

NFP eNews

16 September 2024

Welcome to haysmacintyre's regular 'e-news alert' for charities and not for profit organisations.

Fundraising Code – under review

There is a new Fundraising Code coming our way in early 2025. This code is now in its final consultation period, with some of the key changes noted as follows:

- The code is 40% shorter than the current version – although they have confirmed that nothing has been lost in terms of existing protections.
- More detailed requirements for providing training and support to volunteer fundraisers acting “in aid of” or “on behalf of”. This includes an obligation to carry out appropriate checks to ensure the fundraisers are suitable.
- There is the introduction of the “three step rule” in relation to approaching the public. The fundraiser should not take more than three steps alongside or behind them, and if they have not stopped in three steps then the attempt to talk to them should end.
- Charities cannot use claims or images that are shocking as an attempt to attract attention, and there should be clear warnings on any content that could be deemed as shocking.
- There are restrictions to be placed with no fundraising calls taking place after 9pm and they should not ask for financial contribution more than three times.
- There are new rules around unstaffed collections.
- There is more focus on the inclusion of opt out messages.
- Where a charity is aware that an organisation is offering a donation to be added to a transaction, for example rounding up the bill in restaurants and shops, the charity must ensure that active agreement is sought from the donor.

If you are a fundraising charity and especially if you are signed up to the Fundraising Regulator, it is well worth having a look at the updates now and responding to the [consultation by the deadline](#) of 1 November 2024.



Public trust in charities at a 10 year high

Trust in charities [has continued to grow](#), and is now at the highest levels since 2014. The research has identified that, unsurprisingly, the way in which charities spend money is the critical factor for most people, along with delivering purpose and following ethical standards.

With the current cost of living crisis and economic climate, more and more people are reliant on charities, however [recent trends](#) show a reduction in donations. It is important for charities to maintain and build on the public trust to weather the current issues for income generation.

NCVO guidance – How charities can tackle misinformation

With the increasing reliance on social media, misinformation can spread far more easily and quickly than ever before. It is harder than ever to disseminate misinformation which can include “inaccurate, incomplete, misleading, or false information as well as selective or half-truths”. With charities relying on public trust, misinformation is a very real threat which can cause reputational damage.

NCVO have put together a useful guide to explore what charities can do to protect themselves. Points to consider range from training your team, how to deal with misinformation quickly and how to report. Further information can be found [here](#).

This guidance is aligned with the [Charity Commission social media guidance](#).



Donor Pulse Report – Summer 2024

Enthuse has released its latest report on charities based on a sample of over 2,000 members from across the UK. Key findings highlight that the economy is starting to stabilise, and whilst there are still challenges for charities, the costs of living crisis is not quite as steep as previously reported. It was also noted that donations from the public had increased over the past three months, with 78% intending to donate again in the next three months.

The report providing some really useful statistics, for example breaking down different type of donations, the causes supported, key concerns about cost of living and the impact of financial position on donating to charities.

Linked with the other articles highlighted in this newsletter, there is also a focus on public trust and misinformation.

Download your copy of the report [here](#).

Another IR35 win for HMRC

The Upper Tax Tribunal on 28 August 2024 overturned a First Tier Tax Tribunal decision regarding Stuart Barnes's deemed employment as a rugby commentator for Sky. The determining factors included length of service, contract, substitute rights, exclusivity, and financial risk, resulting in nearly £700k tax and NIC liabilities (without interest and penalties) due.

The decision highlights the need for robust employment status process, controls and governance coupled with keeping abreast with current case law to ensure IR35 legislation compliance.

Please contact the [Employment taxes team](#) should you have any questions regarding any IR35 related matters.



Protective assessments in VAT

The First Tier Tax Tribunal has issued an important judgement in the Go City case. Whilst much of the decision will not be relevant to many not for profit organisations as it dealt with the correct VAT treatment of vouchers issued by the company, it also went on to consider the nature of protective assessments. Where HMRC is running up against the time limits in law beyond which an assessment cannot be issued, it has long been the case that they will issue a protective assessment.

The judge confirmed that such assessments cannot be issued simply because a time limit is coming close, and that HMRC must actually have formed a view that an error has been made, not just that they are looking into matters and have assessed to prevent something becoming time barred prior to reaching a decision.

Please contact [Phil Salmon](#), Partner and co-Head of VAT if you have any queries.

Volunteers

The Social Purposes sector relies heavily on its volunteers. Typically, these are unpaid and may in certain circumstances be paid out of pocket expenses. This is usually limited to food, drink, travel or any equipment they need to buy to undertake their duties. Normally, there are no employment taxes implications for reimbursement of these out of pocket expenses as long as they are reasonable.

If the volunteers are paid expenses that do more than reimburse the costs incurred, then HMRC may contend that they are receiving remuneration for their services. In which case, the payments will be taxable as employment income if it can be shown that they either hold an office or employment. If they do not hold an office or employment, the payments may be Miscellaneous Income.

In a recent employment [tribunal case](#) M Groom v Maritime and Coast Guard Agency, the volunteer was judged to be a worker which confers employment rights such as holiday pay, National Minimum/Living Wage etc. It is therefore imperative that the correct policies, controls and governance are in place to avoid any possible successful employment status challenge by HMRC.

Please contact [Dinesh Pancholi](#), Senior Manager for further details.



The Charity Commission update

Following the trend of the past few years, the Charity Commission for England and Wales has refreshed and shortened the [CC27 guidance](#).

This is essential reading for all Trustees as it focuses on decision making. The key principles remain the same but the updated language makes it more accessible to read.

Please share with your fellow trustees and boards - it's a very useful read and sits nicely alongside the 5 minute guides.

Quarterly Charities Update

Last week, we hosted our Quarterly Charity Update on Thursday 5 September, where guest speakers Zoe Amar FCIM, Founder and Director at Zoe Amar Digital, shared insights into the results of the Charity Digital Skills survey.

We also heard from our second guest speaker, Lucy Savage, Senior Communications Executive at Definition, who gave a deep dive into reporting charity impact, and how your charity can best demonstrate positive change.

If you missed the session, you can catch up with our recording [here](#), and slides [here](#).



Gift Aid Day

Next month, Thursday 3 October, marks Gift Aid Awareness Day 2024. We remind all donors to #tickthebox, giving their charities an additional 25% on top of their donation at no extra cost. Most importantly, the day highlights the importance of Gift Aid for the sector. Louise Veragoo, Not for Profit Tax Director, has shared what charities can do to maximise their Gift Aid opportunities via our factsheet [here](#).

For more on Gift Aid and tax compliance for charities, please don't hesitate to [contact Louise](#) directly.

Upcoming events

Trustee Training: Roles and responsibilities

15 October 2024

09:30-13:30

Online

Quarterly Charities Update

5 December 2024

15:30-17:30

Online

Trustee Training: Introduction to charity finance and reporting

18 February 2025

13:30-15:30

Online

Trustee Training: Roles and responsibilities

6 March 2025

09:30-13:30

Online

For further details on our not for profit upcoming events and to register, visit www.haysmacintyre.com/events.

We welcome your feedback on this update and would be pleased to hear about any areas you would like to see covered in future editions. Please email [Siobhan Holmes](mailto:Siobhan.Holmes), Director, with any comments.

haysmacintyre

haysmacintyre
10 Queen Street Place
London EC4R 1AG
T 020 7969 5500
E marketing@haysmacintyre.com
www.haysmacintyre.com
X @haysmacintyre



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Winner: Large Firm
of the Year 2023



An eprivateclient
top accountancy firm 2023



Top 10 auditor to quoted companies
in Adviser Ranking Listing