



NEWS

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Charity Commission News 27 – January 2008

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Focus on public benefit

Introduction by Dame Suzi Leather

The Christmas break has given us all a chance to re-charge our batteries and the New Year provides an opportunity to take stock and make plans for the year ahead. And there's no doubt it's going to be another exceptionally busy one – both for charities and for the Commission as their regulator.

The first quarter of 2008 alone will see some of the most important provisions of the Charities Act 2006 come into force, offering charities a range of options to give them greater flexibility and control. And, of course, this includes the public benefit provisions which put greater emphasis on the public benefit which charities provide. We include a centre-page guide to what this means for you.

To understand the various changes, I recommend reading the booklet, 'Charities Act 2006: What trustees need to know'. It's also worth looking at the Office of the Third Sector's updated implementation plan which tells you what provisions have already been brought in and what's coming up. You can find links to these on 'The Charities Act 2006' page under Charities Act Updates link from the home page of our website. Look out for more updates on the site over the next few months.

I wish you all a very successful year.

Suzi Leather

Dame Suzi Leather, Chair

The Charities Act in action

Now it's easier to merge

The Act includes provisions aimed at making it easier for charities to evolve and change. Key to these was the Commission creating a public 'Register of Mergers'. This Register was set up last November and contains up to date details on mergers and related transfers of property between charities, where we have been notified of these.

The main advantage of the Register is that gifts to a charity made through wills and legacies will now transfer automatically to the successor charity after a merger. It also covers other types of charity reconstruction, such as incorporation. This removes the need to maintain a 'shell' charity, which exists just to receive such

gifts, or for the Commission to make a Scheme in order that the gift is used as intended.

Trustees of a charity which has taken over the property of other charities can access these benefits by notifying us of the merger. This applies both to new mergers and for those which have already happened – good news for charities currently keeping shell charities running to avoid losing legacies.

Trustees who want to know more about registering a merger, including when this is compulsory, can find out more from the 'Apply for it' link on our home page at

www.charitycommission.gov.uk

Our guidance *Collaborative Working and Mergers* (CC34) available from our website under 'Publications' contains more information on these issues.



Changing outdated objects

Another change which will help charities to evolve to meet changes in society will come into force in February 2008. Charitable objects are usually fairly broad but from time to time, trustees will find their charity's existing objects no longer work. In these circumstances they ask us to use our powers to make a Scheme to update the objects. The new objects must be close to the original ones.

Until now the law stated our main consideration in using these powers had to be the 'spirit of the original gift', but under the new provisions we can also take into account 'current social and economic circumstances'. As an example, some charitable objects contain assumptions that no longer reflect social norms, such as educational prize funds awarded to girls for cookery and boys for woodwork.

Under the new provisions we could remove these gender qualifications or, if asked, amalgamate both prizes into a single fund.

While we've always tried to use our powers as creatively and helpfully as the law allows, this formal change may reassure charities in this position that the process is more straightforward than they may previously have thought.

More flexibility for charitable companies ...

One of the provisions of the Charities Act 2006 which will come into effect this February will give company charities new flexibility when it comes to amending their memorandum and articles of association.

The rules about when a memorandum and articles can be

amended will be relaxed so that charities can make changes unless they are 'regulated alterations' – these are amendments which affect the most fundamental aspects of the charity and will still need our prior consent. Regulated alterations are any amendment to:

- the object clause;
- any provision involving how the charity's property is used if the charity dissolves; and
- any amendment which would authorise benefit to directors, the company's members or people connected with them.

... and for unincorporated charities too

The Act gives small charities which aren't companies more freedom to spend or transfer their assets or to change their purposes without needing our authorisation.

From February, unincorporated charities with an income of less than £10k will be able to transfer all their assets to another charity or change their purposes by making a simple resolution.

Many very small unincorporated charities which have capital which

can't be spent as if it were income will now be able to do so. Not all such charities will meet the criteria for this and for those that are not able to make use of these new powers we have streamlined the procedure for applying to us for permission to spend their capital.

More detailed guidance and forms will be available from our website and from **Charity Commission Direct** on **0845 300 0218** when these provisions come into force in February.

Progress on CIOs

Before the Charitable Incorporated Organisation (CIO) can be introduced some of the detailed rules about their structure, and how they are to be run, must be made law through Regulations made by Parliament.

The Office of the Third Sector is preparing draft Regulations which deal with this, and we are drafting model governing documents which trustees will be able to use.

It's important that both the Regulations and model governing documents are as useful as possible so, together with the Office of the Third Sector, we will run a joint consultation on both these sets of draft documents – the Charities Act pages on our website have more details.

While CIOs will be a good fit for some charities, they won't be suitable for all and it's worth remembering that all CIOs will have to register with us, regardless of their income.

The 'Registering a charity' pages on our website and our publication *Choosing and Preparing a Governing Document* may help both existing trustees and those thinking of setting up a charity make decisions about the suitability of the CIO structure for their organisation.

The path to a new Charity Tribunal

We anticipate that the Charity Tribunal will be up and running in February, ready to deal with appeals against, and reviews of, the Commission's legal decisions.

Before an appeal will be heard by the Tribunal it will first have to go through our internal decision review procedure – which we've recently reviewed to make it as quick and easy to use as possible.

Referring cases to the Tribunal will be much easier than going to the

High Court and, importantly, it will also be free.

There will also be a new procedure to allow the Commission or the Attorney General to ask the Tribunal to consider wider questions to clarify or develop charity law.

To keep up to date with progress on the Tribunal please continue to visit the Charities Act pages on our website.

Increasing transparency in fundraising

From the beginning of April 2008, the Act will introduce important changes to help the public make more informed choices about which charities they wish to donate to.

From April, the rules about statements made by professional fundraisers, commercial participators and other paid representatives from charities will be tightened up to make clear how much of their public collection will

actually go to a charity, or at least an accurate estimate of how much a charity can reasonably expect.

The Office of the Third Sector is developing guidance about these fundraising statements in advance of this part of the Charities Act 2006 coming into force.

Our website will offer a link to this guidance nearer the time.



Making a success of failed appeals

Increased transparency for donors isn't the only aspect of fundraising addressed by the new Act; it also tackles failed appeals. Appeals usually fail because not enough money is raised. This is compounded by the organisers having to assume that donors will want to be refunded on the grounds they gave for a specific purpose which won't now happen.

We can make a Scheme to allow the funds to be used for other, similar, purposes but only after a lengthy process of advertising and

offering refunds to traceable donors. Even after the Scheme is made, donors have another six months to make a claim.

The new Act offers an alternative. Donors can be told upfront that if the appeal fails then their donation will be used for something similar unless they sign a declaration saying they'd like a refund. This means that if the appeal fails the organisers only have to offer refunds to donors who signed declarations, using our agreed process. We would then make a

Scheme on the money left and no further claims would be met after that.

Of course, one way to avoid an appeal failing in the first place is for organisers to include a more general purpose alongside the specific purpose of the appeal, along the lines of:

"If we don't raise enough money to do X then we'll use it to do Y."

We generally recommend this option as best practice.

Reviewing accounts

Thresholds for professional audit and independent examination

The new Act simplifies the rules about when a professional audit is required and gives both company and non-company charities similar thresholds. Changes to these thresholds were brought in last year and apply to financial years beginning on or after 27 February 2007.

There are, however, still further changes to be brought in and a consultation by the Office of the Third Sector covering how these will work took place in Summer 2007. The main proposals were:

Thresholds

For 2008, the planned changes are that independent examination and audit requirements will be the same for all charities. Accounts will have to be professionally audited if the charity has:

- gross annual income over £500k; or
- an aggregate value of assets over £2.8 million and gross annual income over £100k.

Below this threshold, the proposals for both company and non-company charities are that an independent

examiner can be used instead of an auditor. An independent examination isn't required if the charity's income is under £10,000. If it's above £250,000 then the independent examiner must be a member of a named body.

Group accounts

Charities often carry out trading, and sometimes charitable activity itself, through companies and other bodies they either own or control. To provide a full picture of activities and resources, it's good practice for these charities to prepare group accounts to consolidate the accounts of both the charity and its subsidiaries.

While it's good practice, there's currently no legal requirement to prepare group accounts for most charities. The new Act will normally require a parent charity to prepare group accounts (if a set threshold is exceeded) which include their subsidiaries.

Our website will provide updates when the consultation results are announced.

Protecting whistleblowers

Auditors and independent examiners are sometimes able to identify abuse or significant breaches of trust when

they undertake audits or examinations of charities' accounts. Previously, if the auditor 'blew the whistle' by passing this information to the Commission they risked action for defamation or breach of confidence from the offending charity.

The Act ensures that auditors of charity accounts will be protected from the risk of this type of action and also protects independent examiners of charity accounts. It's anticipated that all three of these changes will be implemented in late Spring 2008.

Future changes for independent examination

Some of the proposals described above will require changes to the Directions for independent examination and to the guidance to help independent examiners. We have consulted on these changes and full details can be found on our website under 'Promoting effective performance'. This consultation closed on 16 November 2007 and, to fit in with the changes described above, we will publish new Directions and guidance which will have effect when the changes are implemented in 2008.

Charities and Public Benefit

Summary Guidance for Charity Trustees

Introduction

All charities must have charitable purposes or 'aims' that are for the public benefit. This is known as the 'public benefit requirement'. Although all charities already have to meet this requirement, the Charities Act 2006 highlights it by explicitly including public benefit in the definition of a charitable purpose. We expect these changes to take effect from 1 April 2008. From that point, all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. Previously the law presumed this to be the case for charities that advance education, or religion or relieve poverty. The Charity Commission has to ensure all charities meet the public benefit requirement and provide guidance on what the requirement means. Charity trustees will be required to have regard to the Commission's public benefit guidance and to report on their charity's public benefit.

This summary covers the key principles of our general guidance to charities about public benefit. The full version of this guidance can be found on our website at www.charitycommission.gov.uk under 'About charities' and hard copies are available by calling **Charity Commission Direct** on **0845 300 0218**

Charitable Purposes

Charitable purposes (or aims) are those that fall within the various descriptions of charitable purposes in the Charities Act 2006, set out below, and any new charitable purposes that might be recognised in the future.

- a) the prevention or relief of poverty;
- b) the advancement of education;
- c) the advancement of religion;
- d) the advancement of health or the saving of lives;
- e) the advancement of citizenship or community development;
- f) the advancement of the arts, culture, heritage or science;
- g) the advancement of amateur sport;
- h) the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity;
- i) the advancement of environmental protection or improvement;
- j) the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage;
- k) the advancement of animal welfare;
- l) the promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services;
- m) other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

You can find out more about charitable purposes in our *Commentary on the Descriptions of Charitable Purposes in the Charities Act* on our website.

Public Benefit

There are two key principles of public benefit and, within each principle there are some important factors that must be considered in all cases. These are:

Principle 1: There must be an identifiable benefit or benefits

- Principle 1a It must be clear what the benefits are
- Principle 1b The benefits must be related to the aims
- Principle 1c Benefits must be balanced against any detriment or harm

Principle 2: Benefit must be to the public, or section of the public

- Principle 2a The beneficiaries must be appropriate to the aims
- Principle 2b Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted:
 - by geographical or other restrictions; or
 - by ability to pay any fees charged
- Principle 2c People in poverty must not be excluded from the opportunity to benefit
- Principle 2d Any private benefits must be incidental

The principles of public benefit apply to all charities, whatever their aims. Each charity must be able to demonstrate that its aims are for the public benefit. Public benefit decisions are about whether an individual organisation is a charity and not about whether particular types of charity or groups of charities, as a whole, are for the public benefit.

Principles of Public Benefit

Principle 1: There must be an identifiable benefit or benefits

Principle 1a: It must be clear what the benefits are

It must be clear what benefits to the public arise from carrying out a charity's aims. Examples of different sorts of benefit include providing housing for the homeless or giving medical care to the sick. It should be possible to identify and describe the benefits provided but that doesn't mean they must be able to be quantified or measured; non-quantifiable benefits will be taken in account as long as it is clear what they are.

Most benefits are self evident but sometimes we may need evidence depending on the type of benefit provided. Sometimes benefit can be shown by a consensus of objective and informed opinion. In some cases we may ask for evidence of independent, expert opinion from someone suitably qualified. It will usually be for the organisation's trustees to provide evidence that their organisation's aims are for the public benefit but we may sometimes need to check evidence from other sources.

Principle 1b: The benefits must be related to the aims

Benefits must be related to the charity's aims, so benefits which arise from the charity's work that are not related to its aims will not be taken into account. Where a charity has more than one aim, each of those aims has to meet the public benefit requirement; it will not be enough if only some do.

Principle 1c: Benefits must be balanced against any detriment or harm

Finally, benefits must be balanced against any detriment or harm which arises. Examples of detriment or harm could include something that is damaging to the environment or mental or physical health or encourages hatred towards others. In judging whether this detriment occurs, we would need to see real evidence; we will not just assume it. Where there is more detriment than benefit, or where the organisation has aims that are illegal or is a sham, it would not be charitable.

Principle 2: Benefit must be to the public, or section of the public

Principle 2a: The beneficiaries must be appropriate to the aims

While this sounds like a statement of the obvious, who constitutes the 'public' or 'a section of the public' varies according to the charitable aims. Sometimes a charity's aims are intended to benefit the public generally, sometimes a specific section of it. Who benefits, and how, will depend on the organisation's aims. Considering who the charity's aims are mainly intended to benefit is important when deciding whether the public benefit requirement is met.

It is not a simple matter of numbers, but the number of people who can potentially benefit must not be insignificant. The 'class' of people who can benefit must be sufficiently large or open given the charitable aim being carried out. The actual number of people who can benefit at any one time can be quite small as long as anyone who could qualify for the benefit is eligible. So, for example, it is fine to offer only a small number of rooms in a care home as long as anyone who is eligible to apply can be considered for those limited places.

It is important that the opportunity to benefit is not unreasonably restricted given the nature of the charity's aims and the resources it has. If the benefit is to a 'section of the public', rather than the public generally, then the restrictions must be reasonable and relevant to the charity's aims. If they are not, this will affect public benefit.

Principle 2b: Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted:

- by geographical or other restrictions; or
- by ability to pay any fees charged

Ways in which restrictions might apply to the 'class' of people who can benefit include geographical restrictions, those involving charitable need, such as poverty, age or ill-health, and those involving personal characteristics, such as gender, race or religion for example. We will consider the circumstances in each case when deciding whether that restriction is reasonable. At the extreme, charities must not be seen as 'exclusive clubs' that only a few can join. So, where the aims of a charity are more closed, inward-looking and exclusive, greater justification for the restriction may need to be provided.

Many different sorts of charities can, and do, charge for their services or facilities. Charities can charge fees that more than cover the cost of those services or facilities, provided that the charges are reasonable and necessary to carry out the charity's aims, for example, in maintaining or developing the service provided. However, where, in practice, the charging restricts the benefits only to people who can afford to pay the fees charged, this may result in the benefits not being available to a sufficient section of the public.

Principle 2c: People in poverty must not be excluded from the opportunity to benefit

The fact that the services will be charged for and therefore provided **mainly** to people who can afford to pay does not necessarily mean the organisation's aims are not for the public benefit. However, if an organisation excluded people from the **opportunity** to benefit because they could not pay the fees, then its aims would not be for the public benefit. In particular, people in poverty must not be excluded from the opportunity to benefit. So it would not, for example, be enough to reduce very high fees slightly to enable more 'middle income' people to benefit, if people in poverty were still excluded from the opportunity to benefit.

In general, the lower the fees that are charged, the greater the opportunity there is likely to be for most people to have the opportunity to benefit. But where the fees charged are, of necessity perhaps, very high, then trustees of those charities will have to think about other ways in which people who cannot afford those fees can benefit in some material way related to their charity's aims. This does not mean charities have to offer services for free, or offer concessions on fees, although clearly that would help. There could be other ways of benefiting people who cannot afford the fees in a way that is related to the aims. For example, one way of doing this might be an independent school working in partnership with a local state school, or an arts charity might broadcast concerts or operatic performances via TV or radio to a wider audience. What matters is that people unable to pay are not excluded from the opportunity to benefit, whether or not they actually choose to take up the opportunity.

Principle 2d: Any private benefits must be incidental

Where people or organisations benefit from a charity, other than as a beneficiary, then those sorts of 'private' benefits must be incidental, which means they are a necessary result, or by-product, of carrying out the charity's aims. Where private benefits are more than incidental this might mean the organisation is set up for private, rather than public, benefit and so might not be charitable.

Reporting on your charity's public benefit

Charity trustees have a new duty to report in their Trustees' Annual Report on their charity's public benefit. The level of detail you will need to provide in your public benefit report will depend on whether your charity is above or below the audit threshold. An audit is required when a charity's gross income in the year exceeds £500,000, or where income exceeds £100,000 and the aggregate value of its assets exceeds £2.8 million. Most charities already explain their activities in their Trustees' Annual Report and so this information now needs to be set in the context of the charity's aims to show how in practice the aims have been carried out for the public benefit.

Trustees will also need to confirm that they have had regard to our public benefit guidance where relevant.

For smaller charities, below the audit threshold, trustees are required to include a brief summary in their Trustees' Annual Report of the main activities undertaken in order to carry out the charity's aims for the public benefit. Trustees can, of course, provide fuller public benefit statements if they wish.

For larger charities, above the audit threshold, trustees are required to provide a fuller explanation in their Trustees' Annual Report of the significant activities undertaken in order to carry out the charity's aims for the public benefit, as well as their aims and strategies. They are required to explain the charity's achievements, measured by reference to the charity's aims and to the objectives set by the trustees. It is up to the charity's trustees to decide how much detail they want to provide to clearly illustrate what their charity has done in the reporting year to meet the requirement; the Commission will not be prescriptive about the number of words or pages needed. But a charity that said nothing on public benefit in its Trustees' Annual Report, or produced only the briefest statement with no detail, would be in breach of the public benefit reporting requirement.

Assessing public benefit

The Charity Commission will assess whether the aims of all organisations applying to register as charities are for the public benefit. Charities that are already registered have to continue to meet the public benefit requirement. We will do this by carrying out research studies on the extent to which different types of charity are meeting the requirement and by working with representative professional and umbrella bodies and with users of those charities.

In some cases we may need to carry out detailed assessment of individual charities. Where that needs to happen we will advise the trustees on what needs to change in order to meet the public benefit requirement, and give clear reasons and advice on what happens next where it is not possible for the organisation to meet the requirement. No charity will be expected to make changes overnight and we will take reasonable account of how much time and resources might be needed by a charity that needs to make changes in order to meet the requirement. A charity or anyone affected by one of our public benefit decisions, that disagrees with it, can seek a review of that decision using our internal decision review procedures and, if they consider it necessary, can make a further appeal to the new Charity Tribunal and, ultimately, to the courts. However, by working constructively with charity trustees and undertaking extensive public consultation on our public benefit guidance, we would hope such circumstances would be rare.

For more information go to www.charitycommission.gov.uk/publicbenefit/default.asp

Payment for trustees supplying services

The Act has introduced a limited power to allow trustees to be paid for providing goods and services to their charity, as long as strict conditions are met. This provision will come into force in February. It does not allow payment for being a trustee, nor does it cover full or part-time contracted employment with a charity.

The new power allows trustees to receive payment for providing professional or business services to

their charity, over and above normal trustee duties. This covers, for example, legal, secretarial, accountancy, building and maintenance work, or the supply of goods to the charity. It also applies where payment involves benefits 'in kind', such as free or reduced rate accommodation.

The power also applies to services provided by individuals or firms connected with a trustee.

We will shortly be issuing new guidance, 'Trustee Payment and Expenses' (CC11), to explain more fully how charities can make use of the new power.

Remember that payments which cover essential expenses are not regarded as personally benefiting trustees, and don't require any special authority - the law already allows for payment of reasonable trustee expenses.

Our strategy in action

Click online and win cash for your charity

Complete your charity's Annual Return or Update the easy way using our improved online service and win £1000 for your charity. We're holding a monthly draw to encourage charities using our online service to bring their records up to date. Launched in July, the random prize draw awards £1000 each month.

Using the online service helps cut down the time spent on paperwork.

It's available round the clock and provides you with immediate confirmation from us that your charity's information has been received safely and securely.

Online services are available directly from our website Homepage. If you need a new password when you log on to the service, just enter your charity's registered number and you'll be sent the new password within 24 hours by email

- if we have an email address for your charity - or 3 days by post.

You can also send us pdf versions of your accounts and the trustees' Annual Report online, and we hope to extend this facility to include Word and Excel documents by the end of the year. See the 'Click online' link on our Homepage for more information about online services.



Greater clarity for campaigners

Many charities campaign tirelessly to bring about social change as a key part of their work, and many others want to have the option to engage in campaigning and political activity on a regular basis. Yet some feel this kind of activity isn't something they can do and may end up self-censoring themselves needlessly.

Since our last guidance on campaigning and political activity was published in 2004, we've had feedback that some of the terms used are confusing and not as clear as they could be. After working with a number of charities, legal and sector experts we'll shortly be publishing rewritten guidance on the issue. We hope this will make it

clear to charities the extent of the freedoms they have to undertake this kind of work within the law and the terms of their governing documents.

Look out for this guidance on our website under 'Publications' in early Spring.

New website gives one-stop shop for all

Readers of CC News who haven't looked at our website for some time might want to re-visit it after a complete redesign and re-launch last July. The re-design means it's easier for trustees to update their charity's information online, send accounts and file Annual Returns at a time that suits them.

The new site also features a Google-based search tool and a

simpler structure, making our advice and guidance easier and quicker to find. The site now also includes 'Browsealoud', a feature that reads web pages aloud for those who find it difficult to read online.

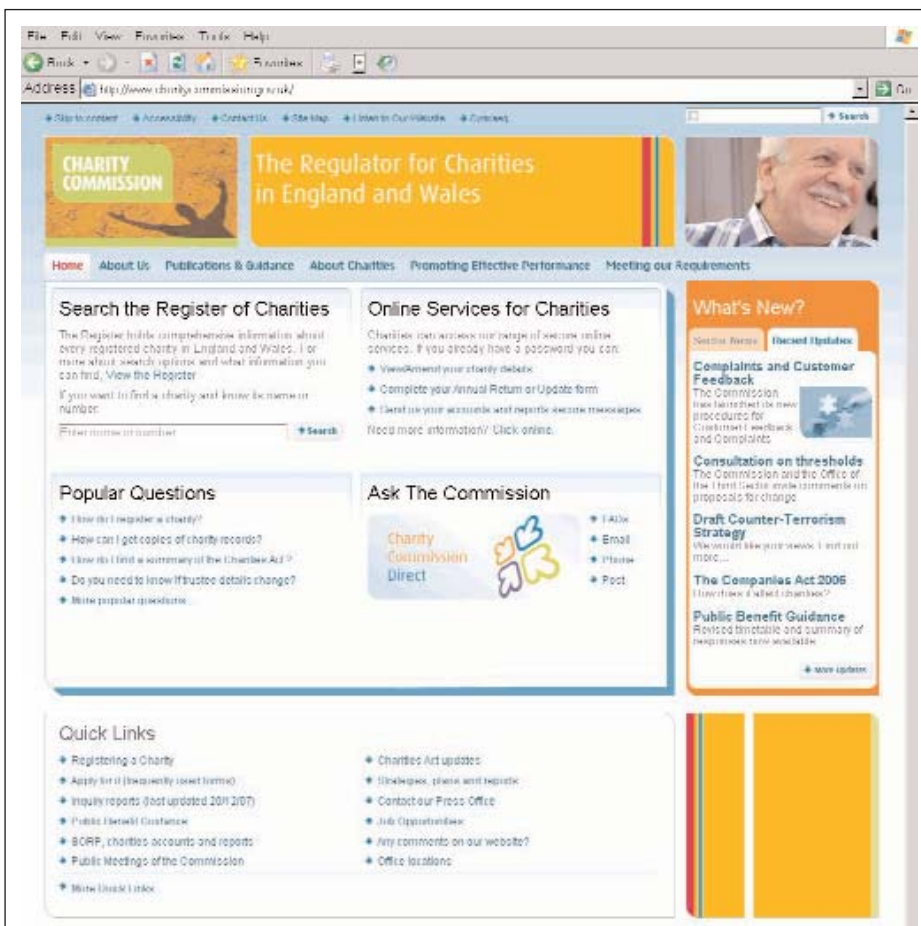
With over 39 million hits to the site in the last year, we hope these changes make it even quicker, more helpful and easier to use.

Making reporting more rewarding

Last summer, our newly designed website made submitting accounts online easier and quicker. Driving up standards of online reporting is an increasingly important development and the Charities Aid Foundation's Online Charity Accounts Awards rewards the best. To help pick up some good ideas for your charity's online reporting visit www.cafonline.org to view the winning entries.

NHS charities can have especially complex reporting requirements but they are also under particular pressure to produce clear and meaningful accounts and reports. This year, the Healthcare Financial Management Association launched the NHS Charity Reporting Award specifically for these charities.

Again, to view winning entries visit www.hfma.org.uk



Getting assets back into the community

Trusts can become dormant for a whole range of reasons, including trustees just finding the running of them too difficult.

To help unlock dormant assets, Community Foundation Network has launched BOOST, an initiative to help bring these assets back into use for the beneficiaries they were originally intended to help.

Trustees can find out more information about BOOST by visiting the Community Foundation Network's website at

www.communityfoundations.org.uk

And if you're a charity trustee who has identified dormant assets which can be brought back into use, remember the Commission has powers to help make this possible.

New trustee guide to fundraising

A new online guide from the Institute of Fundraising urges trustees to play a more prominent role in supporting the fundraising function of their charities. The new Trustees Guide to Fundraising covers everything a trustee needs to know about fundraising, including trustee obligations, sustainable funding, fundraising techniques, tax-effective giving, as well as legal and ethical issues.

Download your guide from:

www.institute-of-fundraising.org.uk/trusteesguide



Questions, questions

Q. How can I get a copy of a registered charity's accounts or their governing document from you?

A. You can get copies of charity accounts held on the Register of Charities from our online Register at www.charitycommission.gov.uk

You can input a charity's name or registered number from the Home Page and bring up its Register entry. From there,

scroll down to the charity's 'Mailing and Submissions' table. If accounts are available for that charity you'll see a link 'To view account documents click here' immediately above the table – just follow the link to see what's available.

We can also send you hard copies of a registered charity's accounts or governing documents. We make a small charge for this but we don't charge any trustee, employee

or officer of a charity who wants copies of the accounts or governing documents of their own charity.

Only charities with a gross income or total expenditure of over £10,000 in a financial year have to send accounts to us, so you may need to contact the charity directly. Charities are legally obliged to meet reasonable requests like this but they may make a small charge for doing so.

continued ...

Q. I've heard that the requirements for registration have changed. How?

A. Since April 2007, changes to the law mean that only charities with an annual income above £5k have to register with us. Previously, this income threshold was £1k. The increase to the threshold means that charities with an annual income below £5k don't have to register. There used to be a requirement that a charity, regardless of its income, also

had to register if it had permanent endowment or used or occupied land. That requirement has now gone.

The registration requirements for charities 'excepted' and some of those 'exempt' from registration will also change as a result of the Charities Act 2006. When the relevant provisions come in, they will have to register with us if their gross annual income exceeds £100k.

When the process of registering these excepted and exempt charities has been completed, charities below the thresholds can ask for us to register them on a voluntary basis.

For full answers to hundreds of questions about running your charity please visit our FAQs facility, available straight from our Home page under 'Ask the Commission'.

How to contact us

Charity Commission Direct for general queries and to contact any of our offices:

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