

## NFP eNews 8 JUNE 2023

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

### **Helen Stephenson CBE, sets out how the Charity Commission is working to better support trustees**

At a recent Civil Society Media's Trustee Exchange event in London, Helen Stephenson CBE, delivered a speech to clarify and discuss the role of the regulator in conjunction with the roles and responsibilities of trustees. As the Charity Commission's Chief Executive Officer, Helen discussed the sometimes factitious relationships between the regulator and trustees, and reinforced the message of having good governance and financial controls.

The Chair also made reference to the My Charity Commission Account, which we discussed in our [April 2023 eNews](#).



### **The Charity Commission finds serious misconduct in Hospice Charity**

The Charity Commission (the Commission) has recently concluded its second investigation into the charity Hospice Aid UK. Founded in 2002, Hospice Aid UK aims to facilitate and promote the relief, care and treatment of the sick and dying, and to support and care for their families, carers and the bereaved.

This second inquiry was opened to investigate the proportion of the charity's income being applied for exclusively charitable purposes, as well as the trustees' management of fundraising arrangements, and the extent to which they had complied with their legal duties and previous Commission directions. The Commission concluded that only 6% of their income was used for charitable activities.

Now that the inquiry has concluded, see the fundraising regulator thoughts [here](#).

## Other Charity Commission inquiries

Three new inquiries have been opened by the Commission in recent weeks. The inquiries are investigating compliance and financial management concerns at The Centre for Global Studies, Asia Pacific Children's Fund, and Keren Shmuel.

The Commission has also appointed an interim manager to the Islamic Centre of England, as part of their ongoing work with the organisation.



### Managing cyber risk

The Department for Science, Innovation and Technology has released its [Cyber Security Breaches Survey 2023](#). The survey shows that there has been a 30% decrease in charities experiencing cyber attacks from 2021, in comparison to almost a quarter of charities affected in 2022.

The survey also identified that only 31% of charities have trustees with specific knowledge of cyber and digital risk management.

## Rules on charity campaigning

As we enter into a political environment, with the upcoming local and general elections approaching, it is worth charities reviewing the [Charity Commission's helpful campaigning and political activity guidance](#).

Charities, as non-political campaigners, are affected by areas of election law including The Political Parties and the Elections and Referendums Act 2000 (PPERA), which has recently been amended by the Elections Act 2022.

Charities must now register with the Electoral Commission if they spend over £20,000 on campaigning in England, or over £10,000 in Scotland, Wales, or Northern Ireland. This helps the government make sure charities aren't spending funds to help certain parties or candidates.

The Elections Act 2022 has also introduced a new lower tier of campaigning, for any non-party groups spending over £10,000 in England. The reporting requirement will be lower for this group, but charities should still check whether donations are allowed under the rules.



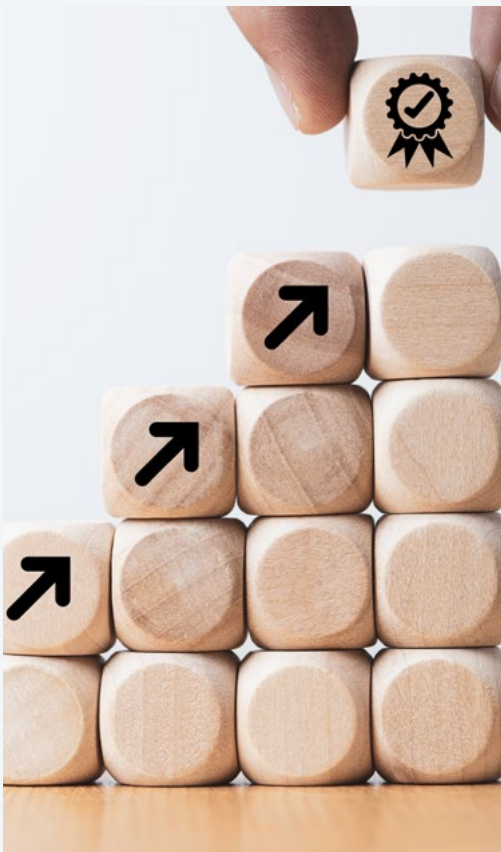
## Free guidance to help your charity diversify income

To help international charities diversify their income, Bond, a haysmacintyre partner, has collated a [selection of case studies](#) to help INGOs consider alternatives to a traditional grant funding model. The purpose is to help charities generate their own income and avoid funder restrictions, whilst shifting both income and power to local communities.

The case studies aim to highlight examples of “innovative and sustainable income streams by passing the limitations that funders place on them”, while helping to build equitable relationships with communities in lower and middle income countries.

## HM Revenue & Customs issues a “One to Many” notice to charities

HM Revenue & Customs (HMRC) are issuing ‘nudge letters’ to charities. These letters have previously been used as an educational exercise to encourage taxpayers to review their tax affairs. The latest nudge letters aim to help charities get their Gift Aid claims on aggregated donations right, together with a reminder of their Gift Aid record-keeping requirements. [Danielle Ford](#), Partner, haysmacintyre, explains the new nudge letters further and advises on the best way to minimise penalties by disclosing errors early. Read the full article [here](#).



## Charities Tax Compliance Consultation

HMRC have recently opened a consultation into several areas of charity direct tax compliance. Their recent consultation flags those areas where there is a perceived tax gap for the sector, and the consultation aims to address those areas. The main focus is on some of the more complex areas of charity direct taxation, including the tainted donations legislation, charitable investment, and the rules around non-charitable expenditure. The key aim is to clarify these areas and prevent abuse of the rules.

However, a more provocative suggestion, and one relevant to all charities who are required to file a tax return, is the proposal to crack down on non-compliant charities by withholding Gift Aid or other reliefs from them until they meet their Corporation Tax filing obligations.

As with all HMRC consultations, HMRC welcome comments on their proposals and answers to their specific questions raised. Please get involved directly by responding if you wish to do so. Details of where to send your responses by the closing date of 20 July 2023, can be found at the bottom of the consultation, which you can read [here](#). For further guidance, please speak to [Louise Veragoo](#), Not for Profit Tax Director, haysmacintyre.

## Upcoming events

### Quarterly Charities Update

Tuesday 5 September  
15:30 - 17:30  
Online

### Bi-annual School Update

September 2023  
15:30 - 17:00  
Online

### Quarterly Charities Update

Wednesday 6 December  
15:30 - 17:30  
Online

For further details on our not for profit upcoming events and to register, visit [www.haysmacintyre.com/events](http://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 [Vikram Sandhu](mailto:vikram.sandhu@haysmacintyre.com), Director, with any comments.

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



Winner: Audit Team of the Year



Winner of the Bronze Award for 2018 and 2017



Top adviser to the top 5,000 charities, Charity Financials' league table 2021



Top ten by audit fees in the 2020 Charity Finance Audit Survey