

## Law and order

### Guidance through the legal maze of charity law for small organisations and churches

Keeping abreast of legal requirements can often feel burdensome and time-consuming, not to mention unproductive particularly if you have few staff and work to tight budgets and deadlines. There always seems to be a new policy document to be written, and the ones we already have constantly need reviewing and updating. Sometimes we don't even know what policies we need or where we can turn for help without spending vast sums of money on expert guidance.

On this page I will endeavour to save you time and money by gathering together resources to help you through the legal tangle of red tape. I do not intend this page to be a complete directory, nor a check-list of everything you need to comply with current legislation, but I hope you will find some of these resources useful. All of the resources I have listed have either been used by us or recommended to us by satisfied customers. Please do let me know of any other resources you have found helpful.

[Click](#) on the links below for further information on each topic.

[1. How the new Charities Act may affect you](#)

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### [Data protection](#)

Despite what you might have been told, not every organisation needs to register with the Information Commissioner's Office (ICO) as a Data Contoller. Visit the [ICO's website](#) to find out whether you need to register and why. Registration will cost you no more than £35 per annum and can be done on-line. The Data Protection Act covers not only data stored electronically, but also as card indexes, etc. Sensitive data needs to be kept in secure areas protected by lock and key or computer password.

If you do register, your Data Protection licence needs to be renewed every year on the anniversary of your registration. As the ICO does not send reminders, it is best to set up an annual direct debit to ensure you remain registered.

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### [E-newsletters](#)

A way of keeping abreast of changes to legislation is to subscribe to an enewsletter from a specialist or expert. There are many to choose from, but try to find ones which give headlines or links at the beginning, so that you don't have to wade through a lot of irrelevant text to reach the nugget you are looking for. I subscribe to about a dozen, and to save them clogging up my inbox I have set my email filters to direct them straight into a separate 'reading' mailbox. In that way I can read them in my spare moments. Those I find particularly useful are:

[Anthony Collins Solicitors](#) for Charity and Company law in relation to Christian organisations and churches

[Independent Examiners](#) for accounting and audit issues relating to churches and small charities. Their newsletters are written in a very readable and easy style with a minimum of jargon.

[Sandy Adirondack](#) for general Charity and Company Law and Employment Law in a concise yet readable format.

[Stewardship](#) for general financial issues in a Christian context.

Click on each link to subscribe via their respective websites

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### [Letterheads and other communication](#)

As from 1st January 2007, the Companies Act 1985 was amended to require that all the information you need to show as a company and charity on your letterheads also needs to go in the electronic signature of any emails sent on behalf of your organisation, and be clearly stated on your website. Click on [this link](#) for further details of what is required (wait for the link to fully download as it first looks like you've gone to the wrong page).

On the subject of websites, it is now permissible under the Companies Act to display notice and details of your AGM and other meetings on your website provided you advise your members either by post or email that the details are there. This could save the last-minute panic of stuffing huge amounts of paper into envelopes, but do check first that your Memorandum and Articles do not preclude electronic communication and that your members have consented to be advised in this way.

Don't forget that all cheques issued by a charity need to show the charity registration number or at least state that the organisation is a registered charity. Failure to do this could result in the signatories of the cheque being personally liable if it is later unpaid.

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## [Optional extras?](#)

The new amendments to the Companies Act also makes having a Company Secretary and the AGM optional. But please check your Memorandum and Articles before dispensing with these as they may specifically state that you must have a Company Secretary and AGM. And anyway, is disposing of the AGM such a good idea? If organised creatively it can be a regular shop window onto your organisation with excellent potential for promoting your cause and allowing your supporters to network together. Our annual Passion for Mission event is an example.

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Unincorporated charities whose financial year STARTED later than 27 February 2007 will not need a professional audit at their year end (ie from 28 February 2008 onwards) if their turnover does not exceed £500,000 and they have less than £2.8m in assets. For incorporated charities, the financial year start date will be 6th April 2008.

Since 1993, charities have been obliged to provide their annual accounts to anybody who requested them. From 27 February 2007, this obligation extends to the trustees' annual report also. However, charities can make a reasonable charge for providing these items.

From 27 February 2007 it will be an offence for charities not to provide their annual returns or reports to the Charity Commission and trustees can be fined for not doing so.

Read about these and other provisions commencing on 27 February 2007 on the [Cabinet office website](#).

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For more information, please contact [David Wright](#).