

Welcome to the 'Taking care of funds' webinar. We will be with you shortly.

Use the Q&A button



in the top right of your screen to ask any questions.

WELCOME

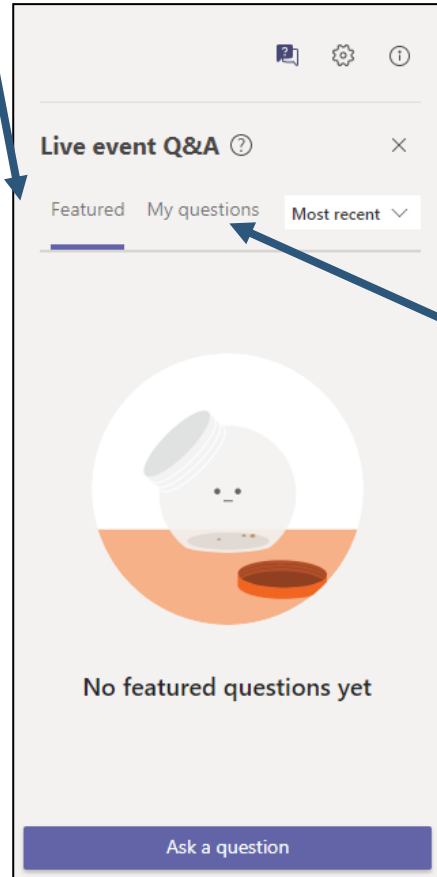


Ask questions whenever you like on the Q&A – this is your session



We will review any questions at the end of the presentation

Published announcements



Your questions



Questions can be anonymous and will only be visible to our team



If we don't get a chance to answer your question—email us and we will get back to you





FAITH CHARITY TRUSTEES: TAKING CARE OF YOUR FUNDS



engagement@charitycommission.gov.uk



CHARITY COMMISSION
FOR ENGLAND AND WALES

The charity sector regulated by us

2022-23 at a glance

Total charity income
we regulate

£88bn
charity income

£85bn
charity spend



Commission budget

£32.35m



8,583

applications to register
as a charity



Register views

49m

30% were
new visitors



4,146 charities removed
from the register

Contact centre

31,402

number of individual
charities supported through the
contact centre



68,497
calls answered

Charities that operate
outside England and Wales



19,333

Total trustees



921,862
trustee positions

OBJECTIVES

- Risks & Internal Financial Controls
- Managing payments to trustees
- Financial Planning



TRUSTEE DUTIES – SIX MAIN DUTIES



INTERNAL FINANCIAL CONTROLS



INTERNAL FINANCIAL CONTROLS



Identify and manage the risk of loss, waste, bribery, conflicts of interest, theft and fraud



Put in place controls to protect the charity's assets,

CASH AND INCOMING DONATIONS

When dealing in cash:

- Have at least 2 unrelated people involved in handling and recording money
- Ensure cash is banked by the charity as soon as possible
- Record cash collections and review



COLLECTING VIA CARD PAYMENTS

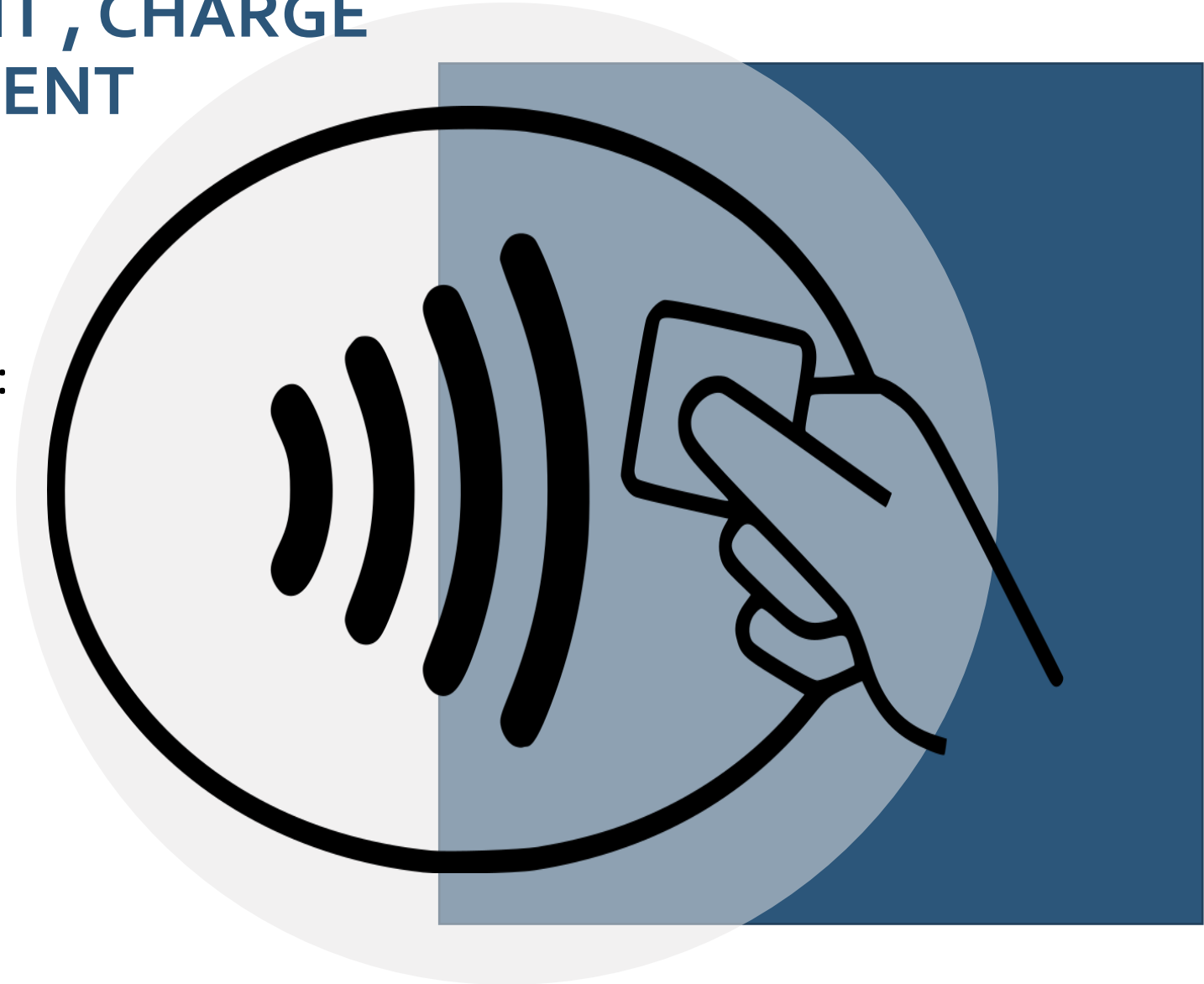
- Keep readers secure
- keep passwords secure
- Understand when to expect payments
- Carry out regular reconciliations



PAYMENT BY DEBIT, CREDIT , CHARGE CARDS AND MOBILE PAYMENT SYSTEMS

Trustees should have a clear policy for the use of payment cards which covers:

- Who can use them
- Spending limits
- How they should be stored
- Where they can be used



CHARITIES AND BANKS

Regulators criticise banks for providing ‘unacceptable’ service to charities

15 November 2023 by [Rory Poulter](#)

The three UK charity regulators say one organisation’s account was frozen after a bed-bound trustee suffering from cancer was unable to sign a document



Correspondence

Letter to Chief Executives of UK Banks


Published 15 November 2023

Applies to England and Wales

Dear all,

Charity Banking Access and Customer Service

We are writing to the UK’s main high street banks to request your urgent action to help hard-pressed charities.

 The Guardian

[HSBC pays record \\$1.9bn fine to settle US money-laundering accusations](#)

HSBC was guilty of a "blatant failure" to implement anti-money laundering controls and wilfully flouted US sanctions, American prosecutors said,...

11 Dec 2012

 Financial Times

HSBC fined £64m for failures on anti-money laundering

The UK financial regulator has fined HSBC £64m and rebuked Europe's largest bank for "serious weaknesses" in its anti-money laundering...

16 Dec 2021

THE POWER OF TWO!



2



CASE STUDY – Phishing Attack on Faith Charity



Criminal sends phishing email to employee



Employee clicks on fake web link giving criminal access to their email account



Criminal sends 1200 phishing emails to charity's global address list



Multi-factor authentication



Staff training on fraud

Report phishing attack to:

- Charity Commission
- Information Commissioner's Office
- Action Fraud

CONFLICTS OF INTEREST



CONFLICTS OF INTEREST / LOYALTY

What is a direct and indirect **conflict of interest**?



Direct: Where a trustee may directly benefit, usually financially



Indirect: where a person connected to a trustee may directly benefit, usually financially

What is a conflict of **loyalty**?



Conflict of loyalty: When a trustee's judgement may be influenced by loyalties they have to another person or organisation

Preventing conflicts of interest from affecting decision making is a legal requirement.

Four Key Steps

Declare



Remove

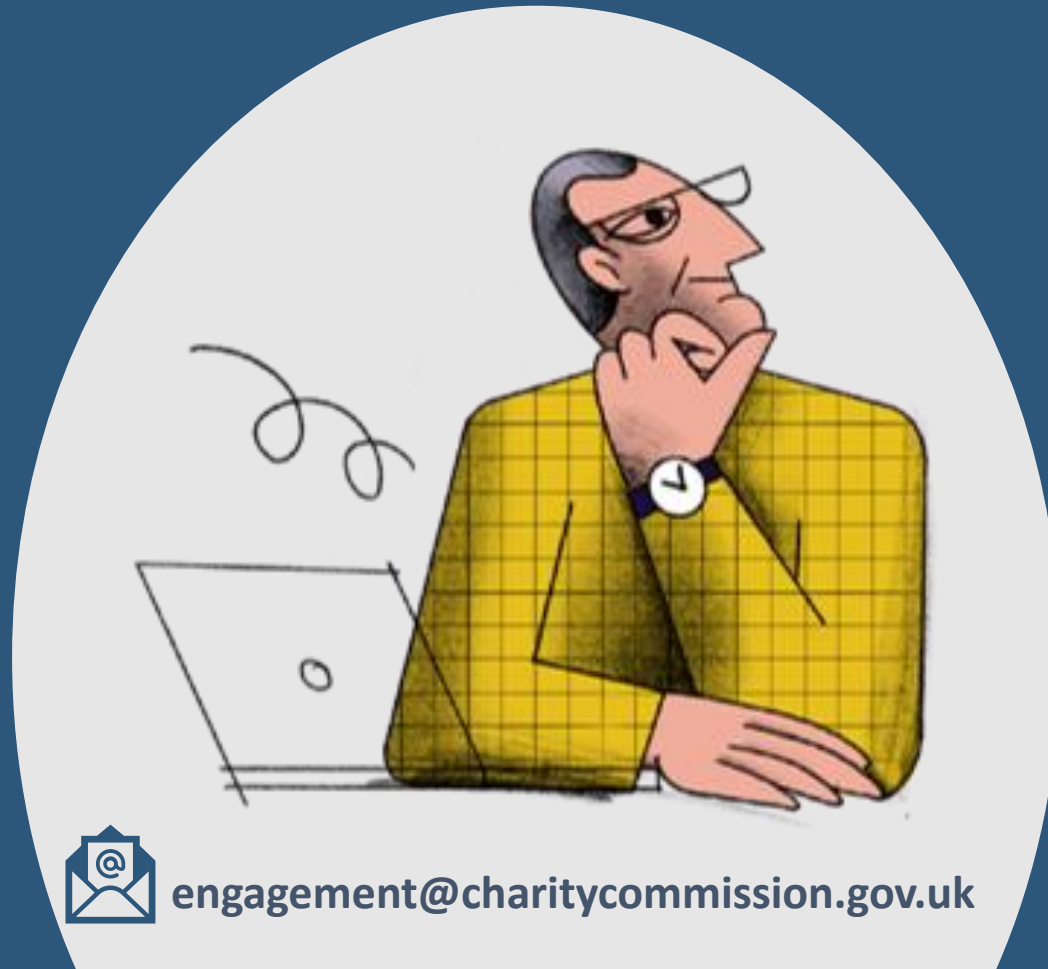


Manage



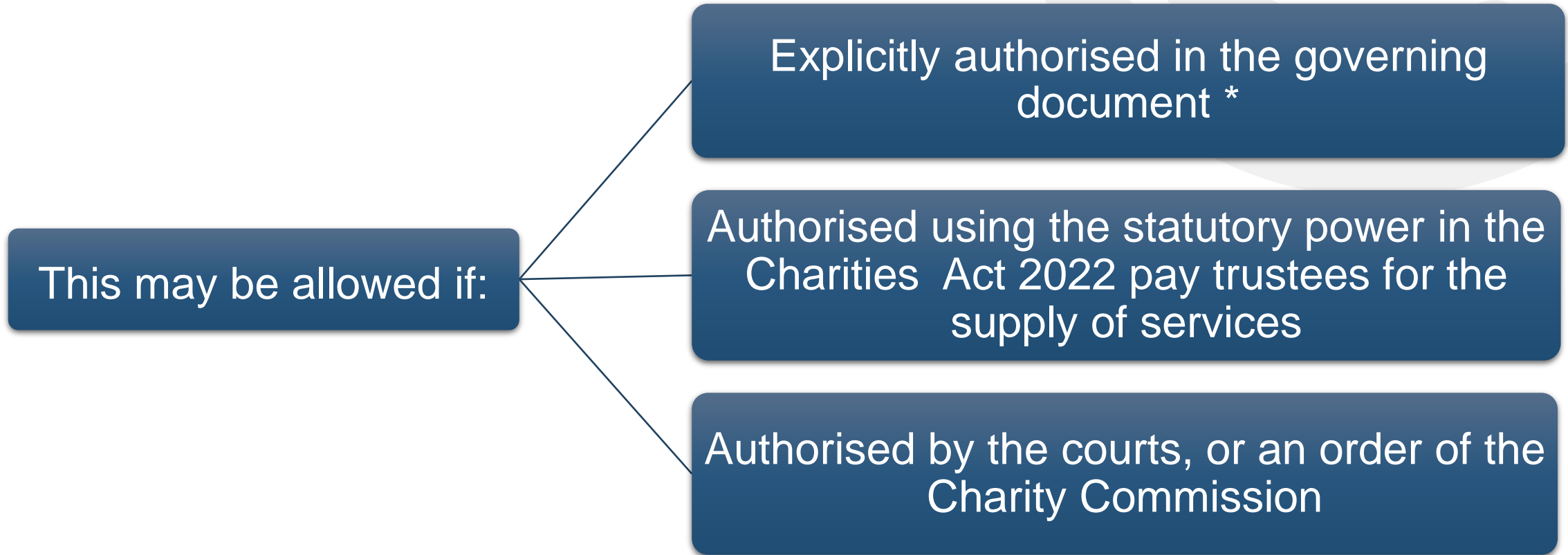
Record

MANAGING PAYMENTS TO TRUSTEES



PAYMENTS TO CHARITY TRUSTEES

Charities can't normally pay trustees simply for being a trustee. However, some charities do pay a trustee to do work for the charity.



* 6.5. A charity trustee or connected person may receive compensation (including the provision of accommodation) for acting as an employee of the Church under a contract of employment provided that:

PAYMENTS TO A CONNECTED PERSON

If you wish to pay or employ somebody who is connected to a trustee, **you must seek permission** from the Charity Commission unless it is explicitly authorised in the governing document.



[Trustee expenses and payments](#)

FINANCIAL PLANNING



UNDERSTANDING YOUR FINANCIAL POSITION

 View management accounts regularly

 Gain more information, look at reasons

 Act quickly

CONSIDER YOUR CURRENT FINANCIAL SITUATION

I need to look at payments due in the short and long term and review available cash

I also need to review the expected income my faith charity will receive



MONITORING FINANCIAL PERFORMANCE AND CONTROLS



**Compare
performance**



Create budgets



**Review your
controls**

REPORTING SERIOUS INCIDENTS

Harm to those who
come into contact with
your charity through its
work

Loss of your charity's
money or assets

**Results in, or risks,
significant**

Damage to your
charity's property

Harm to your charity's
work or reputation



[Charity Commission: How to report a serious incident](#)

How to report serious incidents

Report to the relevant authorities



Follow our guidance

<https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity>



Use the online form

<https://ccforms.charitycommission.gov.uk/report-a-serious-incident>



REPORTING

All types of fraud to Action Fraud

Tax Fraud to HMRC

Any incident involving financial services, such as investments, insurance or pensions to Financial Conduct Authority

Data breaches to the Information Commissioner's Office

MANAGEMENT ACCOUNTS AND FINANCIAL GOVERNANCE

- ✓ Keep accurate records
- ✓ Record decisions
- ✓ Protect your charities money
- ✓ Know your financial position – regular, timely reports to trustees
- ✓ Manage expenses and payments to trustees
- ✓ Deal with financial problems quickly



RESOURCES

- [CC8 Internal Financial Controls](#)
- [Managing charity finances](#)
- [CC14 Charities and Investment matters](#)
- [Protect your charity from fraud and cyber crime](#)
- [CC15d Charity reporting and accounting](#)
- [Cryptocurrencies-what-are-they-and-should-charities-use-them](#)

Further support



HOW DID WE DO?

<https://www.smartsurvey.co.uk/s/TCOYF14Aug/>



UPCOMING EVENTS

Charities Engagement Team Events

SCHEDULE

From 13 Aug 2024

August, 2024				
14	Wed	12pm BST	FAITH: Taking Care of your Funds for Faith Charities - Webinar	
22	Thu	12pm BST	FAITH: Understanding Charity Structures - Webinar	
September				
4	Wed	12pm BST	FAITH: Reporting Serious Incidents - Webinar	
10	Tue	9:30am BST	INTERNATIONAL IN PERSON: WORLD Manchester: Working Overseas: Risks, Responsibilities and Legal Duties	✓
17	Tue	9:15am BST	INTERNATIONAL IN PERSON Manchester: Overseas Partners: Collecting the evidence you need	⊘
24	Tue	12pm BST	FAITH and INTERNATIONAL: Charities and Social Media - Webinar	
October				
15	Tue	12pm BST	INTERNATIONAL: Responding to Crises Overseas - Webinar	
22	Tue	12pm BST	INTERNATIONAL: Due Diligence Checks and Monitoring the End Use of Funds - Webinar	
November				
6	Wed	12pm GMT	FAITH: Trustee Duties in a Faith Charity Context - Webinar	
19	Tue	12pm GMT	INTERNATIONAL: Safeguarding in an International Context: Charity Commission Expectations - Webinar	
20	Wed	12pm GMT	FAITH: Safeguarding your Faith Charity: Charity Commission Expectations - Webinar	
27	Wed	12pm GMT	FAITH: Protecting your Charity Against Fraud - Webinar	

[Click here to book your place!](#)



THANK YOU



ENGAGEMENT@CHARITYCOMMISSION.GOV.UK



[CHARITY COMMISSION FOR ENGLAND AND WALES](https://www.charitycommission.gov.uk)

All content in this presentation is correct as of 14 August 2024.



CHARITY COMMISSION
FOR ENGLAND AND WALES