

# ACAT Conference 2023

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Maximising Resources: Being Efficiently Effective



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ACAT Conference 2023

# **Churches as charities: ensuring efficiency and effectiveness**

# What will we cover?

- Effective governance
- Using existing resources more effectively
- Trading
- Fundraising
- Questions

# Governance

# Governance: making it work for your organisation

## Do you know your governing document?

- How do you call and hold meetings?
- How do you appoint trustees? Are there any minimum and maximum numbers to be aware of?
- Who are your members?
- What are your objects?

**Being effective as an organisation = knowing your governance, who needs to make decisions and how to make changes**

# Governance

## Back to basics: refresher

**Trustees**

**Members**

**Meetings and decisions**

Who?

Quorum?

Numbers needed to pass resolution?

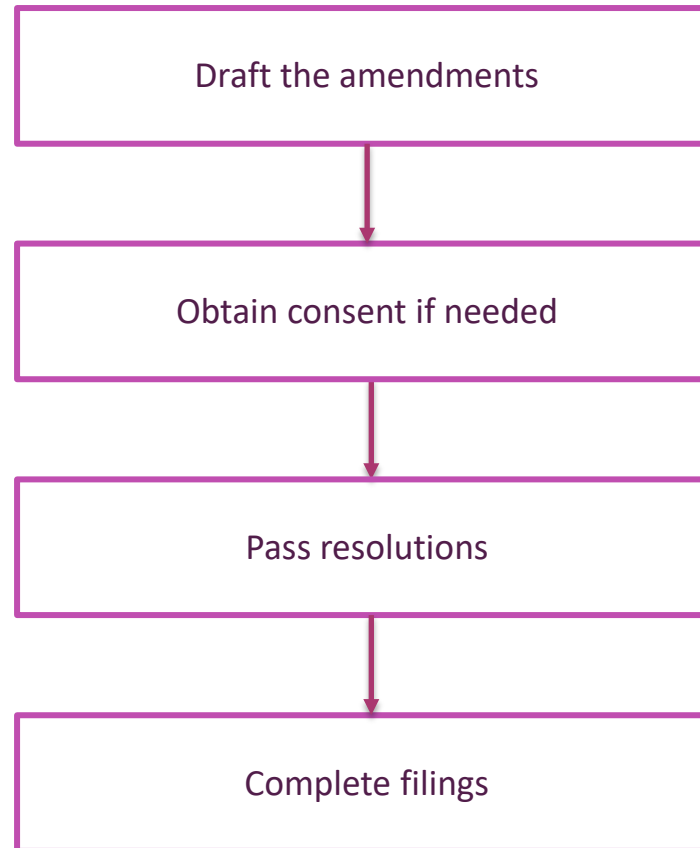
# Instilling effective governance

- Ensure everyone understands the structure of the organisation
- Don't get confused with terminology:
  - Trustee
  - Director
  - Member of the PCC
- Break it down: could you use sub-committees?
- Stakeholders
  - Advisory panels
  - Associate membership
- Keep it simple where possible
- Review periodically – just because it has always been that way, doesn't necessarily mean it is efficient!

# Objects

- Important as outlines what the charity can and cannot do
  - Charities must always act in furtherance of their objects
  - Always review objects before starting new activities
  - Charity Commission may take broader view of what is “advancement of religion” – HMRC may have stricter interpretation
- Do they work for you?
  - Mission drift
  - Outdated references
  - Charity’s aims have changed over time

# How can you change your governing document?



# Example

A church is a registered charity (company limited by guarantee). It has objects around “advancement of religion” which have not been reviewed for at least 10 years.

Recently, the church has opened a food bank to help needy people.

- **What might the church want to think about in relation to its objects?**
- **How would it go about amending its objects?**

# Maximising existing resources

# Using existing resources more effectively

Do you have funds locked up? For example:

- **Restricted funds**

- Funds must be used for a particular project
- E.g.: funds donated to the church to be used only for maintenance of the bell tower

- **Permanent endowment**

- Funds where the capital is invested and only the income generated can be spent for the purpose of the fund
- E.g., a pot of money given to the church, with a stipulation that only income generated can be used for maintenance of the lychgate

- Why might you want to unlock these funds?
  - No longer fit for purpose
  - More money than you will ever need for that purpose
  - Funds more urgently needed elsewhere

### Top tips for unlocking funds

Check funds are really restricted

Review the funds

Check powers available to  
change the purposes

# On-going review of expenditure

For example:

- Review supplier agreements before renewal – are you getting the best deal?
- Are there any discounts offered to charities of which you can take advantage?
- Before entering into longer term agreements: is there a break clause or do you have ability to terminate mid-term in case of a change of circumstances?

## Useful resources

- [Bates Wells' guide to unlocking restricted funds](#)
- [Faith update: with an article on Charities Act 2022 changes](#)
- [Guides to Charities Act 2022 changes](#)

# Trading

# Trading: a whistle-stop tour

## Primary purpose trading

- Trade exercised in the course of carrying out a primary purpose of the charity
- E.g. a religious charity selling bibles, a church charging for wedding / funeral services

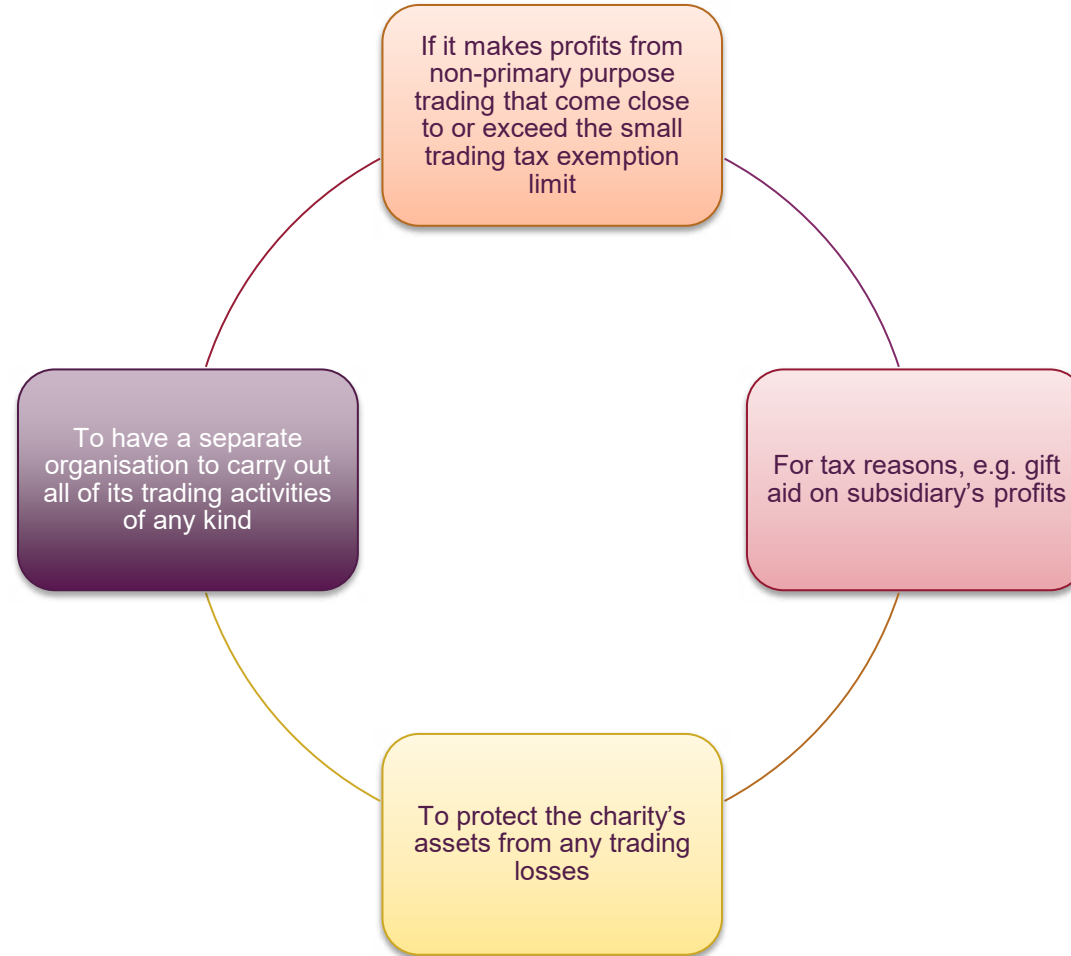
## Ancillary trading

- Contributes indirectly to the charity's primary purpose
- Treated in the same way as primary purpose trading
- E.g. sale of food and drink at carol service

## Non-primary purpose trading

- Trade undertaken to raise funds to be applied for charitable purposes, but which does not either directly or indirectly further the charities purposes.
- E.g. the sale of promotional items such as pens, pencils, mugs etc.
- Charity Commission guidance is that charities can do this kind of trading where it does not involve significant risk for the charity.

# Why might church charities have a trading subsidiary?



# Fundraising

# Fundraising effectively: the legal side

- **Raising money for a particular project**

- Prepare fundraising literature carefully – what will you spend the money on if you make too much or too little?
- Charity Commission guidance and requirements under Code of Fundraising Practice
- Failed appeals: Charities Act 2022

**Example:**

*All funds raised from this appeal will be spent on purchasing new hymn books.*

**How could this be improved?**

# Fundraising effectively: the legal aspect

- **Working with others**
  - Non-charities or corporate entities
  - Other organisations who might be able to help
- **Due diligence**
  - “Know your donor” guidance
- **Where are you fundraising?**
  - Social media – note: new social media guidance
  - Fundraising pages set up by others – make sure you receive the funds raised

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Thank you – any  
questions?

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