on the information shown to the public, potential donors and beneficiaries. Please note that for technical reasons your description must be no more than 400 characters including spaces; we cannot accept any further text above this limit.

Charities have found that providing this information in accessible terms has helped ensure that the enquiries they receive are more relevant to their activities. It enables them to tell potential donors or beneficiaries exactly what the organisation does, how it does it and where it operates, particularly if the trustees feel that the general descriptions in the charity classification and area of operation sections do not exactly fit what the charity does and where it operates.

For example, a charity with general charitable purposes may in fact only give grants to people studying in a particular location or a chosen subject. Likewise, a charity for the relief of people in need may choose to deliver that service by way of information, advice and support to those living in a particular area. The ‘Charity activities’ section is the ideal opportunity to tell people about this.

Space is limited, so we have not pre-printed any information we currently hold for this on the form, but if you have previously supplied a description of your activities you can check and amend these details using our online services. You can access these via our website at www.charitycommission.gov.uk. Information you give in this section will replace any details we currently hold. If you do not have access to the online services, you can simply provide a new description which will replace any text we currently hold.

A10 & A11 – Charity email addresses

These sections will show any email address details that we hold for your charity. Your charity can have two email addresses listed: a public address that will be displayed on the Register of Charities and be viewable on our website, and a private address that will only we will use for contacting the charity. You need not necessarily supply two different addresses because the same address can be used for both purposes. If the same address is to be used, you should ensure you give it in both A10 and A11.

If you wish to change or amend a pre-printed email address, or to supply us with a new email address, please use 'Amended details'. If you wish to delete an email address, please put a cross in the box beneath the relevant address.

A12 – Charity website

If we hold details of the charity's website address, it will be shown here. This will appear on your Register entry on our website as a link to your charity's own website. If you wish to change or amend a pre-printed website address, or to give us a new address, please use the 'Amended details'. Do not make amendments to the pre-printed details, as these will not be processed. If you wish to delete the website address, please put a cross in the relevant box to tell us that the charity no longer has a website.

A13 – Charity main bank/building society account

Here we will show the main account details we currently hold for your charity. If the details are incorrect or blank, enter a complete set of correct details under 'Amended details'. To determine whether your charity holds a bank account or building society account we will need the following information:

For a bank account:

- the full name of the bank;
- the name of the account as it appears on the chequebook, passbook or statement;
- the sort code of the bank, this will have six digits and you should enter it as, for example, 12-34-56;
- your bank account number; this is on your bank chequebook or statements and is usually 7-10 digits long.

For a building society:

- the full name of the building society;
- the name of the account as it appears on the chequebook, passbook or statement;
- the roll or reference number. The roll or reference number can contain letters and numbers and can be up to 18 characters long. If you are not sure if the account has a roll or reference number, ask the building society.

We need details of your primary account only, and will not make public any account details.

REPORTING SERIOUS INCIDENTS

Trustees have a duty to take reasonable steps to assess and mitigate any risks to their charity's activities or beneficiaries. We aim to target our resources where there is or has been a risk of a serious incident that could seriously harm your charity's property, work, beneficiaries or reputation.

This year we are asking trustees to confirm that they have reported any such incidents to us as they have occurred, or if they have failed to do so to report them as part of the Annual Return.

Legal requirement

Trustees should provide information about serious incidents as soon as possible after they become aware of them. They must, as part of the charity's Annual Return, confirm that there are no serious incidents or other matters which they should have brought to our attention but have not. Failure to provide this confirmation would be a breach of legal requirements.

Best practice

As a matter of best practice, incidents that cause a significant loss of funds or a significant risk to a charity's beneficiaries, resources or reputation should be reported to us immediately, not just on completion of the Annual Return.

What is serious or significant?

This is for you to decide in the context of your charity. We take a risk-based approach to regulation and target our action where we can have greatest impact. Our approach to issues of serious concern is very briefly set out below and we have tried to give some guidance on what is serious or significant in the notes that follow.

Zero tolerance

The issues to which we take a zero-tolerance approach are:

- connections to proscribed (banned) organisations;
- charity links to or support for terrorism, financial or otherwise;
- misuse of a charity to foster criminal extremism;
- money laundering;
- abuse of vulnerable beneficiaries;
- not having adequate measures in place to protect vulnerable beneficiaries;
- sham charities, set up for illegal or improper purposes.

We will assess all reports of zero-tolerance issues objectively and open-mindedly to decide the most proportionate and effective response.

Criminal activity

We expect the trustees to inform us of any criminal activity within or involving the charity. This includes any offences committed in a personal capacity which call into question an individual's suitability to be involved in a charity, whether as a trustee, member of staff or volunteer.

Escalating factors

For other issues, we operate degrees of flexibility, depending on the seriousness of the issue. This involves considering additional factors that may increase or decrease the risks to the charity and therefore modify our response. Such factors include the proportion of assets at risk; the profile of the charity (for example if it is a household name); whether there is any local, national or international press coverage; the reliability of the information provided; the extent of services withdrawn; and whether the charity has a history of non-compliance. However, this is not an exhaustive list.

What if it is just an allegation or suspicion?

You should still report this to us if you have received information that leads you to believe or suspect that a serious incident has happened and you have reasonable grounds for the suspicion. One of our statutory functions is to identify and investigate apparent misconduct or mismanagement in the administration of charities. We take an evidence-based approach to our work and will always test allegations before deciding our regulatory response, if any.

What if I have already reported it?

If you have already reported it to us, you don't need to tell us again. However, if you have already reported a serious incident, or a suspicion or allegation of a serious incident to the police or another regulator or agency, you should also report this to us.

SERIOUS INCIDENTS

Significant fraud, theft or loss of funds

What counts as serious or significant will be different for different sizes of charity. As a guide, we would expect you to report any fraud, theft or loss of funds equal to or greater than £25,000 or 20% of the charity's income, whichever is the smaller amount. While we would take a more flexible approach to the £25,000 threshold, taking the charity's income and other modifying factors into account, we would still expect you to report a loss to us if it has come about through fraud or other criminal activity.

Significant sums of money or other property donated to the charity from an unknown or unverified source

This could mean an unusually large one-off donation or regular smaller donations from a source that you cannot identify or have not checked. Donations may take forms other than money, e.g. shares or goods.

Here, we would expect you to report any such one-off payment equal to or greater than £25,000, or two or more payments that add up to this amount. The risks of accepting a donation from an unknown or unverified source may be greater when specific conditions are attached to the donation.

It is best practice to know your donors, as it is to know your beneficiaries.

Legal requirement

Changes in tax law following the Finance Act 2006 section 54 mean that a charity must keep records of significant donors and benefits received by those donors. This is to avoid a tax liability.

The charity (including individual staff or trustees or both) has any known or alleged link to a proscribed (banned) organisation or to terrorist or other unlawful activities

If this comes to your attention, or you suspect that another trustee or member of staff does have any such links, you should inform us. Our Operational Guidance OG96 Charities and Terrorism on our website explains more about the principles underlying our handling of allegations of charities' involvement in terrorism; the duties of trustees; and reporting of suspicions. A list of proscribed organisations can be found on the Home Office website at www.homeoffice.gov.uk.

Our policy on charities and their alleged links to terrorism can be viewed on our website.

A person disqualified from acting as a trustee has been or is currently acting as a trustee of the charity

This incident and the two that follow are designed to establish if systems are in place to check the eligibility of trustees and to safeguard children and other vulnerable beneficiaries. While the two that follow are not 'incidents' in themselves, a lack of adequate systems increases the risk of an incident.

Legal requirement

Some people are disqualified by law from acting as trustees, including anyone described in section 72(1) of the Charities Act 1993. Further details can be found in our publication CC30 Finding New Trustees – What charities need to know.

It is normally an offence to act as a trustee while disqualified unless we have given a waiver under section 72(4) of the Charities Act 1993 (some special provisions apply to the administration of charitable companies).

In addition to the disqualifications above, which apply to all types of charities, the Criminal Justice and Court Services Act 2000 disqualifies certain individuals from holding a range of positions in children's charities, which includes charity trusteeship. We do not have the authority to give a waiver for this type of disqualification.

There may also be restrictions in the charity's governing document.

Further information about disqualifications and waivers of disqualification can be found on our website.

The charity does not have a policy for safeguarding its vulnerable beneficiaries (e.g. children and young people, people with disabilities and the elderly/old people)

Safeguarding children and vulnerable adults

We expect trustees to have systems in place for safeguarding vulnerable beneficiaries. Our guidance on safeguarding children can be viewed on our website.

We do not administer legislation on safeguarding children and vulnerable adults, but we are concerned to protect public confidence in the integrity of charities.

The Department for Education and Skills is responsible for government policy on safeguarding children. More information can be found at www.everychildmatters.gov.uk

The Department of Health is responsible for government policy on safeguarding vulnerable adults. More information can be found at www.dh.gov.uk

The legislation on safeguarding children and vulnerable adults is changing. For the latest information please visit www.everychildmatters.gov.uk

CRB checks

Are CRB checks a legal requirement?

Undertaking a CRB check involves disclosing sensitive, personal information that would normally be confidential and so there is only a legal entitlement to undertake checks for some positions. Within this group there are also some specific positions for which there is a legal requirement to carry out a CRB check.

Details of when there is a legal requirement to carry out a CRB check, can be found on our website.

What should trustees do?

You must undertake CRB checks where there is a legal requirement to do so. In addition we advise that you undertake CRB checks if you are legally entitled to do so, to ensure that you fulfil your general duties to the charity. Checks should be carried out regularly for continuing trustees.

It is ultimately for trustees to decide if there is a legal entitlement or requirement to conduct these checks. The legislation surrounding CRB checks is complex and you should take professional advice if necessary.

If trustees do not undertake CRB checks and vulnerable beneficiaries are put at risk as a result, we will look at whether there was a legal requirement or entitlement to carry out checks in forming our judgement as to whether or not the charity is being properly managed.

The charity has no vetting procedure to ensure that a trustee or member of staff is eligible to act in the position he or she is being appointed to

There is no explicit legal requirement to ask prospective new trustees to sign a declaration of their eligibility to act but it is best practice to do so as a minimum. There is a model declaration that can be found on our website.

There are legal restrictions on who can be a trustee. We would have a serious regulatory concern where trustees had failed to put systems in place to vet trustees or to protect vulnerable beneficiaries.

Trustees should ensure that suitable vetting procedures are in place for staff and volunteers which could include CRB checks where appropriate (see information about CRB checks above).

Beneficiaries have been or are suspected of being abused or mistreated

We expect trustees to report this to us only if the beneficiaries have been abused or mistreated by someone connected with the charity e.g. a trustee, member of staff or volunteer.

The charity has been subject to a criminal investigation, or an investigation by another regulator or agency; or sanctions have been imposed or concerns raised by another regulator or agency (e.g. the Health and Safety Executive, Ofsted)

The trustees should inform us if the charity has been the subject of any criminal investigation or if another regulator or agency has imposed any formal sanction on it. If the trustees are unsure what 'concerns' should be reported to the Commission, they should refer back to the zero-tolerance issues as a starting point. Our teams can advise on a case-by-case basis.

Reporting an incident

Questions we may ask

When you report an incident, we will ask for details. You may not have all of them but please be prepared to answer and provide information about the incident. The more information you provide, the more quickly we will be able to assess it and decide if there is an issue for us to take up. For any incident, it would be helpful if you told us:

- whether the incident has happened or whether there have been serious allegations/suspicions that it has happened;
- when the incident happened and who was involved, including his or her position in the charity;
- if this person is still involved with the charity;
- what impact the incident has had on the charity and/or its beneficiaries;
- what action, if any, has been taken since the incident happened;
- whether any publicity has arisen as a result of the incident;
- if the charity has conducted its own inquiry into the incident and what was the outcome;
- if another regulator or law-enforcement or government agency is involved and what action it has taken, if any;
- if you were/are aware of the statutory provisions governing the incident.

What will we do next?

Following reports or allegations we will assess the circumstances of each case. This may involve gathering additional information, testing any allegations and contacting other regulators or the police. The officer conducting the evaluation will take a view on the information provided and use our risk-assessment criteria to decide what action is appropriate. We cannot definitively state what our action will be for any given issue, as our response will depend on the charity and its ability to comply with legal requirements and best-practice recommendations; actions that the trustees may already have taken to protect the charity; and whether we are likely to add real value by becoming involved. The Charity Commission's response may be either:

- that regulatory issues do not arise, or that they are not such as to justify action by the Commission;
- that regulatory issues do arise, and are likely to be best resolved through advice and assistance;
- that regulatory issues have arisen in the past but the trustees have taken appropriate steps to deal with these and we will take no further action;
- that the police or another agency are best placed to take the issues forward;
- that we have a concern, but rather than take action, we will monitor the charity through closer oversight for a period of time;
- that issues arise that are serious or complex enough to make us consider opening an inquiry (this is the exception).

We would stress that generally, we try to work with the consent of trustees to resolve serious concerns. Our concern is always, first and foremost, the charity and public confidence in charities generally.

Still not sure?

If you have any concerns or queries about what to report or how we will handle information you provide, please email seriousincidentreporting@charitycommission.gsi.gov.uk or call 0845 300 0218 and one of our advisors will help you.

NOTES

Send your completed form to
Charity Commission
PO Box 1268
Liverpool
L69 3AR

For all other enquiries contact us at
Charity Commission Direct
PO Box 1227
Liverpool
L69 3UG

Telephone
0845 3000 218
0845 3000 197 (Online Services advice)

Textphone/Minicom
0845 3000 219

Email
enquiries@charitycommission.gsi.gov.uk

Web
www.charitycommission.gov.uk

