CFG

INSPIRING FINANCIAL LEADERSHIP

FINANCE FOCUS

The magazine for CFG members October 2018

Mighty oaks from little acorns grow

A clash with National Poetry Day notwithstanding, our first ever *Gift Aid Awareness Day* successfully launched earlier this month, with the full blessing of the Treasury and a bedrock of support from other infrastructure organisations and charities.

Obviously many of you are already going above and beyond in promoting Gift Aid to donors. The aim of this campaign was to scale up the clarion call, building awareness and understanding among all charity staff and volunteers with the hope that it cascades down to donors and that all-important tick on the declaration forms. Plans are already being hatched for an even bigger campaign for 2019.

Our cover story this month celebrates Gift Aid. On page 8, Sara Vening from Virgin Money Giving looks at the how digital fundraising platforms can help optimise the online donor journey and achieve much higher rates of Gift Aid. In an article written for Gift Aid Awareness Day, Lizzie Ellis from the Institute of Fundraising reminds us that Gift Aid represents the long-standing principle of not taxing money donated to good causes and shares her tips and tricks for getting it right (page 9).

Hot on the heels of Gift Aid Awareness Day come *Charity Fraud Awareness Week* on 22 October and *Trustees' Week* on 12 November. If you haven't already downloaded our resources and signed up to our Counter-Fraud Pledge, you can do so online: www.cfg.org.uk/fraudpledge

To mark *Trustees' Week*, we've reproduced the introduction to our 2017 guide published with MHA MacIntyre Hudson *Essential Charity Finance for Trustees*. This extract provides a good overview of the financial responsibilities of trustees, the roles of both the Chair and Treasurer and the qualities needed for a trustee to effectively oversee the finances of their charity. The full guide can be downloaded free of charge from our website.

We've been hearing a lot about impact recently, and in particular the challenges of measuring impact. On page 11, James Kirkland from Grant Thornton looks at the wider implications measuring impact has on risk management and decision-making, facing down the ultimate question: should every charity aim to be unnecessary?

We round off this month's issue with two articles on investment. On page 14, J.P. Morgan's Oliver Gregson asks whether now's a good time for charities to consider their alternative investment options, and on page 15, David Hunter from BWB explains that, with an emphasis on meaningful impact rather than simple metrics, social impact bonds do have a role to play, and shouldn't be ruled out.

That's all from the CFG team this month. Just a quick plug for our first ever Christmas drinks for members on Wednesday 12 December at Standard Life Wealth, 30 St Mary Axe (aka the Gherkin!) Tickets are £20 and can be booked online. Ho ho hope to see you there!

Kate Bines, Head of Marketing & Communications, Charity Finance Group

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If you have any queries about *Finance Focus* or are interested in writing for us, please contact **kate.bines@cfg.org.uk**

Organisation of the month

Set in a Georgian stable block, Torfaen Museum is an Accredited Museum managed by Torfaen Museum Trust. The Trust has been safeguarding and collecting art, historical objects and cultural artefacts on behalf of the Welsh borough since 1978. The Trust joined CFG through the partnership with the Association of Independent Museums (AIM).

What is your organisation's biggest achievement?

Still being a service provider and caring for the collections of the Torfaen Borough (the Eastern Valley of Wales) independently after 40 years!

Our current team (although much reduced since austerity cuts kicked in) has been very successful in securing £1.2m in grants and investment for the museum, its projects, services, collections care and on the Grade II* listed building, since 2001. So they are the organisation's biggest achievement.

Our dedicated team of staff and volunteers work well together and alone to achieve all our objectives and run a busy and exciting service which includes seven galleries, an art gallery, a reference library & archive on local studies, outreach displays, educational provision and workshops, caring for the collections including documenting, vintage china sales, a book & gift shop and a small tearoom. The volunteers also annually fundraise c. £2k with a range of events and displays.

Where are you hoping to get support from your membership of CFG?

Sound advice and suggestions on ways forward, especially with VAT. We currently have a 'partial cultural exemption' so can only reclaim 18% of our VAT, but as we have to buy in most of our services, that 2% VAT can add up. Our auditors suggest a VAT expert, but she has quoted £600 a session with a minimum of 3 sessions, so it may be cheaper to keep paying the 2% VAT!

We also need a good, Honorary Treasurer to oversee our finances. Anyone out there who lives close enough to Pontypool?

What have been the biggest changes to the museums sector since you started working in it?

On a positive note, I have seen the public perception of museums and their staff change from one of lone introverts looking at geological specimens in the back room of a fusty, old, dark museum to one of a vibrant, relevant and proactive service for people of all ages, abilities, backgrounds and interests provided by enthusiastic and skilled staff.

On the downside, funding has become the biggest issue across the sector. Gone are the days in the 00s when the government or local authority rang you up in February and asked if you could spend a £10k underspend within 2 weeks?! It's now a constant, and often losing, battle to maintain any funds for your next year's budget.

What is the biggest issue facing the sector right now?

Funding. Funding. Funding.

It is virtually impossible to find grants to assist with revenue costs, and impossible for museums to be self-sustaining even in wealthier city or residential areas, and certainly not in our area which has a high level of deprivation.

We're very dependent on local councils, which is appalling. Our annual core-funding has been cut by 60%, and staff cut from 5 to 1.5 since 2011. It's likely that from 2020 we will not even be able to afford one full-time member of staff. This is the norm across independent and local authority museums. It appears that only government-funded national museums are able to maintain their normal business models, ways of working and staffing.

Any development of future skills is in jeopardy: finding a job is 'dead men's shoes' and the sector is not the interesting and exciting career option it once was.

If the government could change one thing to make your museum's life easier, what would it be?

For the Welsh government to *return* to giving annual, revenue grants to museums, archives and libraries including assistance with sustaining and creating posts in the sector. For central government to make museums statutory obligations for local authorities alongside libraries and archives (and funding to assist with this).

Finally, what is the one piece of technology your organisation couldn't do without?

Our A3 printer/scanner!

The collections have thousands of photographs of local people and places, and we are in the midst of trying to digitise them all. This not only helps with research enquiries, newspaper and social media articles, access and preservation, but we also sell copies of photographs to fundraise for the museum.

Member benefit of the month

Each month, this NEW feature will focus on one of our member benefits – an aide memoire if you like to help you get the most out of your CFG membership.

Our FREE helplines

We now offer six free helplines for members. Each helpline gives our members somewhere to turn to for advice on specific problems.

The helplines are run by CFG's corporate members, who are leading charity sector experts in their field. Initial guidance – which is often all you need – is entirely free of charge. Topics covered are:

- Accounting and tax
- Managing financial difficulties
- General legal advice
- Legal HR and employment issues
- Property
- Treasury and cash management

Accounting and tax

Crowe UK LLP

Areas they can assist: Accounting and auditing standards and best practice; Governance; Risk management; Performance measurement; Strategy; Financial management; Tax and VAT; Presentation of accounts and reports; Structures and audit committees.

Managing financial difficulties – open to all

PwC and MHA MacIntyre Hudson

Areas they can assist: Mounting debts; Less cash flow; Rising income gaps; Worries that you cannot keep doing more with less.

Contact: **Ian Oakley-Smith, PwC** on **020 7212 6023** or **ian.oakley-smith@uk.pwc.com** or **Chris Harris, MHA MacIntyre Hudson** on **020 7429 0500** or **chris.harris@mhllp.co.uk**

Legal: general advice helpline

Russell-Cooke Solicitors

Areas they can assist: general legal queries

Property helpline – open to all

Charity Property Help

Areas they can assist: Disputes with builders; repair disputes; landlord and tenant disputes; project management; dilapidations; planning issues; property maintenance; and property strategy.

Contact: **024 7686 8555 or propertyhelp@rics.org**

www.charitypropertyhelp.com

Please mark 'CFG helpline' in the subject line.

Legal: HR and employment helpline

Hempsons Solicitors

Areas they can assist: HR and employment

Treasury helpline – open to all

Charity Finance Group

Areas we can assist: support for charities which need help with treasury or cash management issues. Many charities are reducing the resources available to them by not managing their cash properly or getting the most out of foreign exchange transactions. However, most charities lack the capacity to have a dedicated treasury or cash management function in their own charity.

This helpline enables knowledge-sharing between charities that have experienced treasurers and those without capacity.

Opening hours: 9:30am – 5:00pm, Monday – Friday (excluding bank and public holidays)

Contact: **treasury@cfg.org.uk**

To contact the member-only helplines, log in to our website **www.cfg.org.uk/charity_membership** where you'll find the contact details.

Voice your views

Email policy@cfg.org.uk to contribute to any of our policy work

How will the spending review impact your charity?

At some point in the next six to nine months the government will undertake a spending review. Spending reviews take place every two to five years and are a process where government sets departmental budgets for three to five years ahead. With tight public finances and with local government budgets already under substantial strain, this will be of great significance to the sector. With preparations well under way amongst government departments, we are really keen to hear from you on the potential impacts that further cuts might have both on your charity, but also in your region.
To find out more, or share your thoughts, please email **policy@cfg.org.uk**

Gift Aid Awareness day

Having successfully launched Gift Aid Awareness Day on 4 October, we are now looking to commission research to improve the rate of take up among the public. If you're interested in partnering on this, or finding out more about our campaign, please email **policy@cfg.org.uk** for more information.

Government looking for your views on the Local Government Pensions Scheme

Following the government's consultation response on Local Government Pension Scheme (LGPS) regulations in 2016, the Department for Housing, Communities and Local Government is looking to gather information before they consult again before the end of the year. If you have decided not to go ahead with a contract because of the requirements of the LGPS, please get in touch. It would be helpful if you could outline the length of the contract, the size of your organisation and if you wish to be included in the consultation document as a case study. If not, then they are happy to anonymise any responses. For more information please get in contact: **policy@cfg.org.uk**

WELCOME TO OUR NEW MEMBERS

- Crohn's and Colitis UK
- Interserve Great Britain and Ireland
- Mary Frances Trust
- The EY Foundation
- Unseen (UK)
- Soil Association
- Action Tutoring
- Christ Church Spitalfields

News in brief...

Government scraps plan for joint registration

The government has scrapped the planned joint portal for HMRC and the Charity Commission, which would have simplified registration for charities so they would only need to register once. CFG is disappointed and has called on government to take a customer first approach. Responding to the announcement, Caron Bradshaw said: "It's great that there is better cooperation between the HMRC and the Charity Commission, but we really need to put experience of the charities first. Instead, the plug's been pulled on what was a welcome initiative to make life easier for charities, save on administration and unlock more money to support the needs of beneficiaries"

Charities are bystanders in the digital revolution

The chief executive of innovation organisation Nesta, Geoff Mulgan has said that civil society is playing no part whatsoever in the digital revolution and not having a say on the policies around technology.

He also warned that despite some positives in the Civil Society Strategy from the current government, future governments will be less favourable to the sector, which meant that charities needed 'to go back to their roots as a challenge to power'.

Charity Commission chair sets new strategic direction

The Charity Commission has published their new statement of strategic intent which sets out their core purpose and priorities for the next five years to 2023. Two of the priorities focus on how to improve trust in the sector, and removing poor practice. The regulator states that it will try to 'ensure charities show they are being true to their own purposes… and meet the high expectations demanded by the public'.

The Pensions Regulator announces new approach

As part of a significant shift in its approach an increasing number of workplace pension schemes will come under greater scrutiny from The Pensions Regulator (TPR). The TPR will be working proactively with more pension schemes through a new range of interventions to help address risks sooner, set out expectations and take action if required.

As a result of this new approach schemes across all sectors, regardless of size will have a greater frequency of interactions with the TPR so that potential risks to pension savers are identified early and put right prior to using enforcement powers. Neil Wilson from The Pensions Regulator will be one of the speakers at CFG's Pensions Conference in London on 14 November: **www.cfg.org.uk/pensions18**

Research and reports

Report by Department for Digital, Culture, Media & Sport (DCMS) biggest study into place-based giving in England to date

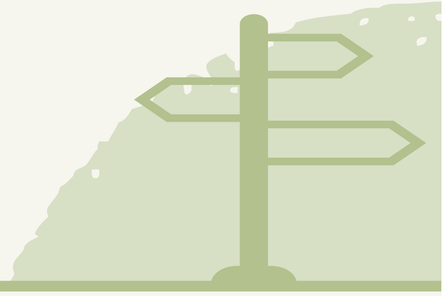
The report *Place-based giving schemes: funding, engaging and creating stronger communities* investigates the current state of the place-based giving movement, in which dedicated funds or schemes are set up to enable local people to give to a wide range of projects in their area. The report maps active place-based giving schemes across England and provides key case studies, assessing the resources and conditions needed for place-based giving schemes to thrive and looking at place-based giving in a wider context, especially with the rise of metro mayors. It also looks to the future, asking what next for the movement. Download the report from the GOV.UK website: **bit.ly/DCMS_report**

Charity investment income hits 10-year high

The Charity Financials Investment Spotlight has found that income from investments grew by £300m in the last financial year to £3.2bn, representing the highest level of investment income in a decade, as well as the highest year-on-year growth over the period.

The report, by Charity Financials (part of Wilmington group), investigates the size and composition of the charity investment market. It reveals how charities' assets are performing, comparing the top 25 charities with high-value assets, and details the most popular investment managers to the sector. Read more: **bit.ly/ChFinspotlight**

Guidance and support



Free GDPR training for CFG members

Corporate supporter Quilter Cheviot has given CFG members free access to a GDPR e-learning tool which can help charities to understand the rule, particularly important now the new regulations are in place. The tool is online and so can be taken by a range of staff, volunteers and trustees. After completing the session, staff can get a certificate which they can use to evidence taking part in the training. As part of the GDPR, one of the biggest changes is evidencing the steps that organisations have taken to inform staff and keep them up to date with the new rules. This new e-learning tool will be very useful to CFG members in demonstrating this requirement. For more information, visit **https://qc.datapartners.co.uk/**.

What's the big issue?

What should charities expect from the Budget?

What should charities expect from the Budget?

With talk of Brexit and the Civil Society Strategy dominating the political landscape for non-profits, relatively little attention has been given to the upcoming budget by the sector. The budget is on Monday 29 October, which has given us a comparatively short window to submit a response (the opportunity to make a budget submission was open for less than a month).

It's important to understand the political dynamics at play between those making decisions. On one hand with the potential for economic shocks following the UK's withdrawal from the EU, Philip Hammond would like to retain fiscal discipline, particularly with a pre-existing commitment for an additional £20bn annually into the NHS by 2023-4. On the other hand the Prime Minister, alongside a number of her colleagues, might be keen to use a narrowing trade deficit, and a better than predicted budget surplus to raise spending, especially on areas with electoral significance, most notably housing and social care.

What does this mean for charities?

There has been surprisingly little information about the content of the budget, with some reporters trailing that the chancellor is looking to find additional revenue to fund commitments to the NHS by increasing taxes. There has been strong speculation of a crack-down on purported 'synthetic self-employment' in the private sector, by extending IR35 to the private sector (off-payroll working through an intermediary), which will impact charities that rely on contractors who work through a personal service company (PSC).

Aside from these announcements, it's fair to say that not too much of great significance is expected for our sector. There have been strong rumours from ministers about regulating online fundraising platforms in relation to Gift Aid to improve the transparency of funding, but these impacts will not be overly costly.

What should civil society demand from the budget?

CFG convened a range of infrastructure bodies to create a joint submission to the budget, with the letter consisting of two key asks:

Dormant assets

Perhaps the most surprising omission from the government's civil society strategy was the failure to mention the £2bn worth of dormant assets which the independent Commission on Dormant Assets identified. We are calling on these funds to be designated for strategic, long-term investment in civil society organisations to support thriving and resilient communities. Aligning this new funding with the vision of the Civil Society Strategy and further information on process and timescale would be enormously beneficial for the sector.

UK Shared Prosperity Fund

We welcomed the government's commitment to use the structural funds that come back to the UK following Brexit to create a UK Shared Prosperity Fund (UKSPF). But would want part of this to be ring-fenced for a successor programme to the European Social Fund (ESF), comparable to the levels of ESF funding the UK currently receives. This is a once-in-a-generation opportunity to develop a world-leading initiative that builds on aspects on the best aspects of European Social Funding, while addressing the design flaws which have led to wasteful bureaucracy.

Spending Review

Looking beyond the budget, perhaps the most significant fiscal event for the sector in sometime will be next year's spending review. With no date confirmed as yet, but likely to be after an agreement has (or hasn't) been reached with the EU, it will set the spending for each government department for the next 3-5 years, and with local government funding cut to the bone, it is arguable that this is of greater significance than the budget. CFG will be speaking to members throughout the regions on how cuts to local government funding have impacted their work.

As usual CFG will be live-blogging and tweeting on the day of the budget to let you know about all the significant announcements for our sector. We will also be sending to all members a briefing summarising all the key announcements and the OBR forecasts on the public finances. Read all about it on the day at: **www.cfg.org.uk/blog**

Policy progress

Migration Advisory Committee releases final European Economic Area (EEA) migration report

The Migration Advisory Committee has released its much-anticipated report on the UK's post-Brexit immigration system, after the implementation period. The report provides the most comprehensive picture of migration to the UK. Amongst a range of other findings, it found that there is no evidence that on average, EEA migrants have reduced employment opportunities for UK-born workers, or that it has reduced wages for UK born workers, taken as a whole.

The report has called on ministers to lift the cap on high-skilled migration and limit the number of low-skilled migrants. It also suggests that a future immigration system should give EU workers no preference over those from countries outside the EU. We will still have to wait and see if the government decides to enact the recommendations made in the report. Read more on the GOV.UK website: **http://bit.ly/MAC_EEA**

HMRC delays Making Tax Digital for some charities

HMRC has announced it will postpone the mandation of Making Tax Digital for six months for VAT-registered organisations with more complex requirements. This will apply to charities that satisfy one of the following criteria: Trusts, 'not for profit' organisations that are not set up as a company, VAT divisions and VAT groups (there are other types of organisation who will have mandation delayed but that do not apply to our sector). If your organisation satisfies one of these requirements you will have until October 2019 to fulfil the obligations of Making Tax Digital. If your charity does not meet any of these requirements you will still be required to be ready by April 2019. Charity Finance Group will continue to support all charities to ensure they are ready for Making Tax Digital, but call on HMRC to go further and postpone mandation for all charities until October 2019.

Driving Gift Aid: how to embed digital in your fundraising strategy

Sara Vening,
CFO, Virgin Money Giving

While just over half of offline donations are 'Gift Aided', the uptake is far higher for donations made through digital fundraising platforms. In an article she wrote for Gift Aid Awareness Day, Sara Vening from Virgin Money Giving explores how intermediaries can help optimise online giving.

Gift Aid is once again in the public eye, with the Government reporting recently that an estimated £600m goes unclaimed each year and that £180m is claimed in error by individuals who may not understand how the benefit should work.

As a valuable source of charity income Gift Aid is a hot topic, not least in Parliament with the Exchequer Secretary to the Treasury, the Right Honourable Robert Jenrick MP, recently challenging the practice of some fundraising sites taking a percentage of the Gift Aid for their services and pushing for Gift Aid to be passed on in full by these online fundraising intermediaries.

With new donation options arriving all the time, and Gift Aid providing such a valuable benefit to charities, it is imperative that the new donation channels are as effective as possible at collecting Gift Aid and passing it on to the charity at the lowest cost possible.

The world is becoming increasingly digital

Donation channels are changing. These days, the majority of people carry a smartphone and the use of card and contactless payments continues to rise. Millennials carry virtually no cash, and the combined value of card and mobile payments now exceeds cash transactions for the first time in history.

Younger donors prefer to sponsor their friends via online giving platforms, and young fundraisers share their challenges with ease via Instagram, Facebook and Twitter. Digital donations present a huge opportunity for charities with minimal management overhead by the charity. All charities should be encouraged to take advantage of new technology. While most charities now have a website, around 20% still have no capability to take online donations, despite the phenomenal growth this channel has seen in recent years.

By working with a digital fundraising partner, a charity can take direct online donations quickly and easily by embedding a 'donate' button on their site, and it is straightforward to embed a link in a site or emails to drive fundraisers to set up an online fundraising page. Just adding this functionality will immediately open up a new donation channel and, importantly, if a charity selects the right fundraising intermediary the site will also collect Gift Aid on these donations on their behalf. It is easy to see how many charities have already benefitted from simple digital integration and seen quick returns for a small investment in time on their part.

> *Millennials carry virtually no cash, and the combined value of card and mobile payments now exceeds cash transactions for the first time in history.*

Innovations in the digital world have seen online donations grow in ways we could only have imagined a few years ago. The Blue Cross ran a 'tap to pat' initiative and both the NSPCC and The Royal British Legion have run contactless trials where a donor taps a card instead of giving cash. These experiments demonstrate where technology not only offers a safer and less administrative headache to cash but also has the potential to drive higher value donations. It is only a matter of time until the sector comes up with a solution to collect Gift aid on these spontaneous donations too, and until then, the Gift Aid Small Donations Scheme offers a partial solution.

Online platforms offer the skills, expertise and insight to take advantage of growing trends in payments, with contactless, Apple Pay and other new technologies coming online all the time. Charities should be looking to work with partners who anticipate new trends, and optimise their sites to maximise giving opportunities to raise as much as possible.

Online makes Gift Aid easy!

New donation channels give charities the opportunity to drive up Gift Aid income. Despite various government initiatives Gift Aid uptake in the UK remains stubbornly at around 52% of all donations. Through digital fundraising platforms, Gift Aid uptake is nearer 80%. Embedding a Gift Aid declaration in an online donation journey is much easier than asking harassed parents to sign a Gift Aid declaration when they're trying to pay for a day out at a local National Trust site surrounded by their kids! The administration, collection and payment is managed for charities by their online platform partner, saving hours of valuable charity time and effort.

At a time of ongoing economic challenge, and worrying evidence that charitable giving is potentially stagnating, it is more important than ever that charities seek to adopt and optimise a digital strategy in order to grow donations, and of course their income from Gift Aid.

This will require on-going education and awareness and the Charity Finance Group's recent highly successful Gift Aid Awareness Day was a great way to start that journey.

Empower your charity to claim Gift Aid

Lizzie Ellis,
Policy and Information Officer, Institute of Fundraising

CFG's Gift Aid Awareness Day on 4 October called on charities to encourage donors to tick the box for Gift Aid, and raise awareness and knowledge of how to claim Gift Aid with charity finance teams and fundraisers. Here Lizzie Ellis of the Institute of Fundraising discusses the role of Gift Aid in the sector, and outlines what scenarios qualify for Gift Aid charities should be aware of.

Gift Aid is one of the simplest and most effective ways of making your donations go even further – every gift you receive can be worth more to you at no extra cost to the donor or your organisation. A gift on top of a gift.

The £1.28 billion Gift Aid afforded charities in 2016-17 is hugely beneficial to the sector; contributing to unrestricted income that is ever-more difficult to raise and increasing the sector's ability to deliver services and meet the needs of beneficiaries and causes.

More than the practical benefits, Gift Aid represents the long-standing principle of not taxing money donated to good causes. It offers a tacit acknowledgement that public benefit will be delivered more quickly and more effectively by providing charities with the maximum resources and assets possible to carry out their work, rather than government priorities dictating the application of that same money. It is the best and most effective way of translating the public purse to public good.

As such, Gift Aid acts as a recognition of the role and worth of charities in society. Seeing government recognise and affirm the value of the charity sector by structuring tax policy in a way that enables those organisations to do more good is an important marker for businesses, high net-worth individuals, and the general public about the role and status of charities in the UK.

And, if that wasn't enough, it also helps to promote and encourage giving.

It seems like Gift Aid is ticking all the boxes, so why aren't people ticking Gift Aid's box?

Excellent fundraising is fundraising that inspires people and organisations to give, and provides the resources in order that those organisations fulfil their objectives. HMRC released a now well-known figure that £560 million of Gift Aid goes unclaimed in the sector. For fundraising organisations, this is money that could and should be going towards good causes.

While committing the time to claiming Gift Aid can seem daunting or tedious (especially for volunteer-run organisations), understanding the process and limits of where you can claim can go a long way to streamlining the experience. And the online claim means that you can essentially fundraise from the comfort of your own desk.

> *Make your organisation better-placed at every point of contact to encourage donors to tick the box or fill out a declaration form. Sometimes excellence isn't about innovation or exceptional talent, but doing day-to-day tasks conscientiously.*

The fundamentals for claiming Gift Aid are that donors need to pay income (or capital gains) tax, and the donations need to be voluntary and not payment for an item/event admission, and not where a benefit of more than 25% of the donation value is given to the donor. However, there are nuances to consider.

How to get the most out of Gift Aid

- Gift Aid can be claimed on individual and sponsorship donations, but not on those activities where an entry fee has been charged or where people have entered a competition.
- If you arrange a 'donation only' event where people can attend regardless of what they decide to give, then all donations qualify.
- Membership subscriptions qualify provided they don't entitle the member to any services or facilities for their personal use.
- Donations given to a school for non-uniform days, sponsored events, building appeals and equipment appeals will usually qualify as long as they are not linked to the provision of any benefit to a student related to a donor.
- After you reimburse a volunteer for (reasonable) expenses they have had to pay because of their work, they can choose to keep the money or pay part or all of it back to the charity as a Gift Aid payment.
- A Gift Aid declaration can be made orally, but a written record of the declaration must be sent the donor before the claim is submitted. Many are unaware of this based on an assumption that declarations require signatures, which they don't.
- Record keeping is key – capture donations in a standard Excel spreadsheet and then simply copy and paste the data into the online claim. Make sure to look at the format of the HMRC Gift Aid reclaim spreadsheet before you start recording data to avoid extra work later on.
- Remember that you have at least 4 years to claim so you have the time to be thorough – HMRC will pay you interest for the time they have had the Gift Aid money.

Charities should embed excellent fundraising throughout their organisation, and Gift Aid should be a part of this. Educate your donors, fundraisers and volunteers so they understand the rules, and have the systems in place to ensure they can act on them. Make your organisation better-placed at every point of contact to encourage donors to tick the box or fill out a declaration form. Sometimes excellence isn't about innovation or exceptional talent, but doing day-to-day tasks conscientiously.

Thanks for helping us to #tickthebox!

Caron Bradshaw,
Chief Executive,
Charity Finance Group

ICYMI, CFG launched the sector's first Gift Aid Awareness Day earlier this month. Here, Caron Bradshaw explains the reasons behind it, and looks forward to next year's campaign.

Permission to boast about my wonderful CFG team! On 4 October we launched our very first Gift Aid Awareness day. And I feel tremendously safe saying that it was a remarkable success. Their hard work to produce simple messaging and a catchy hashtag worked wonders. I take my hat off to all staff, past and present, who were involved in setting it up.

The idea for this initiative came from hearing from a piece of Government research last year that £560m of possible gift aid goes unclaimed every year. Imagine what the sector could do with that extra £560m! Put into context, this is around £200m more than we stand to lose in EU funding or about half of our irrecoverable VAT bill. It's not to be sneezed at!

Alongside the huge unclaimed sum there is also a rather more modest £180m of erroneous claims. In the past the temptation, certainly from the HMRC side, may have been to focus on getting the Gift Aid declaration right and trying to ensure that people who are not eligible to tick the box for Gift Aid stopped doing so. We've been talking about the words contained in the declaration for years and trying to simplify the process in its entirety. That work will continue. Of course we must also be careful that we do not inadvertently encourage our donors to tick the box when they should not but most of the evidence shows that this focus on prevent ineligible claims for gift aid doesn't put off the 'problem' box tickers. Instead it frightens those who have paid sufficient tax from giving that extra boost to their donation.

Our aim in highlighting Gift Aid in this special day was to raise awareness of Gift Aid with donors and charities. To get people being more conscious of the benefit that can flow to charity from the simple act of ticking the box. We were overwhelmed by the enthusiasm and participation across the sector; not just our colleagues in other infrastructure bodies and the usual suspects but a broad range of charities, the Government and our regulator all threw themselves into the spirit of the day. So much so that #tickthebox and #giftaidawareness spent much of the day trending on Twitter.

Of course time will tell whether the actions of this single day will reduce that unclaimed figure from the dizzying sum of £560m. But it was great to be having wonderfully positive exchanges throughout social media, relating to charities, highlighting how important this boost to funding could be for the sector.

> *In the past the temptation, certainly from the HMRC side, may have been to focus on getting the Gift Aid declaration right and trying to ensure that people who are not eligible to tick the box for Gift Aid stopped doing so.*

It would be great to work with more of you for next year and to receive your feedback and ideas. In particular do you have celebrity ambassadors who can reach far wider than our traditional audiences and who could be persuaded to throw their weight behind the campaign? The beauty of the #tickthebox campaign being of course that your charity remains front and centre. All and any suggestions you may have will be gratefully received.

Don't wait till next year – let us know now as our planning and reflecting will start almost immediately!

There are some obvious moments where we can all work together as a sector; amplifying the message and sharing the spotlight. Gift Aid Awareness Day 2018 presented one such moment! So next year please do get involved again.

We loved having your support as always. A huge THANK YOU from all the team at CFG.

We're created a list of supporters for Gift Aid Awareness Day 2019. If you'd like to be involved, email us and we'll add you to the list: **info@cfg.org.uk**

Impact at the heart of an organisation: common themes from charities across the globe

James Kirkland,
Not for Profit Market Insight and Development Lead, Grant Thornton UK LLP

Impact measurement is no longer a 'nice-to-have' says Grant Thornton's James Kirkland. But what does it mean to different charities, what challenges do they face in measuring impact, and, importantly, how can charities overcome the challenges?

Should every charity aim to be unnecessary? This bold and thought-provoking idea is often debated in the charity sector; it is what fundamentally marks charities as different from the private sector. The principle is simple: if a charity succeeds in definitively achieving its mission, there will be nothing left for it to do and a charity should only exist if the need or detriment persists. The question is how do you know if you have achieved that mission? Or more pertinently, how do you know you're heading in the right direction as quickly as you can?

Whether you agree with the self-abolition premise or not, it emphasises the importance of measuring your impact effectively because it is an indicator of whether charities are implementing their strategy successfully and advancing their cause. While demonstrating financial probity is critical, the conversation with donors, funders, beneficiaries and the wider public is thankfully becoming more advanced and impact measurement can no longer be viewed as a 'nice-to-have' that provides a few numbers in the annual report. It is increasingly taking its rightful place as the ultimate currency of a charity's success or failure.

Impact is also a universal 'currency'; countries across the globe are engaging in the same debate about efficacy as colleagues in the UK. Over the last six months, Grant Thornton has therefore undertaken a research project built on conversations and roundtables with charity leaders across the globe, which has resulted in a new report, *Impact in Action*. We have gone into depth about what impact means to different charities, the challenges they face in measuring it, and the innovations developed to overcome these challenges.

The research has generated some key common themes which many finance directors will recognise and where they can have significant input.

Trustees must understand how impact affects decision-making

The conversations with charity leaders that we held for *Impact in Action* unveiled that for charity trustees to hold their executive to account effectively, understanding of impact is vital. Take, for example, deciding where to direct resources. Does a charity spend funds now on something that is likely to have clear short-term outputs and measurable results? Or does it invest the funds for a longer-term impact return that could have an impact orders of magnitude greater in a decade? A trustee must understand impact, and how it generates the charity's strategy, to inform this decision.

Boards are also under greater scrutiny externally and it is a valid question that trustees should be asking whether they are comfortable with the impact claims that their charity is making? Despite recent issues in the sector, impact results rarely receive the scrutiny from the board afforded to the financials.

The importance of culture

During the research a common view was that the way a charity measures impact both defines and is shaped by its culture. Getting impact measurement right must start internally. If a charity is going to be open and honest externally it must first be so, internally. It is also crucial that everyone in the charity is aware of, and focussed on, the final goal because activity that is extraneous could be removing resources that could be used more fruitfully elsewhere.

> *Getting impact measurement right must start internally. If a charity is going to be open and honest externally it must first be so, internally.*

Impact is a risk management issue

Charities take on very significant risks to achieve their mission because they believe that the risks of inaction are even greater to society. Therefore, impact is inherently linked to risk – both the risk of outright failure or the more subtle risk of only achieving partial success – but do trustees completely grasp this implication?

Thinking about risk appetite sets the foundations for impact that can be achieved and expected. A trustee at an international charity told our researchers: "I would be surprised if any charity board now were not engaged in a conversation about risk appetite. It leads to a greater relationship and understanding between [management] and trustees."

Putting impact at the heart of an organisation can be transformative, but it has to be absorbed by everyone. Done well, impact can be scaled to the size of an organisation and it need not result in multitudes of KPIs or paperwork. But it also means staying the course and keeping impact front and centre otherwise, as Carol Rudge, Global Head of Not for Profit at Grant Thornton says in *Impact in Action*, "the danger is that impact measurement is ultimately misunderstood and undervalued".

Download a free copy of *Impact in Action* at **bit.ly/2Eg5lvf.**

Essential Finance for Trustees

MHA MacIntyre Hudson
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

Good financial management is the efficient and effective management of your organisation's resources (money, physical assets, people and intellectual property) in order to accomplish your charity's objectives.

Good financial management is critical to your charity's ability achieving its objectives and purposes.

It is the one of the central responsibility of trustees. It is one that all trustees share and is not the privilege of the Chair or the Treasurer of your charity.

Role of the Chair and Treasurer

Chairs and Treasurers have little formal legal recognition, although your charity's governing document may have certain provisions or powers reserved to these officers. It is important to remember that trustees are collectively responsible for all decisions and the Charity Commission will hold all trustees responsible even if decisions are made by the Chair or Treasurer on behalf of the board.

The role of a Chair is to provide leadership for the trustee board, ensuring that matters are discussed and resolved according to the charity's governing documents and best practice. The Chair's role is to ensure constructive relationships between the staff of the charity and the trustees as well as between trustees themselves. The Chair should also encourage considered and informed decision making by trustees.

The role of a Treasurer is to act as a 'financial watchdog' for the trustees and ensure that there is a regular flow of accurate financial information to the trustees. If the Treasurer has a professional background in finance or accounting, they may be able to give trustees advice about financial matters or reporting. However, it is important that trustees collectively understand the financial operations of their charity and do not rely on the Treasurer to carry out financial oversight of their own.

While financial management can be delegated, financial responsibility **cannot be delegated** to anyone else – although you should work with your staff, advisors and volunteers to improve financial management within your charity. The extent to which financial management is delegated down from trustees to staff is something that should be based on the size of the charity, skills of trustees and risks facing the charity.

There are a number of qualities that characterise a trustee who is effective in overseeing the finances of their charity.

- Purposeful
- Knowledgeable
- Inquiring
- Objective
- Analytical

Purposeful

The primary responsibility for all trustees is to ensure that your charity is carrying out its charitable objects and purposes as set out in its constitution. Trustees should manage their charity's finances in a way that enables the charity to most effectively carry out its charitable purposes. All financial decisions about a charity, should, come back to the impact that it will have on achieving the charity's purposes.

In developing your organisation's financial strategy, you should also think about how to balance the needs of current beneficiaries against future beneficiaries – if you do not believe that your charity's purpose is unlikely to be fulfilled within the strategy's lifetime. Developing a financial strategy for your charity will be an integral part of your strategic planning. As you set objectives for your charity trustees' need to have the confidence that the financial resources are aligned to those plans. This will involve looking at projections for a number of years into the future. The number of years will be dependent on the organisations activities. A housing charity, buying houses funded by loans may need projections going forward a decade or beyond. Three to five years maybe more appropriate for others. Your organisation's budget is about making intra-year (or just one year) decisions on how best to achieve your purposes, guided by the strategic plan and projections.

Knowledgeable

To make effective financial decisions on behalf of your charity, **you need to understand how your charity operates and how it makes a positive impact for your beneficiaries.** This means having a clear understanding of your business model (i.e. how you generate income) and the services and activities that you undertake in order to achieve your charitable purposes. You should also understand the marketplace in which your charity operates. This means knowing whether your organisation relies on any particularly key funders, whether it has important partnerships or collaborations with other charities or other organisations or whether there are competitors for funding.

Trustees should regularly consult with their staff or volunteers to understand the operations of their charity so that they make **informed** decisions.

Inquiring

Trustees must have an inquiring disposition. Good financial decision making is based on having the right information. Trustees must want to know what is going on in their charity. Trustees must be prepared to ask questions, potentially difficult or controversial questions, in order to get the information that they need in order to make the right decisions. It can be appropriate to have a 'positive and constructive tension' between trustees and management.

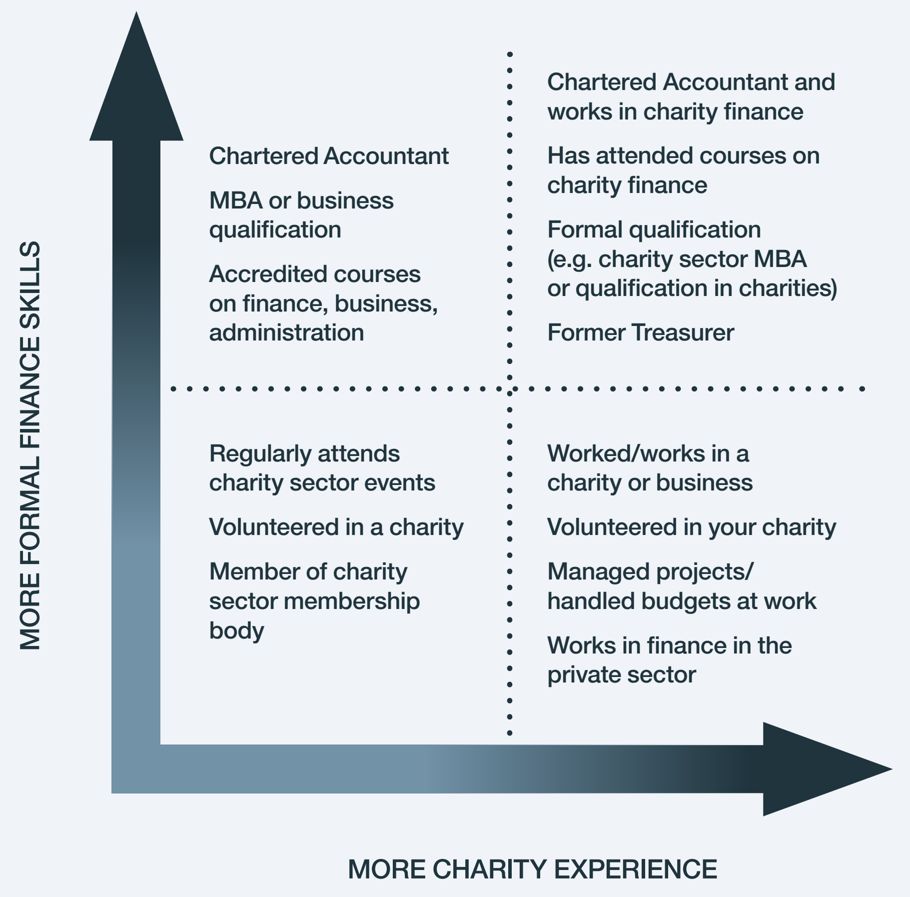
Good trustees should not rely on others to ask these questions for them, and should be clear where they have not got the level of information or assurance that they require. Good trustees should also not be complacent as the finances of a charity can change rapidly depending on circumstances.

Regular communication between trustees and executive staff is critical. Staff should respect the right and duty of trustees to ask searching questions about the finances of their charity. Equally, trustees should respect the knowledge and expertise of their staff and work with them to ensure that the right information is gathered to enable them to make the right financial decisions.

The finances of an organisation are an outcome of the activities the charity undertakes. It is therefore imperative that trustees 'triangulate' the financial information with other data. For example, high staff turnover would indicate that quality of outcomes will suffer and in itself is costly. It could indicate a management problem or the need to trade off higher salaries for lower recruiting costs. Or it may signify a change in activities – was this planned or something that Trustees should have been aware of?

Focussing solely on a financial outcome without understanding the consequences on the charity is as risky a strategy as prioritising a charitable objective without understanding the financial consequences.

Fig 1. Trustee Competency/Skills Matrix



Objective

All trustees are required to put their own personal beliefs or preferences at the door and make decisions in the best interests of the charity. Trustees have a duty to ensure that there are no conflicts of interest which inhibit effective financial decision making. Trustees also need to guard against subtle factors which can prevent them from properly considering and acting upon the facts presented to them. This can include personal friendships (with other trustees or staff) or personal ethical beliefs (which do not align with the charity's values or purposes).

If trustees feel that they cannot be objective about financial matters for the charity, they should raise this with their fellow trustees and discuss means to resolve the issue.

If you would like more information on conflicts of interest, please read the Charity Commission's guidance on conflicts of interest: **www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29/conflicts-of-interest-a-guide-for-charity-trustees**

Objectivity is one of the standards that was referenced in The Committee on Standards in Public Life First Report. It is a useful primer for trustees in understanding the values that they should carry with them in their role. You can read more here: **web.archive.org/web/20090617093701/http://www.archive.official-documents.co.uk:80/document/cm28/2850/285002.pdf**

Analytical

It may be obvious, but trustees are responsible for the performance of the charity, that is makes a tangible difference to its beneficiaries, and does so efficiently and effectively. Trustees must therefore have strong analytical skills to understand information and data, to assess and manipulate it, and to come to appropriately supported decisions.

One of the ways that charities can ensure that they are have strong levels of financial governance is to have the right composition of the trustee boards.

Trustees bring a range of experience and getting the right balance is important. Everyone has a mixture of skills and experiences which can be useful for the charity.

This matrix enables you to plot each of your trustees on a scale, with more formal skills higher up the matrix and more charity experience towards the right.

Those with formal skills in finance and charity experience will be at the top right, and ideally placed for supporting your charity's financial governance.

If you have lots of trustees with 'formal finance skills' but less charity experience, you may want to put them on courses or get them to meet with other charity trustees/treasurers.

If you have a gap in 'formal' skills then you may want to support trustees to acquire those skills.

Is it time to add alternative investments to your portfolio?

Oliver Gregson, *Managing Director and Head of UK and Ireland, J.P. Morgan Private Bank.*

Nine years into a bull run, is now the time for charities to reassess their asset allocation and consider broader opportunities? Here, Oliver Gregson from J.P. Morgan considers the case for alternative investments.

For many charities, investment returns over the past 10 years have been exceptionally strong with risk assets having produced high returns with variable but often low volatility—in effect, a double bull market for investors.

Monetary policy employed by Central Banks has also deployed an arsenal of liquidity, even as global economic fundamentals have distinctly improved, further reducing market volatility.

Alongside this, we have heard for many years that interest rates will rise causing fixed-income investors to run for cover, but what has that meant from a returns perspective?

The role fixed income has played in portfolios this year has been challenging. For example, the Barclays Global Aggregate index has returned -0.65% to the end of August, not providing the degree of protection many rely upon.

Compounding this, Central Banks worldwide are in the process of withdrawing liquidity and increasing interest rates. The U.S. Federal Reserve is on a well-telegraphed path of rate rises, and the Bank of England is not far behind.

As a result – and as we have seen in the first half of 2018 – volatility will rise as the probability of the next economic downturn comes within sight. Both of these conditions argue for maximum portfolio diversification.

Since March 2009, a very narrow set of assets would have captured the best and most efficient returns. For example, a 65/35 stock/bond mix composed of the MSCI World Index and the Bloomberg Barclays Global Aggregate would have earned a 13.6% annualised return with 7.3% volatility, a very formidable allocation in retrospect. However, we expect the environment to be quite different as we move forward.

> *The investment universe is changing. Fees are reducing, transparency and liquidity are rising, and the role of alternatives in portfolios is more important than ever.*

The rationale for a broader range of asset class investments remains strong, and investors should more fully assess fixed-income allocations.

Investing across multiple asset classes is supported by Modern Portfolio Theory, which was developed by Nobel Prize winner Harry Markowitz. This theory demonstrates that the risk-adjusted returns of a portfolio can be improved by asset class diversification. As Yale Endowment CIO David Swenson observed in 2010, "Substantial allocations to alternative assets offer a level of diversification unavailable to investors in traditional assets, allowing the creation of portfolios with superior risk and return characteristics." Essentially, a diversified portfolio provides investors a superior means for maximising spending while preserving or growing purchasing power.

Is now the time for charities to consider adding alternative investments to their portfolios?

Yes. A period of rising interest rates, coupled with divergent Central Bank policies and higher volatility will drive all financial asset returns lower for investors – essentially, returns have been so strong, we have borrowed returns from the future. This environment will also bring greater dispersion in returns and the opportunity for active managers and alternative asset managers in particular to deliver performance. Therefore, assessing fixed-income allocations and refining equity allocations is a critical exercise.

Considering alternatives, however, is not straightforward. For many charities this area of investing is littered with pitfalls. Some have bad memories from past experience, and when combining a more expensive asset class with a less understood investment structure, the decision to make portfolio adjustments can be challenging.

Thankfully the investment universe is changing. Fees are reducing, transparency and liquidity are rising, and the role of alternatives in portfolios is more important than ever. Charity investors should review their existing asset allocation and consider a broader range of opportunities to enhance their objectives:

- Absolute return funds can help a portfolio generate returns through reducing volatility and better compounding returns.
- Private investments can be an attractive long-term complement to a public equities. These strategies can invest in companies and drive corporate performance in ways that are not possible with public companies.
- Real assets such as infrastructure, property and transportation can also provide global diversification, inflation protection and stable income.
- Private credit helps enhance yield and hedge against rising interest rates.

A forward looking return for a GBP 60/40 stock/bond portfolio is 4.26% annualised over the next 10 years, compared to 10.24% achieved over the last five years. The challenge for investors is that returns for the 60/40 portfolio are unlikely to turn meaningfully higher until this cycle ends – and that means riding out an inevitable period of disruption. Opportunity lies in alternative asset classes, which can provide scope for both diversification and enhancement of returns.

Social Impact Bonds: why they don't work and why we still need them

David Hunter, *Consultant, BWB Bates Wells Braithwaite*

While they're never going to be a panacea, don't rule out social impact bonds, says BWB's David Hunter – with a greater focus on meaningful impact rather than results, they could have an important role to play in tackling disadvantage.

In theory, social impact bonds (SIBs) have an attractive logic. The need for social services continues to grow whilst public budgets decline. We need new ways of delivering those services which also reduce future demand for those services. The risk in testing new interventions can deter public commissioners and civil society providers, but social investors may have the appetite for this, if the rewards are commensurate with the risk.

However, this is not how SIBs are working, due to reasons which are systemic. This suggests that any fine tuning of the SIB model is unlikely to address the issues.

The most fundamental issue is that most beneficiaries of SIBs have multiple challenges that derive from poverty and socio-economic status. The majority of SIB beneficiaries at best have a minimum engagement with education and employment. This multiple disadvantage of lack of opportunity, material basics, and a prevailing antagonism, if not actual violence, causes (as Darren McGarvey illustrated in the excellent *Poverty Safari*) constant and debilitating levels of stress. If we are going to make a genuine attempt to address the root cause of these issues, we need a paradigm shift in how we exist, socially and economically, which goes way beyond what any social impact bond can deliver.

Attempts have been made through some SIBs to address the complexity of achieving meaningful change for beneficiaries, and the public-accounting implications. But these have resulted in products that are too complicated for commissioners to manage, or which have taken so long to develop that the initial momentum has been lost.

In these circumstances, SIBs will always be caught between the ambition of preventing social disadvantage, and the constraints of falling within the red lines of commissioners, funders and service providers – beneficiaries tend just to get what they are given, if they are lucky.

This dwindling ambition undermines the case for SIBs, both financially, as the projects become smaller but retain a level of core costs which becomes proportionately more expensive, and philosophically, as they lose their focus from being genuinely new service interventions towards simply being a different contracting model.

While it's unlikely that a fundamental shift in how we address the root causes of poverty is in the pipeline, other initiatives could be explored to develop real innovations in service provision. Also, given the evidence that SIBs in isolation won't address serious underlying issues which require multiple interventions and affect multiple commissioners, attempts at a more systemic solution could be funded from the centre. £millions are spent by government on technical innovations through Innovate UK. If a pot was set aside for equally-disruptive social innovations that could be explored between commissioners and providers (ideally informed by beneficiaries), the successful ones could be up-scaled, with less of a sense of risk around individual projects. Think of it as an alternative Social Outcomes Fund, but with greater impact.

> *Finding constructive ways to address this need continues to be a priority, and if social investment brings additional funding to enable more interventions to be delivered, that must be better than doing nothing.*

This doesn't mean that there wouldn't be a role for social investment, but it may mean a greater focus on direct financial support for successful providers, rather than project finance – something which we are beginning to see in the SIB market.

In the meantime, it is another systemic issue that means that SIBs, for now at least, can still have an important role. The need for support remains strong and current provision and finances are clearly inadequate. Finding constructive ways to address this need continues to be a priority, and if social investment brings additional funding to enable more interventions to be delivered, that must be better than doing nothing.

There may also be behavioural nudge benefits from SIB projects as they encourage commissioning to focus on outcomes and impact rather than inputs. This is a positive, though I would distinguish this from 'payment by results' per se. One lesson from SIBs may be that a focus on the metrics that trigger payments can divert from more impactful engagement. If a commissioner is confident that their contract is focussed on outcomes and impact, this may be sufficient for them to proceed on a fee-for-service basis, if there are appropriate controls (a strength of SIBs), and the ability to end a failing contract.

The involvement of investors may provide useful lessons for both commissioners and providers in pre-contract analysis of models and efficient operational project management. There is also more evidence of collaboration between SIBs stakeholders built on common interests between parties, which it would be desirable to take into future commissioning and contracting practice. Normalising investor discussions which consider the wider impact of investments beyond financial return will also help.

SIBs will never be the panacea and they're unlikely to live up to the hype from some quarters. But they should not be dismissed outright. Whether they're refined versions of current models, or next-generation variants, in the absence of meaningful engagement with the systemic challenge of poverty they have an important role, even if it's transitional one.

PENSIONS CONFERENCE – LONDON

Date: Wednesday 14 November

Time: 9.30 – 15.15

Location: RSM, 25 Farringdon Street, London EC4A 4AB

Early bird: CFG Charity members £99

Full cost: CFG Charity members £119/ Non-members £152

Full programme and bookings: **cfg.org.uk/ pensions18**

Following the Pensions Act 2008, all charities are required to enrol certain staff on to a workplace pension scheme. Managing staff pensions continues to present challenges, such as financing potential deficits, and how to strike the right balance between delivering fair pensions to your staff, whilst demonstrating good financial stewardship to beneficiaries and donors. This full day conference will support charities in understanding what your legal responsibilities are with regards to governance requirements, alongside sharing options for managing the challenges you may face.

Speakers on the day include:
- **Neil Wilson**, Industry Liaison Manager, The Pensions Regulator
- **Richard Soldan**, Partner, Lane Clark Peacock
- **Darryl James**, Administration Manager, Xafinity Consulting
- **Ben Fisher**, Senior Consultant – Acturial, XPS Pensions Group
- **David Davison** – Director and owner, Spence & Partners
- **Robert Palmer**, Partner, Quantum Advisory

Who should attend?
Charity trustees and managers who are responsible for the administration of staff pensions, or who would like to contribute to strategic decisions related to pension management.

See the full programme and secure your early bird place for £99 at **cfg.org.uk/pensions18**

Kindly hosted by RSM.

RISK CONFERENCE

Date: Wednesday 12 December

Time: 9.15 – 16.00

Location: JLT Employee Benefits, The St Botolph Building, 138 Houndsditch, London EC3A 7AW

Early bird: CFG Charity members £99

Full cost: CFG Charity members £119/ Non-members £152

Full programme & bookings: **cfg.org.uk/risk18**

Risk is front of mind for many charities and social enterprises after a challenging year for the sector. CFG's annual Risk Conference returns to London this year, bringing together an expert line-up of speakers to explore the major risks facing the sector now, discussing useful tools and sharing knowledge on how you can manage these risks effectively in your roles. They will also give you advice on how to identify risk, manage a crisis and report when something does go wrong.

Throughout the day there will be the opportunity to discuss issues with peers and speakers so you can take away advice tailored to your own organisation.

Sessions will focus on:
- Key strategic risks facing charities
- Funding
- Cyber security
- Service delivery
- Governance

Who should attend?
Finance directors, senior managers, accountants, administrators and finance assistants.

See the full programme and secure your place at **cfg.org.uk/risk18**

Kindly hosted by JLT.

MIDLANDS CONFERENCE 2019

Date: Wednesday 6 February 2019 – Birmingham

Time: 9.00 – 16.45

Early bird: CFG members £109

Full cost: Non-members £169

Full programme & bookings: **cfg.org.uk/Midlands19**

The conference offers an exciting line up of speakers and topics providing a regional outlook and addressing key issues impacting the charity sector as a whole.

This year's two-stream programme will be made up of sessions including industry updates, technical tips and case studies for you to choose from to customise your day.

There will be an exhibition running alongside the conference programme and delegates will have the opportunity throughout the day to meet exhibitors working in a range of service areas and discuss your charity's needs.

This event is a great opportunity for attendees to network, get updates on the latest developments and share experiences with your fellow delegates in the Midlands.

Sessions include:
- Employment law
- Partnerships
- GDPR: One year on
- Risks to avoid when diversifying income
- Tenders and full cost recovery
- Unclaimed Gift Aid: Why?
- VAT and tax update
- Social finance and social investment

Attending the conference also supports your continuing professional development.

See the full programme and secure your early bird place for £109 at **www.cfg.org.uk/Midlands19**

VAT CONFERENCE BIRMINGHAM

Date: Tuesday 13 November – Birmingham

Time: 9.30 – 15.45

Early bird: CFG members £99

Full cost: CFG members £119/ Non-members £152

Full programme & bookings: **cfg.org.uk/VATBirmingham**

Charities are subject to VAT just like any other organisation. However, unlike other organisations, many charities undertake activities that are either exempt from VAT or outside the scope of VAT, which means that they cannot reclaim VAT costs on purchases. There are a number of exemptions that may be available if your organisation meets certain conditions. VAT knowledge and planning is crucial to minimising irrecoverable VAT and budgeting for remaining amounts that can't be recovered.

For many charities, raising income through trading activities has become an increasingly important source of revenue. However, there are certain restrictions that can apply and charities may still be liable for tax depending on the nature and level of activity.

This conference will look at current issues around charity VAT and trading, fundraising and zero-rated activities, partial exemptions and recovery, using a trading subsidiary, as well as the latest VAT updates and developments.

See the full programme and secure your early bird place for £99 at **cfg.org.uk/events**

Kindly hosted by Brewin Dolphin.

GIFT AID CONFERENCE

Date: Wednesday 30 January – London

Time: 10.00 – 16.00

Early bird: CFG Charity members £99

Full cost: CFG Charity members £119/ Non-members £152

Full programme & bookings: **cfg.org.uk/GAlondon**

Did you know there is almost £600m unclaimed Gift Aid each year in the voluntary sector? Getting the most out of Gift Aid is essential for increasing your charity's fundraising income and maximising the value of donations.

This conference aims to provide attendees with a good understanding of the main issues in Gift Aid and practical advice on topics such as Gift Aid and membership schemes, online giving and Gift Aid fraud. There will also be Q&A time at the end of each session to give attendees a chance to put your Gift Aid questions to the speakers. Conference sessions for the day:

- Gift Aid and membership schemes
- Online giving and intermediaries
- Gift Aid and small donations schemes
- Gift Aid fraud
- The impact of GDPR on Gift Aid declarations

Who should attend?
This event would be useful for all those working in roles that work with Gift Aid on a daily basis including finance directors, treasurers, finance managers, senior accountants, charity consultants and trustees.

See the full programme and secure your place at **cfg.org.uk/GAmanchester** and **cfg.org.uk/GAlondon**

Kindly hosted by RSM and Barings.

CFG EVENTS

Keeping you ahead in your career: highlights of upcoming CFG events across England and Wales. Book now at www.cfg.org.uk/events

UPCOMING TRAINING

CFG's programme of training enables finance professionals in the charity sector to develop leadership and financial management skills, develop your understanding of topical finance issues, and network and share knowledge with peers.

Advanced charity finance

Tuesday 6 November, Bristol, Thursday 8 November, Birmingham

An interactive day looking at some of the more complex areas of charity finance, using practical examples and case studies to complement formal presentations. The course will look in more depth at some of the charity's financial policies and how to use accounts effectively as well as to address some key risks surrounding tax and VAT, and will also cover current issues in charity reporting and how to be clear and transparent so that the financial statements are more than just a compliance exercise.

Cyber security for charities

Monday 19 November, London

Cybercrime is the fastest-growing area of economic crime, and charities are prime targets. Whilst many charities are aware of the dangers, the threats are constantly changing. Ensuring you can protect your charity is increasingly challenging, but critical. This half-day training will give you insight into the latest threats charities commonly face, along with practical guidance on how to be proactive in protecting yourself from cyber risks.

Data analysis for charities

Monday 26 November, London

This full-day course provides advice and insights on how to maximise effective data analysis to help you maximise income, using charity case studies and examples of practical application. The course will include an introduction into analysing existing data in your organisation, and how to link this to your strategic goals.

See more training and book now at cfg.org.uk/training

Events at a glance

For further information on all CFG events or to book, please visit **www.cfg.org.uk/events** or email **events@cfg.org.uk**

Conferences

Gift Aid Conference
Wednesday 30 January
London

VAT Conference
Tuesday 13 November
Birmingham

Pensions Conference
Wednesday 14 November
London

South & West & Wales Conference
Thursday 22 November
Bristol

Risk Conference
Wednesday 12 December
London

Midlands Conference
Wednesday 6 February 2019
Birmingham

Members' meetings

MIDLANDS
Thursday 6 December
Birmingham

LONDON AND SOUTH EAST
Thursday 11 October / Thursday 15 November
London

SOUTH WEST AND WALES
Tuesday 12 February 2019
Bristol

Training

Foundation Investment Training
Tuesday 27 November
London

Foundation Charity Finance
Wednesday 17 October
London

Advanced Charity Finance
Tuesday 6 November
Bristol
Thursday 8 November
Birmingham

Friday 20 November
London
Thursday 22 November
Manchester

Audit Committee training
Tuesday 13 November
London

Cyber Security for charities
Monday 19 November
London

Data analysis for finance professionals
Monday 26 November
London

Finance for fundraisers
Monday 12 November
London

Procurement
Monday 15 October
London

CFG is delighted to invite you to our very first members' Christmas drinks!

We'll be bringing our festive fizz and Christmas crackers to the 34th floor of The Gherkin in London from 16.30 on Wednesday 12 December – join us for complementary drinks, live music, networking and canapés while enjoying spectacular views over London.

We expect places to go fast, so book early: www.cfg.org.uk/christmas18