



## How do I get support to pay my charity staff?

The Government's Job Retention Scheme can be used by all employers, including charities and not for profit organisations.

The scheme allows for employers who would otherwise have to make staff redundant during the coronavirus crisis to "furlough" (lay off) those members of staff instead and claim 80% of their salaries, up to a cap of £2,500 per month, as a grant from the Government.

In addition, the grant will also cover the relevant employers NIC and auto-enrolment pension contributions on this 80% payment.

### Further details about the scheme can be found here.

However, the scheme cannot be applied to staff who are funded by public sector funding. The Government believe this is because public funded workers are likely to be key workers during this period.

If you have staff in this category you will have to continue paying their salaries in full, as per their funding agreement.

## Can I use reserves and restricted funds to help my charity through the crisis?

We understand that many charities are currently very concerned about their financial position.

In the first instance, trustees should consider what are their short, medium, and longer-term priorities, and see if they need to amend their financial planning given their current situation. Trustees are encouraged in particular to think about whether or not certain projects, spends or activities can be stopped or delayed in order to focus on essential spending if they are facing financial challenges at this time.

Reserves can be spent to help cope with unexpected events like those unfolding at present.

You should identify which of your funds or assets have limits on their use. If these are designated reserves (internally restricted only) - for example your charity has decided to earmark certain funds for a particular purpose – the Trustees may be able to re-prioritise these for other purposes.

If there are restricted funds, meaning they cannot be spent at the Trustees' discretion, then they may only be used for that particular and defined purpose. For example, a fundraising appeal may restrict funds to a specific purpose, or if you have a permanent endowment, it may have restrictions on selling it to release funds for unrestricted purposes.

If there are restrictions, in some instances there may be ways to amend these restrictions – such as requesting that the original donor of the funds formally agrees to change the conditions imposed - but accessing or releasing restricted funds should only be considered if other options such as using unrestricted or designated reserves are not possible.

The Commission encourages Trustees to also carefully consider the wider and longer-term impacts of making such a decision on the charity's financial resilience and donor relationships.

Please contact us if you would like help with preparing a financial forecast or carry out a review of your financial position.

All decisions on such financial matters should normally be taken collectively, and significant decisions and action points noted in writing.

### **Can I cancel or postpone my charity's AGM or other key meetings?**

Coronavirus is having a major impact on charity events and the government's health advice may lead to some charities having no choice but to decide to cancel or postpone their AGMs and other critical meetings.

If as trustees, you decide it is necessary to do so, you should record this decision to demonstrate good governance of your charity. This is particularly important if it is not possible to hold your AGM which may make it difficult for you to finalise your annual reports and accounts.

The Charity Commission is still urging charities to try and file their annual reports on time. However, if you are facing an imminent filing deadline, they are taking requests to delay filing dates.

### **Can I use video, teleconferencing and the internet in place of face-to-face meetings?**

In the current situation, it is becoming increasingly difficult to hold face-to-face meetings. Some charities have clauses in their governing documents that allow them to meet virtually or to use telephone facilities, so we advise trustees to check their governing document and see if they can make amendments themselves to facilitate changes as to how or when meetings are held.

Where there is no such clause in your governing document and you decide to hold meetings over the phone or using digital solutions, we will understand but you should record this decision and that you have done this to demonstrate good governance of your charity.

### **What do I need to report to the Charity Commission?**

It is ultimately the responsibility of the charity trustees to continue to report serious incidents using the Charity Commission current guidelines, and trustees must continue to use their judgement in deciding whether an incident is significant in the context of their charity and should be reported.

## Keeping people safe

This pandemic is already giving rise to that spirit of charity and community that brings people together, and we appreciate and value that people will want to help others during the challenges we are all facing. But now more than ever it is critical to ensure that charities protect and safeguard their beneficiaries, volunteers and staff.

This is all the more relevant for those directly helping communities or vulnerable members of society who are self-isolating. Safeguarding policies remain of paramount importance.

## Reporting accounts and finances

Updated guidance to the Charity SORP has been issued and is relevant for any charity currently completing their financial statements.

Issues raised in the update include the need to carry out impairment reviews of the carrying value of assets and specifically how charities should address their assessment of going concern and the ability of the organisation to continue in operation for the forthcoming 12 months.

Burgis & Bullock's charity team can advise you on what you need to consider and report.

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