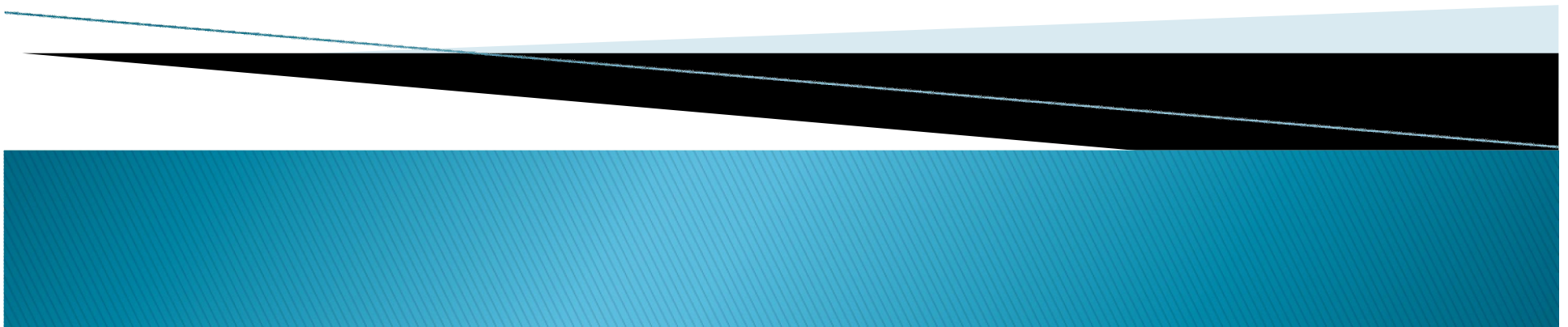


Becoming a Charity

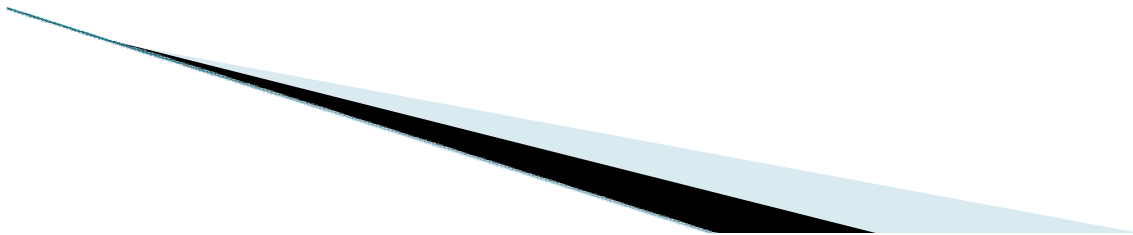
Possibilities and Pitfalls

Delyth Knight
LABBS Legal Advisor



Preliminary Health Warning

- ▶ Delyth is a solicitor
- ▶ but is only qualified to speak about the law in England and Wales
- ▶ Scottish law is similar (supervised by the Office of the Scottish Charity Regulator)
- ▶ A Charity Commission for Northern Ireland is being set up
- ▶ Broad principles are the same across the UK

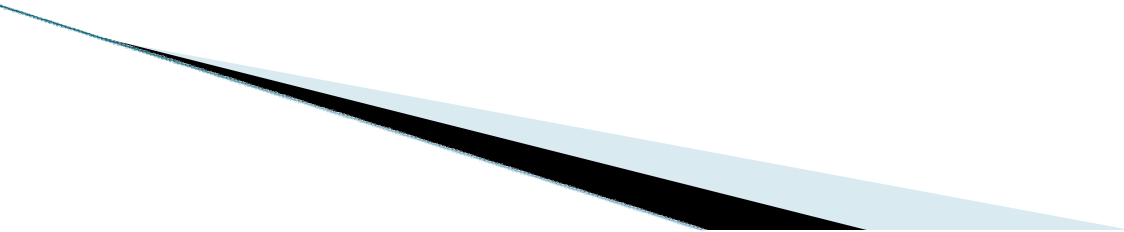


Brunel Ladies Harmony Chorus

- ▶ Established & joined LABBS in 1991
- ▶ Became a registered charity in 2002:
reg. no. 1091183
- ▶ Charitable Objects:
 - To advance the education of the general public in all aspects of barbershop harmony and singing in the barbershop harmony style
- ▶ Received over £12,000 in charitable donations and Gift Aid since registration

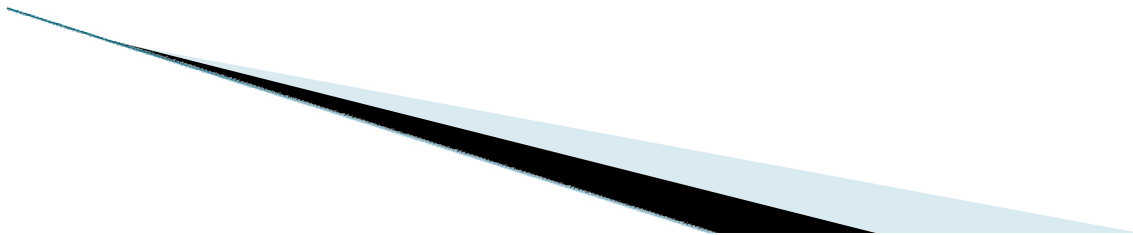


What is a charity?

- ▶ An organisation or group set up to achieve some defined public benefit
 - ▶ Philanthropy or benevolence is not enough
 - ▶ Must satisfy at least one of the charitable purposes prescribed by law
 - ▶ Charitable purposes are similar throughout the UK
- 

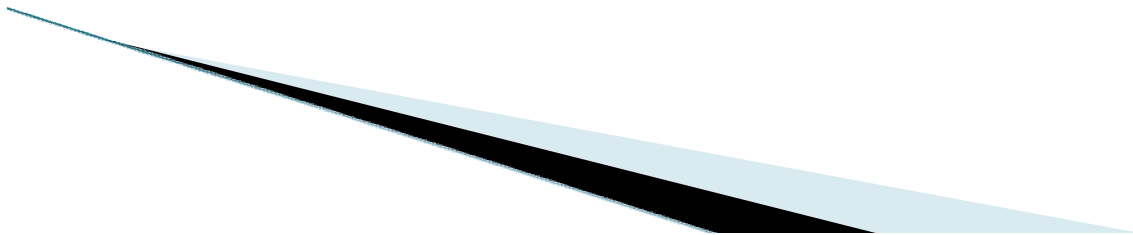
Charitable Purposes or “Objects”

- ▶ England & Wales: Charities Act 2006
- ▶ 13 charitable purposes
- ▶ Relevant ones for barbershop clubs:
 - The advancement of education
 - The advancement of health [and the saving of lives]
 - The advancement of the arts, culture, heritage or science



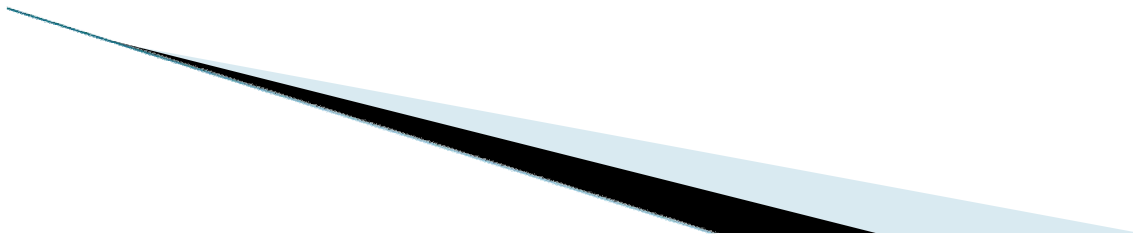
The Advancement of Education

- ▶ To promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise
- ▶ Can be community education or the development of individual capabilities, competencies, skills and understanding



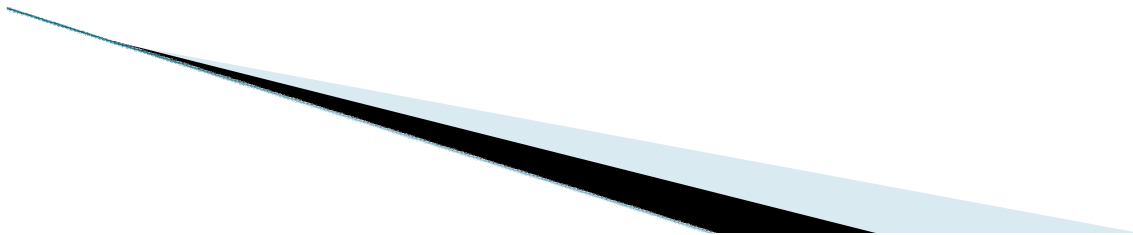
The Advancement of Arts or Health

- ▶ Charities may promote and encourage high standards in the arts of music, singing, choirs, dance, ballet, theatre etc
- ▶ Charities may promote activities that have a proven beneficial effect on health



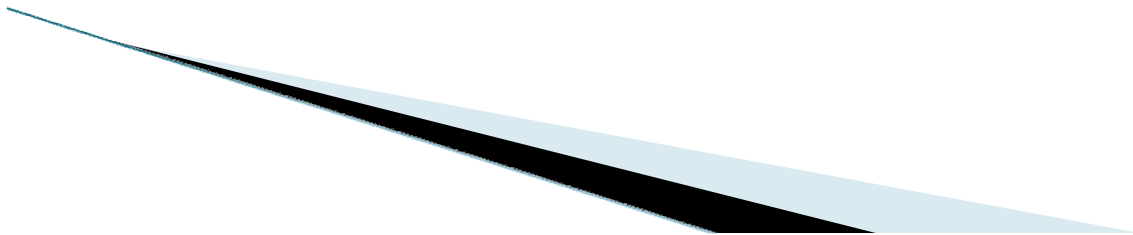
Public Benefit Requirement

- ▶ Must be an identifiable benefit
- ▶ Must be to the public, or a section of the public
 - No unreasonable restrictions on benefit
 - No discrimination
 - No inability to benefit by, for example, being too poor to pay
- ▶ Private benefits must be incidental



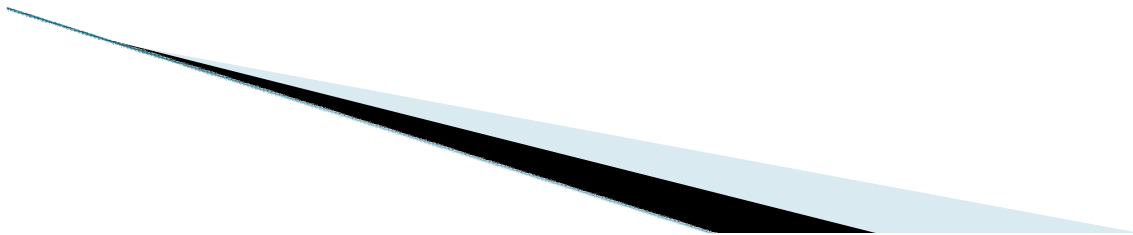
Advantages for your club

- ▶ Gift Aid is claimable on donations to the charity
 - “donations” includes subs
- ▶ More grant funding is available to charities
- ▶ Easier to get street performing and collection licences
- ▶ General public are more likely to take part in or make contributions to charity events

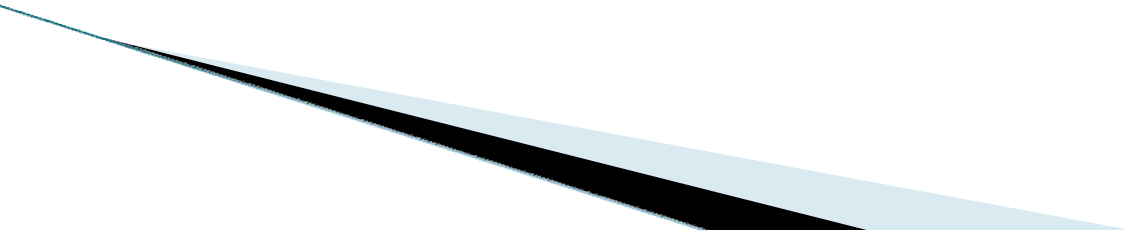


Disadvantages for your club (committee)

- ▶ Must be able to prove that charity is of public benefit
 - Not just singing for charity; but community involvement is important
 - Educate the public (Learn2Sing) or run workshops
- ▶ Must be able to prove that you are working for choral/musical/artistic development and improvement
- ▶ More time needed to administer the charity
 - Mainly record keeping and accounting

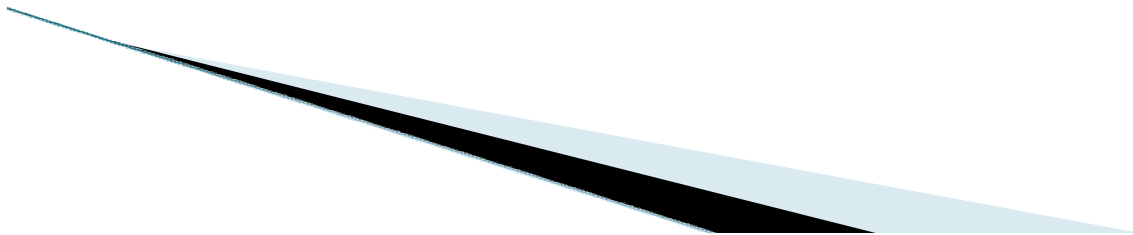


Charitable Records

- ▶ If turnover exceeds £10,000,
 - must submit an annual report and annual accounts to the Charity Commission – on time
 - accounts must include a statement of assets and liabilities (have to value your assets – costumes, risers, music, CDs – and allocate depreciation)
 - must keep a record of all receipts upon which Gift Aid is being claimed (donor's name, house no./postcode) and submit with claim
 - ▶ In any case, have to be meticulous with cash and accounting
- 

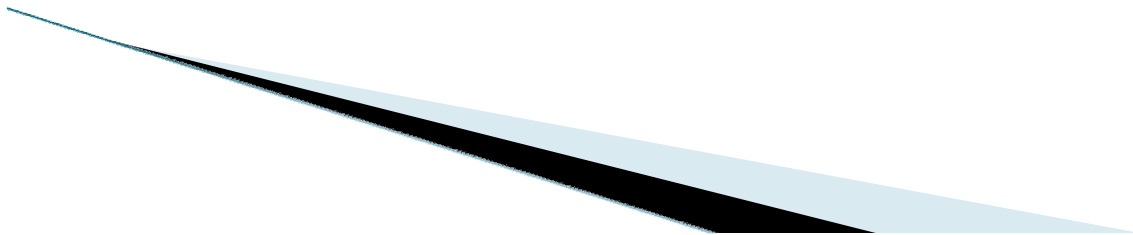
Becoming a Charity

- ▶ Have to have a formal constitution
- ▶ Constitution must include (only) charitable objects and that on dissolution assets are not shared between members
- ▶ Nominate two to four members as trustees
- ▶ Trustees have legal responsibility for ensuring charity operates lawfully and may be liable if it defaults
- ▶ Can be incorporated (company) or unincorporated (charitable trust or association)



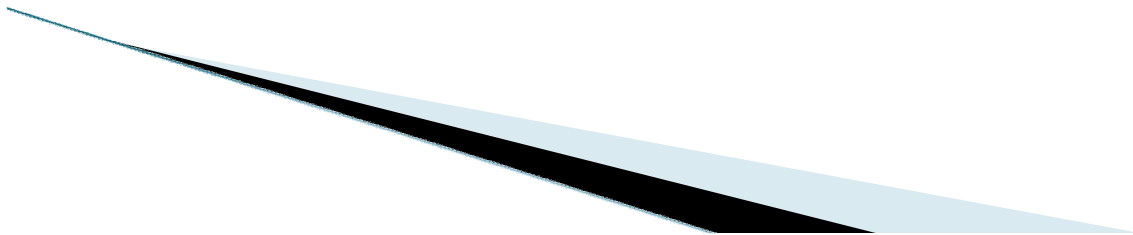
Becoming a Charity

- ▶ Draft constitution – use published model
- ▶ Run it by the Charity Commission/OSCR
- ▶ Pick your trustees according to their capability and skills
- ▶ Pass a formal resolution in the club and send the minute about it to CC/OSCR
- ▶ CC will check with HMRC that all is acceptable
- ▶ If something needs changing they'll tell you
- ▶ Registration follows – effective at once



Regulators: Charity Commission; Office of the Scottish Charity Regulator

- ▶ Responsible for regulating and supervising charities
- ▶ See Charity Commission/Regulator's websites for –
 - Information guidance and advice
 - Model forms of constitutions
 - Rules and regulations
 - Register of charities



Charity Commission websites

- ▶ Charity Commission for England and Wales:
 - www.charitycommission.gov.uk
- ▶ Office of the Scottish Charity Regulator:
 - www.oscr.org.uk
- ▶ Charity Commission for Northern Ireland:
 - www.dsdni.gov.uk

