

Charity reporting: Interim annual reporting arrangements



The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Communities.

Our vision

To deliver in partnership with other key stakeholders in the charitable sector “a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission’s effective delivery of its regulatory role”.

Further information about our aims and activities is available on our website www.charitycommissionni.org.uk

Equality

The Charity Commission for Northern Ireland is committed to equality and diversity in all that we do.

Accessibility

The Commission’s website has been designed to **W3C standards** of accessibility and includes a number of features to enhance accessibility for a wide range of individuals. These include colour contrast and resize options. Materials may be made available in alternative formats on request. If you have any accessibility requirements please contact us.

Online or in print

If you are viewing this document online, you will be able to navigate your way around by clicking on links either within the contents page or text.

We have produced a glossary that provides further information, definitions and descriptions of some key terms. The words in **bold green type** indicate words that are found in the glossary towards the end of this document. If you are reading the document online you can click on the word and it will link you to the definition in the glossary.

Please check our website www.charitycommissionni.org.uk to make sure you’re using the latest versions of forms and guidance.

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Section 1: Overview of interim annual reporting

Annual reporting by registered charities is a key element in the Commission's ongoing regulatory work and is essential to keep the new *register of charities* up to date. It is important, therefore, that charity trustees, and those involved with charities, understand their legal requirements when it comes to keeping financial records, producing accounts and reports, and submitting information to the Charity Commission for Northern Ireland (the Commission) on an annual basis.

As a registered charity you are legally required to report to the Commission by completing an online annual monitoring return form and submitting your charity's accounts and reports each year. Depending on which financial year you are reporting on you may have lesser requirements relating to the form and content requirements of your charity's accounts for a short, interim, time only.

The Department for Social Development (DSD) (now the Department for Communities) published *The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015* on 30 November 2015. This new law applies to registered charities preparing accounts for financial years beginning on or after 1 January 2016, or following their date of registration with the Commission, if later. This means that registered charities reporting on financial periods before this date are not required to prepare their accounts in a particular format or have them reviewed or audited under charity law.

In 2013 the Commission consulted on proposals for the interim annual reporting programme. These arrangements were designed to ensure that registered charities could report annually to the Commission, and keep the register of charities accurate and up-to-date, prior to the full accounting and reporting regulations coming into force. Charity accounting requirements for registered charities during this transitional period are known as 'interim arrangements', and will affect a limited number of charities.

This document ***ARR06. Charity reporting: Interim annual reporting arrangements*** explains the accounting and reporting obligations for charities registered before 1 January 2016 and reporting on financial years that begin before this date.

Even if your charity falls under interim arrangements for its first year of reporting to the Commission, you must be aware of your future obligations under the new accounting and reporting regulations. The new regulations apply to all registered charities with financial periods beginning on or after 1 January, or their date of registration with the Commission, if later.

The Commission is currently consulting on a full suite of guidance to help you understand the new accounting and reporting regulations. These documents are available on the Commission's website and include:

ARR01. Charity reporting and accounting: guidance summary

ARR02. Charity reporting and accounting: the essentials

ARR03. Receipts and payments accounts and the trustees' annual report

ARR04. Accruals accounts and the trustees' annual report

PBR1. Public benefit requirement guidance – public benefit reporting

Additional guidance available on the Commission's website includes:

ARR05. How to complete the annual monitoring return

***ARR06. Charity reporting: Interim annual reporting arrangements
(this document)***

Section 2: About this guidance

What does this guidance cover?

Interim reporting arrangements are in place for a transitional time only and apply to registered charities reporting on financial periods beginning prior to 1 January 2016. From 1 January 2016 all registered charities must comply with the requirements of the *The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015* for accounting periods beginning on or after 1 January 2016, or their date of registration with the Commission, if later.

This guidance provides information on annual reporting by charities registered with the Charity Commission for Northern Ireland, specifically under interim reporting arrangements. It explains who must report annually, the process you should follow, what will happen with the information you provide and the background to annual reporting in Northern Ireland during the interim period. It is intended to support you through the interim annual reporting process so that you do not necessarily require professional help.

What does this guidance not cover?

This guidance does not provide detail on the new accounting and reporting framework for registered charities in Northern Ireland as a result of the Charities (Accounts and Reports) Regulations 2015. These regulations apply to registered charities with financial periods beginning on or after 1 January 2016 or their date of registration with the Commission, if later. More information on these requirements can be found in the guidance documents listed in Section 1.

Accounting and reporting requirements for investment funds, organisations classified as Section 167 charities, and charities that have been linked by the Commission, for example special trusts, are not covered in this guidance. The reporting framework that applies to these types of charities will be set out at a later stage.

You should not rely on this guidance to provide a full description of legal matters affecting your organisation, nor is the guidance a substitute for advice from your own professional advisers. Charities are also subject to other legislation and in some cases other regulation. For example,

charitable companies also have to comply with the requirements of company law. More information is available from [Companies House](#).

Who does this guidance apply to?

This guidance is aimed at **charity trustees**, members of management committees, directors of charitable companies or someone acting on behalf of a charity, for example, a solicitor, accountant, agent or adviser.

What will be published?

All charity accounts and reports will be published on the charity's entry on the online register of charities. The register will also display some information provided through the annual monitoring return. Further information on what will be published is included in the Commission's *ARR05 How to complete the Annual monitoring return* guidance. For information on the Commission's approach to publishing decisions refer to the *Publishing our decisions* policy.

What are legal requirements and best practice?

In this guidance, where we use the word 'must' we are referring to a specific legal or regulatory requirement. We use the word 'should' for what we regard as good practice, but where there is no specific legal requirement. Charity trustees should follow the good practice guidance unless there is good reason not to do so. For example, registered charities **must** apply the full accounting and reporting regulations to their accounts and reports prepared for the first full financial year beginning on or after 1 January 2016. Charities that are in the process of registering, or awaiting registration, **should** apply the full accounting and reporting regulations to the preparation of their accounts and reports.

This guidance is not a legal document but an overall summary of the reporting and accounting framework for charities. It also details the deadline for submitting accounts and returns to the Commission, and when independent examination or professional audit of a charity's accounts is required. More details about these requirements are given in the sections which follow.

Charity legislation

References in this guidance to 'the Charities Act' are to the **Charities Act (Northern Ireland) 2008** as amended by the **Charities Act (Northern Ireland) 2013**. Please check our website www.charitycommissionni.org.uk to make sure you are using the latest version of forms and guidance.

Section 3: Annual reporting by registered charities in Northern Ireland

3.1 What is annual reporting?

It is a legal requirement for all registered charities to report annually to the Commission. This is essential to keep the *register of charities* up to date, promote the transparency and accountability of the charitable sector, and to allow us to monitor and regulate charities in Northern Ireland effectively. At annual reporting, you will be required to:

1. complete and submit an online **annual monitoring return**
2. submit your charity's **annual accounts**
3. submit your charity's **trustees' annual report** (if applicable).
4. Submit an external scrutiny report - audit or independent examination report (if applicable).

All registered charities must complete an annual monitoring return and submit this to the Commission, along with their charity's accounts, on an annual basis. Under interim reporting you need only submit a trustees' annual report, and/or an audit or **independent examiners report**, if your charity already prepares them as part of another legal requirement. Please be aware this will not be the case for future financial years as, under the new regulations, all registered charities must prepare a trustees' annual report and have their accounts reviewed or audited in line with charity law.

3.2 What is annual reporting in the interim period?

Section 1 of this guidance explains that annual reporting by charities in Northern Ireland has been introduced on a phased basis.

Under Phase 1, the interim reporting arrangements, registered charities can submit accounts for financial years beginning **before** 1 January 2016, in the **format in which they are currently prepared**, and need only submit a trustees' annual report and/or **audit report** if they already prepare them as part of another legal requirement. This guidance explains your legal reporting requirements under these arrangements.

Phase 2 applies to all registered charities for accounting periods beginning on or after 1 January 2016, or their date of registration with the Commission, if later. Under the full accounting and reporting regulations, registered charities must prepare their accounts and reports in

accordance with the content and format requirements of the new legislation, which set out:

- the form and content requirements for charity accounts
- levels of review or audit required
- the content requirement of the trustees' annual report.

the full annual reporting programme.	Interim reporting programme	Full annual reporting programme
Complete annual monitoring return	✓	✓
Submit the Audit Report or Independent Examiners Report (if applicable)	✓	✓
Submit accounts and reports in format currently prepared	✓	X
Submit accounts and reports as per the form and content of DSD regulations	X	✓

3.3 Providing charity accounts and reports in the format in which they are currently prepared

All charities have a legal obligation to keep accurate and up to date accounting records with respect to the affairs of the charity. Prior to the commencement of the Charities Accounts and Reports Regulations (Northern Ireland) 2015, effective from 1 January 2016, all charities in Northern Ireland were obliged under the Charities Act (Northern Ireland) 1964 to keep accounting records for a minimum of 7 years and prepare consecutive statements of accounts. If a charity is unincorporated and has no additional accounting or reporting requirements, it is the accounts that you have prepared under this duty that we ask for, under interim reporting requirements.

If you are required to have your charity accounts reviewed or audited either as a condition of funding, due to a requirement in your governing document, or because your charity is subject to other legislation, for example, company law, you should attach and submit this report as part of your charity accounts to the Commission.

Equally, if you prepare a trustees' annual report alongside your charity accounts you must submit this report as part of the accounts you submit

to the Commission. If you are under no legal requirement to prepare a trustees' annual report, we recommend you prepare one as a matter of good practice. Under the new accounting and reporting regulations all charities are legally required to prepare a trustees' annual report and submit this to the Commission on an annual basis.

The legal basis for requesting the information in the annual monitoring return can be found in **Section 70** of the Charities Act. Section 70 of the Charities Act also provides for the content of the annual monitoring return to be set out in the *Charity Commission for Northern Ireland Annual Return Regulations (2014)*.

3.4 Who does interim annual reporting apply to?

Interim annual reporting applies to a limited number of registered charities and for a transitional time only. If your charity falls under interim reporting you must be aware that this will only be for the first year you report to the Commission. You must ensure that for all subsequent financial years beginning on or after 1 January 2016 your charity's accounts and reports are prepared in accordance with the new regulations.

It is important that you work out which requirements apply to you. It is your responsibility as **charity trustees** of a registered charity to ensure that annual reporting requirements are met. If you do not do so, you are in breach of your duties under the Charities Act.

Please note that charities which fall under interim reporting **should** consider applying the full accounting and reporting regulations as a matter of good practice and to help prepare for the following years accounts. In particular this will be useful for charities moving from cash accounts to accruals accounts in order to gather comparative figures for the previous year, a key requirement under accruals accounts.

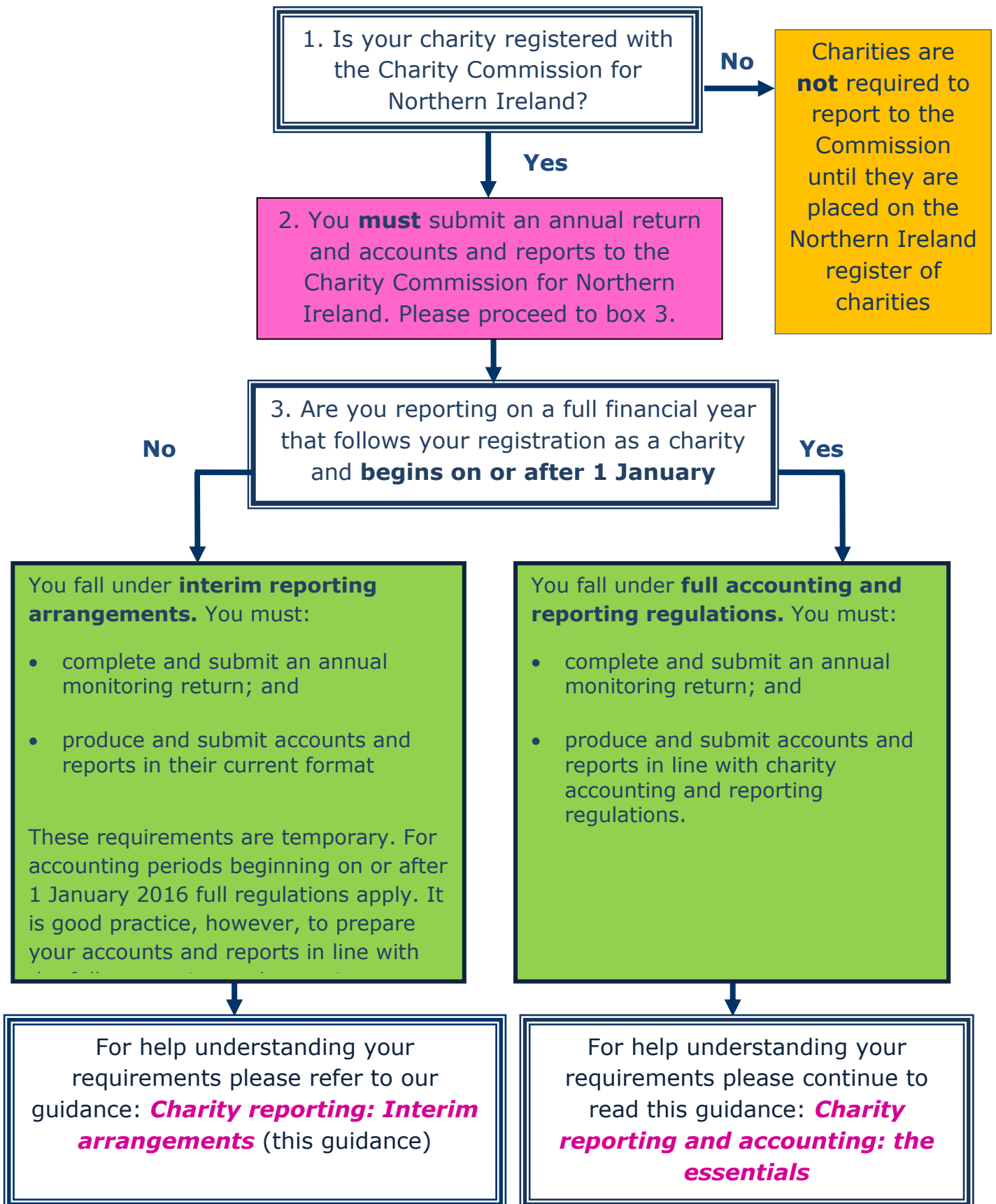
Examples

1. A charity that was registered in March 2015, and whose **financial year** begins on 1 April, will be required to report on the 1 April 2015 to 31 March 2016 financial year but, because this period did not start on or after 1 January 2016, may follow the interim reporting arrangements.
2. A charity was registered in October 2015, and whose financial year begins on 1 July, will be required to report on the 1 July 2016 to 30 June 2017 and, because this period started after 1 January 2016,

they must follow the full accounting and reporting requirements under the new regulations.

For more information on how to identify whether your charity will fall under this phase, please see figure 1 on the following page.

Figure 1: Annual reporting requirements for your charity



3.5 When must registered charities report to the Commission?

You can complete your annual monitoring return and submit your accounts and reports as soon as the accounts and reports are approved by the charity's trustees.

You must, however, complete and file your charity's annual monitoring return, accounts and reports with the Commission within 10 months of the charity's financial period end. Registered charities are required to report to the Commission on an annual basis.

The interim reporting requirements became live on 1 April 2014, and we will only require information on financial periods beginning on or after 1 April 2014. Therefore, charities registered with the Commission before 1 April 2014 will not have to report on accounting periods before this date.

Examples of the relevant reporting periods and filing deadlines for registered charities are set out in the table below.

Charity	A	B	C
Registration date	15.12.13	25.4.14	16.3.14
Financial period end date	31 March	30 June	30 September
Period of account	12 months	12 months	6 months
Reporting period*	31.03.15	30.06.15	30.09.14
Filing deadline**	31.01.16	30.04.16	31.07.15

**First full accounting period after registration*

***10 months after the accounting period end*

A charity's financial period will normally be 12 months but, in exceptional circumstances, can be shorter or longer. If for exceptional reasons a charity must prepare their accounts to cover a short or long period of account, the accounting period should not be less than six months or longer than eighteen months. If you are a charitable company you must comply with the requirements of company law.

3.6 How will registered charities know when to report?

It is your responsibility as a charity trustee to be aware of your filing deadline. It is a legal requirement for registered charities to file their

annual reporting information within 10 months of the charity's financial year end.

When your charity registered with the Commission you provided your charity's financial year end date as part of the registration process. The Commission will use this date to calculate your filing deadline and will issue email reminders to the contact email held on the register of charities. If you change your financial year end date or the contact email address you must update this information on the register of charities immediately.

You must file annual reporting information through an online process, accessed through [Online Services](#) via our website www.charitycommissionni.org.uk.

Charity trustees are responsible for filing charity reporting information on time.

3.7 What are the benefits of annual reporting?

The information collected from the annual monitoring return and the accounts and reports will enable us to maintain a regulatory system in which the public has trust and confidence. It will also provide useful information on the sector and support the future development of evidence-based policy and guidance, while keeping the [register of charities](#) up to date.

Benefits to registered charities

Benefits to registered charities include the following:

- meeting your statutory obligation to report annually
- increased public trust and confidence, potentially leading to increased public donations or other support
- up-to-date information on your charity is publicly available on the Northern Ireland [register of charities](#)
- decision makers having greater knowledge of the charitable sector in Northern Ireland, potentially influencing policy making.

Benefits to other stakeholders

Benefits to other stakeholders include the following:

- knowledge that organisations on the register are effectively regulated and monitored, enhancing trust and confidence

- access to information on charities relating to their work throughout the year, governance and finances and how they have used their income to advance their **purposes**.

These are examples only and the lists are not intended to be exhaustive.

3.8 How will the Commission use the information gathered?

We will use the information gathered to regulate charities in Northern Ireland and to meet the objectives of our monitoring programme. These objectives have been consulted on and agreed with the charity sector.

They are as follows:

1. Check for compliance with charity law
2. Discover where there is misconduct, mismanagement and inappropriate use of charitable property and funds
3. Encourage good practice
4. Provide information about the charity sector
5. Provide information on each charity
6. Provide an up-to-date *register of charities* in Northern Ireland.

Check for compliance with charity law

Through annual reporting by registered charities we will identify and alert those charities that are not complying with the Charities Act. We aim to be proportionate and constructive in promoting compliance, particularly in the first few years of the programme.

Discover where there is misconduct, mismanagement and inappropriate use of charitable property and funds

The information we gather may alert us to potential problems early on so that we can work with charity trustees to put things right. Where there are serious issues identified, we will deal with them appropriately.

Encourage good practice

The questions we ask in the annual monitoring return will encourage good practice in two ways. Firstly, through acting as a prompt to remind trustees of their duties and secondly, by identifying common problematic areas where we can develop best practice guidance and advice.

Provide information about the charity sector

Obtaining key information about charities will help us make informed decisions when carrying out our regulatory and monitoring activities, and

the statistics we hold on the sector may impact on legislation and future policy development.

Provide information on each charity

The information gathered on each charity will be used both to improve our internal efficiency as a regulator and to ensure that interested parties can easily obtain relevant and reliable information on a charity's financial position and performance, deployment of resources, organisational structure, policies, priorities, **activities** and achievements.

Provide an up-to-date register of charities

By updating the information held on the register of charities we can be confident that it is current and relevant, and continues to be a valuable source of information for members of the public, charity **beneficiaries** and other stakeholders.

3.9 What happens if a registered charity does not report to the Commission?

Each charity's individual entry on the register of charities will show if they have filed their annual reporting information. This will allow members of the public and other stakeholders, including donors and funders, to see if a charity has complied with their legal requirements to submit annual reporting documents on time.

If registered charities persistently fail to submit their documents we will take further action.

Under **Section 71** of the Charities Act, failure to submit annual documents, when required, is a criminal offence as this amounts to mismanagement and / or misconduct in the administration of the charity.

Section 4: Preparing for your annual return

4.1 Preparing in advance

You should prepare for submitting your annual monitoring return and accounts and reports to the Commission throughout the year by planning ahead and keeping good records. It is important, for example, to:

- keep your password for *Online Services* safe
- use *Online Services* to update your information throughout the year and tell us when something changes, for example where a trustee is replaced
- consider arranging a trustee meeting to agree your accounts and reports within two months of your financial period ending
- consider arranging a trustee meeting to confirm the details within your annual monitoring return using this guidance to assist you
- identify who will complete and submit the annual monitoring return and ensure they understand the requirements set out in this guidance.


4.2 How do you submit your annual return?

You must file annual reporting information using an online process which is accessed through *Online Services* via our website www.charitycommissionni.org.uk. If you have any specific accessibility requirements, please contact us to discuss them. Our preferred method of contact is by email at admin@charitycommissionni.org.uk

When you were registered as a charity by the Commission you received an email with your password for *Online Services*. This password is unique to your organisation. It is important that you keep your password secure at all times, as you would a PIN number. Log onto *Online Services* using your charity registration number and this password.

You must complete the online monitoring return by clicking on the link in *Online Services*, and you must **upload** and attach your charity's accounts and reports in **PDF format**.

If you have difficulty accessing the internet or a scanner, we will signpost you to libraries and **helper groups** in the first instance.

The online annual monitoring return is in a similar format to the online form you used to apply to register as a charity in Northern Ireland. It will guide you through the process. You should click on the yellow 'i' button  to ensure that you are clear about what is being asked. The Commission has produced guidance *ARR05 How to complete the annual monitoring return* to help you through this process. This guidance contains screenshots of the online form and is available on our website.

We recommend that you check all of your answers thoroughly for spelling mistakes and typos, particularly the information that will be made public on the register. You could consider typing your answer into an application such as Microsoft Word, which has spell check and word count facilities, and copying and pasting the text into the online monitoring form. Additionally, you may find it helpful to ask someone else, either within the charity or a **helper group** for example, to act as a critical friend, who would review your application to ensure it is clear and makes sense.

4.3 What do you need in order to submit your annual return?

The checklist at **Appendix 2** will assist you in identifying the information we recommend you have to hand in order to submit your annual return. This includes:

- your most recent charity accounts in PDF format
- your trustees' annual report (if applicable) in PDF format
- your **Audit Report** or **Independent Examiners Report** (if applicable) in PDF format
- bank details
- numbers of **staff** and **volunteers**
- details of payments and transactions with trustees
- details of each of your **charity trustees**.
- the *Charity reporting: Interim annual reporting arrangements* guidance
- the *Public benefit requirement* statutory guidance.

4.4 Where can you get help?

The following is available on the Commission's website:

- a toolkit to help you prepare 'receipts and payments' accounts
- signposting to **helper groups** and other resources.

If you have any problems relating to use of the online system email admin@charitycommissionni.org.uk. Please do not phone us unless you

have no easy access to email, as we are not resourced to deal with such queries via telephone.

4.5 Preparing your accounts and reports

All charities must keep and prepare accounts. The type of accounts that your charity must prepare will depend on the nature of the charity, for example charitable company or unincorporated association, and the size of the charity. Your **governing document** may also specify the type of accounts to be prepared.

Accounts can be prepared in one of two ways:

- receipts and payments
- accruals accounts.

Receipts and payments accounts

Receipts and payments accounts are a simple form of accounting consisting of a summary of money received and paid, both through the bank and in cash, during the financial period along with a statement of balances.

Accruals accounts

Accruals accounts allocate the costs or income of a particular activity according to when the liability is incurred or when there is entitlement or certainty about income. This is not necessarily the date on which money is received or paid out. It is best practice, but not compulsory, that fully accrued accounts are prepared in accordance with the methods and principles of the **Accounting and Reporting in Charities: Statement of recommended Practice (the 2005 Charities SORP)**.

Preparing your trustees' annual report

The trustees' annual report expands on some of the details in your charity accounts. Furthermore the information in your report helps people understand what you do, particularly potential funders and beneficiaries. Along with your accounts, the report tells people:

- About your charity's work
- Where your money comes from
- How you've spent your money in the past year.

The directors' report produced by charitable companies may already set out this information.

To find out what must be included in the trustees' annual report under the full accounting and reporting regulations, and for help preparing your charity's accounts, you can refer to the relevant guidance:

ARR03. Receipts and Payments accounts and the trustees' annual report

ARR04. Accruals accounts and the trustees' annual report

Appendix 1: Glossary

Term	Definition
Account and reporting in Charities: Statement of Recommended Practice (the 2005 Charities SORP)	The Charities Statement of Recommended Practice (Charities SORP) on accounting and reporting applies to all charities in the UK and Ireland that prepare accounts on an accruals basis. It provides a comprehensive framework for charity accounts prepared on an accruals basis and enables charities to adopt a consistent interpretation of UK financial reporting standards (FRS) as well as account for those transactions that arise when undertaking charitable activities.
	At present, the Charities SORP is recommended best practice for unincorporated charities in Northern Ireland and is essential for charities that want to show a 'true and fair view' of their financial position and activities.
	Charitable companies in the UK and Ireland must prepare their accounts on an accruals basis in accordance with the Charities SORP. New UK accounting standards are due to come into effect on 1 January 2015 and these changes require a new SORP. Once approved, the new SORP will take effect for financial years beginning on or after 1 January 2015.
Accounting and Reporting Regulations	These are the regulations to be drafted by the Department for Social Development (DSD) (now the Department for Communities) which will specify the form and content of accounts and the Trustees' Annual Report. These regulations commenced on 1 January 2016.
Accrual accounts	Accruals accounts allocate the costs or income of a particular activity according to when the liability is incurred or when there is entitlement or certainty about income. This is not necessarily the date on which money is received or paid out. It is best practice, but not compulsory, that fully accrued accounts are prepared in accordance with the methods and principles of the charities SORP.
Activities	We use this term when talking about what organisations do in order to carry out their purposes.

Term	Definition
Annual accounts	These are the accounts prepared at the end of the financial period. In the interim period, registered charities can submit their annual accounts in the format in which they are currently prepared. The Department for Social Development are currently drafting regulations that will specify the form and content of charity accounts.
Annual monitoring return	<p>This is the form that registered charities must submit on an annual basis reporting on their activities during the year. The information required is streamlined according to level of gross annual income.</p> <p>The questions in the annual monitoring return are specified in the Charity Commission for Northern Ireland Annual Return Regulations (2014).</p>
Audit Report	An audit report is a written opinion of an auditor regarding whether an entity's financial statements present fairly its financial position. This is written in a standard format, as mandated by Generally Accepted Auditing Standards (GAAS). GAAS requires or allows certain variations in the report, depending upon the circumstances of the audit work that the auditor engaged in. For example, the report may include a qualified opinion, depending upon the existence of any scope limitations that were imposed upon the auditor's work. It will be found in the audited accounts.
Beneficiaries	A legal term for a person, group of people or an entity (like a charity) eligible to benefit or receive assets from a charity's work. The beneficiary group of a charity will be defined in the charity's governing document. Beneficiaries may sometimes be called clients or service users.
Charitable company	This is a charity, which is formed and registered under the Companies Act 2006, or any companies that were already established under previous legislation. Charitable companies are registered with Companies House. It will usually have memorandum and articles of association or simply articles of association as its governing document and it has its own legal identity. It must be established for exclusively charitable purposes.

Term	Definition
Charitable purpose	<p>This is defined by section 2 of the Charities Act (Northern Ireland) 2008 (as amended) as one that:</p> <ul style="list-style-type: none"> • falls under one or more of the list of 12 descriptions of purposes set out in section 2(2) of the Charities Act and • is for the public benefit. <p>To be a charity, an organisation must have purposes which are exclusively charitable in law.</p>
Charities Act (Northern Ireland) 2008	<p>References to 'the Charities Act' are to the Charities Act (Northern Ireland) 2008 (as amended). The full content of the 2008 Charities Act can be found at www.legislation.gov.uk</p> <p>Not all of the sections of the Charities Act are in force yet. Details of those sections that are in force are available on the Commission's website www.charitycommissionni.org.uk</p>
Charities Act (Northern Ireland) 2013	<p>The Charities Act (Northern Ireland) 2008 is the main piece of legislation establishing the Charity Commission for Northern Ireland, setting out its functions and powers.</p> <p>The Charities Act (Northern Ireland) 2013 is a much shorter act and was primarily brought in to amend the definition of a charity in the Charities Act (Northern Ireland) 2008.</p> <p>The full content of the 2013 Charities Act can be found at www.legislation.gov.uk</p>
Charity Commission for Northern Ireland Annual Return Regulations (2014)	<p>These are the regulations developed by the Commission which set out the information required in the annual monitoring return. The full regulations can be found at www.charitycommissionni.org.uk.</p>
Charity trustees	<p>These are the people who are legally responsible for the control and management of the administration of the charity. In the charity's governing document they may be called trustees, managing trustees, committee members, governors or directors or they may be referred to by some other title.</p>

Term	Definition
	<p>Some people are disqualified by law from acting as charity trustees. These disqualifications are set out in the Charities Act and broadly include but are not limited to anyone who:</p> <ul style="list-style-type: none"> • has been convicted of an offence involving deception or dishonesty, unless the conviction is a spent conviction under the Rehabilitation of Offenders (NI) Order 1978 • is an undischarged bankrupt or has made an arrangement with creditors • has previously been removed as a trustee by the Commission or by the courts • is subject to disqualification under company legislation.
Endowment funds	<p>A form of restricted fund where trustees are legally required to invest or retain the capital. Income generated from the capital should be spent. Normally these funds will represent investments but may also represent property held as endowment for use by the charity. There are two forms of endowment. Permanent endowment is a fund where the trustees do not have the power to spend the capital. Expendable endowment is a fund where the trustees have the option to spend the capital, under certain circumstances, in the same way as spending income funds.</p>
Format in which they are currently prepared	<p>As part of our interim reporting requirements, registered charities must provide accounts and reports in the format they currently prepare them. These accounts should relate to the period covered in the annual monitoring return.</p> <p>There is a legal duty for charities to keep proper books of account with respect to the affairs of the charity. These records must be kept for at least seven years. They must also prepare consecutive statements of account which must consist of a receipts and payments or income and expenditure account. It is the accounts that your charity already prepare under this duty that we are asking for under the interim reporting requirements. If charities are required to prepare audited or examined accounts and trustee reports</p>

Term	Definition
Governing document	<p>under company law we will require these reports to be submitted to the Commission also.</p>
	<p>There are currently no audit requirements for unincorporated charities in charity law; however an unincorporated charity may be required to prepare audited accounts if it is stated in their governing documents or is a condition applied to funding. This will change when the full charity accounting and reporting regulations come into effect.</p>
	<p>A charity's governing document is any document which sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, conveyance, will, Royal Charter, Scheme of the Commission or other formal document.</p>
	<p>Annual gross income differs from total incoming resources / total receipts in a charity's accounts. For accounts prepared on a receipts and payments basis gross income is simply the total receipts recorded excluding the receipt of any endowment loans and proceeds from sale of investments or fixed assets.</p>
Gross income	<p>For accounts prepared on an accruals basis the charity's gross income should be calculated as: the total incoming resources as shown in the Statement of Financial Activities (SoFA) (prepared in accordance with the SORP) for all funds but excluding the receipt of endowment including any amount transferred to income funds during the year from endowment funds in order to be available for expenditure.</p>
Helper groups	<p>Helper groups may be able to provide access to a scanner or the internet where resources and time permit. See our website for more information www.charitycommissionni.org.uk</p>

Term	Definition
Independent Examiners Report	This is the report produced following an independent examination of the charity's accounts. It is an external review of a charity's accounts and is carried out by an independent person with the requisite ability and practical experience to carry out a competent examination. An independent examination is a simpler form of scrutiny than an audit but it still provides trustees, funders, beneficiaries, stakeholders and the public with an assurance that the accounts of the charity have been reviewed by an independent person. Charity trustees should take steps to ensure that a competent examination takes place and they will therefore consider carefully the suitability and eligibility of a prospective independent examiner.
Portable document format (Pdf)	A file format, typically used for saving documents that are comprised of more than a simple text element. Our system can support up to a maximum of 12MB per document.
Purposes	<p>The purposes of a charity will usually be defined by what its governing document says that it is set up to do. According to the Charities Act, all the organisation's purposes must:</p> <ul style="list-style-type: none"> • fall under one or more of the list of 12 descriptions of charitable purposes in the Charities Act and • be for the public benefit.
Qualified	The auditor has doubts or disagreement with some aspect of the accounts. This may relate to the audited organisation's management.
Receipts and payments accounts	<p>The accounts comprise:</p> <ul style="list-style-type: none"> • a receipts and payments account; and • a statement of assets and liabilities. <p>Such accounts do not purport to show a 'true and fair view'; instead they should provide a factual summary of money received and paid during the year and a statement providing information as to the charity's assets and liabilities at the end of the year.</p>

Term	Definition
Registered charity	This is a charity that has been registered with the Charity Commission for Northern Ireland and that appears on the <i>register of charities</i> .
Section 70	<p>This is Section 70 of the Charities Act. It reads:</p> <ol style="list-style-type: none"> 1. Every charity shall prepare in respect of each of its financial years an annual return in such form, and containing such information, as may be prescribed by regulations made by the Commission. 2. Any such return shall be transmitted to the Commission by the date by which the charity trustees are, by virtue of section 68(3), required to transmit to the Commission the annual report required to be prepared in respect of the financial year in question. 3. The Commission may dispense with the requirements of subsection (1) in the case of a particular charity or class of charities, or in the case of a particular financial year of a charity or of any class of charity.
Section 71	<ol style="list-style-type: none"> 1. If any requirement imposed— <ul style="list-style-type: none"> (a) by section 68(3) (taken with section 68(4) and (5), as applicable), or (b) by section 69(3) or 70(2), is not complied with, each person who immediately before the date for compliance specified in the section in question was a charity trustee of the charity is guilty of an offence and liable on summary conviction to the penalty mentioned in subsection (2). 2. The penalty is— <ul style="list-style-type: none"> (a) a fine not exceeding level 4 on the standard scale, and (b) for continued contravention, a daily default fine not exceeding one-tenth of level 4 on the standard scale for so long as the person in question remains a charity trustee of the charity.

Term	Definition
	It is a defence for a person charged with an offence under subsection (1) to prove that that person took all reasonable steps for securing that the requirement in question would be complied with in time.
Staff	These are the people hired to provide services on a regular basis in exchange for compensation and who do not provide those services as part of an independent business. This is a headcount based on the payroll information you submit to HMRC. Provide the full number of people employed, whether full time or part time, rather than calculating a full time equivalent number.
Statement of Financial Activities (SoFA)	The SoFA is a single accounting statement that shows all incoming resources and resources expended both by activities and by fund. It shows where the resources come from, what they are spend on, and different types of fund as well as a year on year comparison.
Trustees' annual Report	<p>The trustees' annual report expands on some of the details in your charity's accounts. Along with your accounts, the report tells people:</p> <ul style="list-style-type: none"> • About your charity's work • Where your money comes from • How you've spent your money in the previous year. <p>Full accounting and reporting regulations will specify the form and content of the trustees' annual report.</p>
Upload	You will be required to upload documents in a portable document format (pdf). You can convert a word document to a pdf using either the save as function in recent versions of word or using a pdf converter accessed online.
Volunteers	Volunteers are those individuals who commit "time and energy, for the benefit of society and the community, the environment or individuals outside of (or in addition to) one's immediate family." Volunteers undertake this work freely, by choice and without pay. This definition comes from the Department for Social Development's 'Join in Get Involved, Build a Better Future 2012' volunteering strategy. This definition includes 'one-off'

Term	Definition
	volunteering as well as volunteers who give a regular commitment. It is up to trustees to provide a best estimate of the number of people who have volunteered for the charity in the relevant year.
W3C Standards	W3C accessibility standards consist of a set of guidelines for making content accessible especially to those web users who have a disability. This standard is recognised internationally.

Useful contacts

Below is a list of contacts which you may find useful.

Charity Commission for England and Wales (CCEW)	PO Box 211 Bootle L20 7VX Telephone: 0300 066 9197 Website: www.gov.uk/government/organisations/charity-commission
Companies House	Second Floor The Linenhall 32-38 Linenhall Street Belfast Northern Ireland BT2 8BG Telephone: 0303 1234 500 Website: www.companieshouse.gov.uk
Department for the Economy	Department for the Economy Adelaide House 39-49 Adelaide Street Belfast BT2 8FD Telephone: 028 9025 7777 Website: www.economy-ni.gov.uk
Department for Communities	Lighthouse Building 1 Cromac Place Gasworks Business Park Ormeau Road Belfast BT7 2JB Telephone: 028 9082 9000 Website: www.communities-ni.gov.uk
Equality Commission for Northern Ireland	Equality House 7-9 Shaftesbury Square Belfast BT2 7DP Telephone: 028 9050 0600 Website: www.equalityni.org

HM Revenue and Customs
(HMRC)

HM Revenue & Customs
Charities, Savings and International 2
HM Revenue and Customs
BX9 1BU
United Kingdom

Telephone: 0300 123 1073

Website: www.hmrc.gov.uk/charities

Human Rights Commission
for Northern Ireland

Temple Court
39 North Street
Belfast
BT1 1NA

Telephone: 028 9024 7844

Website: www.nihrc.org

The Fundraising Regulator

1st Floor
10 St Bride Street
London
ECA 4AD

Telephone: 0300 999 3404

Website: www.fundraisingregulator.org.uk

Northern Ireland Council
for Voluntary Action

61 Duncairn Gardens
Belfast
BT15 2GB

Telephone: 028 9087 7777

Website: www.nicva.org

Useful supporting documents

CCNI PBR1 The public benefit requirement

CCNI EG024 Running your charity guidance

Receipts and payments toolkit

CCEW guidance on preparing SORP charity accounts and reports

CCNI EG042 Monitoring and compliance guidance – getting it right

Freedom of information and data protection

Data protection

Any information you give us will be held securely and in accordance with the rules on data protection. Your personal details will be treated as private and confidential and safeguarded, and will not be disclosed to anyone not connected to the Charity Commission for Northern Ireland unless you have agreed to its release, or in certain circumstances where:

- we are legally obliged to do so
- it is necessary for the proper discharge of our statutory functions
- it is necessary to disclose this information in compliance with our function as regulator of charities where it is in the public interest to do so.

We will ensure that any disclosure made for this purpose is proportionate, considers your right to privacy and is dealt with fairly and lawfully in accordance with the Data Protection Principles of the Data Protection Act.

The Data Protection Act 1998 regulates the use of “personal data”, which is essentially any information, whether kept in computer or paper files, about identifiable individuals. As a “data controller” under the Act, the Charity Commission for Northern Ireland must comply with its requirements.

Freedom of Information

The Freedom of Information Act 2000 gives members of the public the right to know about and request information that we hold. This includes information received from third parties.

If information is requested under the Freedom of Information Act we will release it, unless there are relevant exemptions. We may choose to consult with you first if this relates to your consultation or application. If you think that information you are providing may be exempt from release if requested, please let us know.

Further information on our activities is available from:

**Charity Commission for
Northern Ireland
257 Lough Road
Lurgan
Craigavon
BT66 6NQ**

www.charitycommissionni.org.uk



Email: admin@charitycommissionni.org.uk

Tel: 028 3832 0220

Fax: 028 3834 5943

TextPhone: 028 3834 7639

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