

Welcome to Focus On... our special quarterly bulletin looking at issues relevant to particular sectors and topics of interest.

In April's Focus On... Charities, we look at why charities need to take action to minimise their risk exposure, as well as the opportunities and barriers for fund-raisers across Europe and the measures they would like governments to implement. We conclude with a look at a key change to Gift Aid which has now come into effect, as well as how charities could be raising more money by making better use of online giving.

If you would like to discuss any aspect of our specialist charity audit and accountancy services, please contact Emma Murray, Audit and Compliance Partner at Nicholsons, at emma.murray@nicholsonsca.co.uk or phone 0845 27 66 555.

Online giving offers real fund-raising potential

UK charities could generate £35.5 million more by improving online interaction with potential donors, according to new research.

The survey on charitable giving, carried out by YouGov on behalf of public sector technology specialist Eduserv, quizzed 2,000 people.

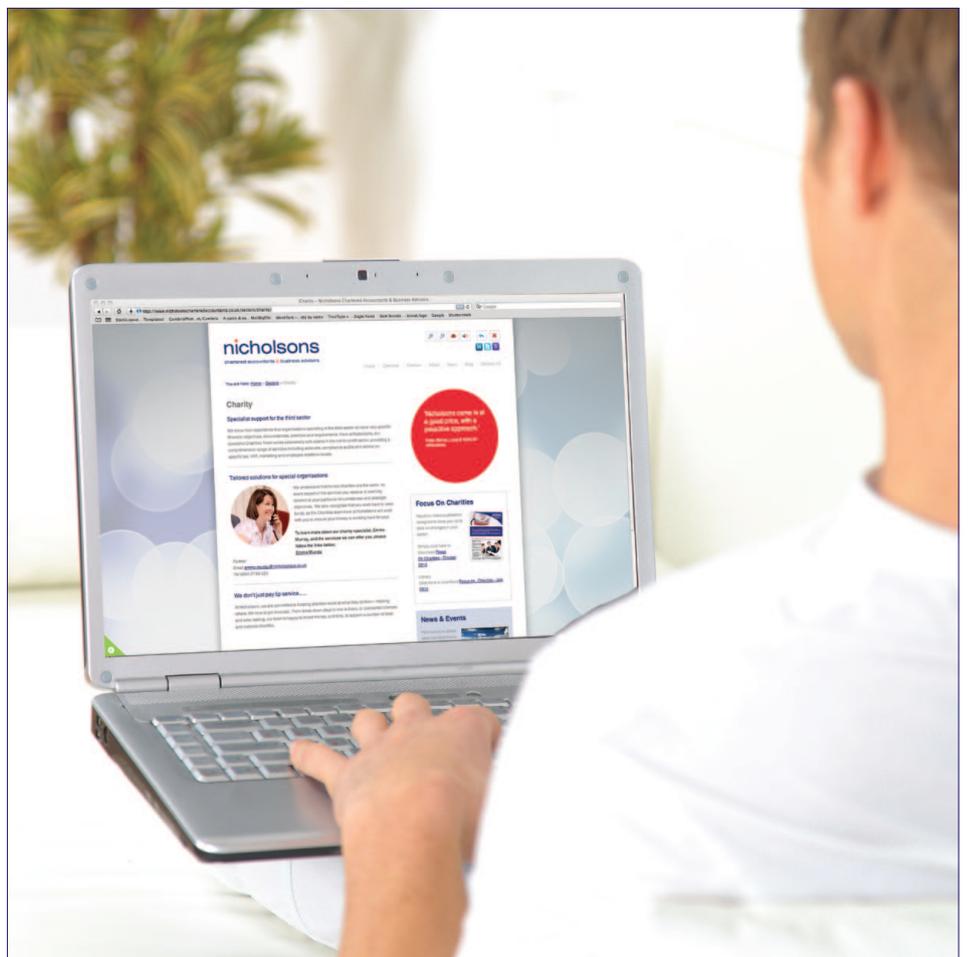
The £35.5 million figure is based on 17% of those questioned saying they would donate up to £15 more per month if a charity provided a more personal approach via their website or email, for example by remembering which content had been viewed on the website, viewing preferences and charity campaigns of interest.

"Genuinely good web engagement, which understands a donor's previous interactions and uses this information to provide a more bespoke experience, has yet to take off in the charity sector. Consumers increasingly expect good online interaction with websites because the likes of Amazon have done it so well," said Haylie Oriot, charity sector manager at Eduserv.

Meanwhile, a fifth of respondents (21%) said that convenience was a strong factor in donating online while a tenth (11%) saw donating online as having a higher level of security.

Haylie added: "A website that offers bespoke engagement and also provides a secure, convenient way of donating can not only build strong relationships with donors but also make the difference between a repeat donation and a missed opportunity."

At Nicholsons, our charities team can advise you on practical ways to help boost fund-raising. For further information, please contact us.



Gift Aid Small Donations Scheme

In December 2012, Parliament passed into law the Small Charitable Donations Act 2012, which introduced the Gift Aid Small Donations Scheme.

The scheme, which commenced on 6 April 2013, enables an eligible charity to claim a top-up payment in respect of the small cash donations

received in a tax year, provided that the charity has made a successful Gift Aid claim for donations in the same period.

The maximum claim will be on small donations totalling £5,000 or 10 times the Gift Aid donations, if lower. This could, therefore, equate to a £1,250 maximum top-up.

The individual gifts must be in cash (or cheques), not exceed £20, and must be collected from within the UK. Prime examples are a church collection, or collection tins and buckets.

There are various stipulations, but please do contact us for further information, as this may be useful to your charity.

Charities urged to tighten up risk controls

The Charity Commission has issued new advice to charities on how to reduce the risk posed by bogus fund-raising collectors.

The safer giving alert followed recent high profile cases involving terrorism, in which criminals had used the name of a well-known registered charity to raise funds for illegal purposes.

According to the Commission, these recent cases showed how criminals could abuse the reputation of individual charities and the charity sector as a whole.

It urged charity trustees to take steps to minimise the risks posed by bogus collectors and said the public should not be afraid to ask questions to ensure collectors were genuine.

This is particularly pertinent considering that two out of five adults do not make any checks when approached by a collector for a charitable donation, according to research by the Commission and the Fund-raising Standards Board.

The Commission also reminded charities to promptly collect back any official material from volunteer collectors – such as identity badges, collecting tins, buckets or tabards – and urged charities not to ignore reports of collectors raising funds in their name without a licence.

Michelle Russell, head of investigations and enforcement at the Charity Commission, said: "Trustees may not be able to detect and stop all

fraudsters, but there are steps that they can take to ensure they identify suspicious activities. These steps make it more difficult for fraudsters to abuse charities and help reassure the public that they can give safely to charity."

Alistair McLean, chief executive of the Fund-raising Standards Board said: "Fraudulent fund-raising is incredibly rare, but it is always deeply concerning. It is critical that the general public can continue to give with confidence to the good causes they care about."

At Nicholsons, we can help charities to strengthen their internal controls in order to protect their assets and reduce risk exposure. For more information, please contact us.

Tax changes top European fund-raisers' wish list

Better tax incentives for charity donors and VAT reform are among the key changes fund-raisers across Europe would like to see, according to new research by the European Fund-raising Association (EFA).

Its report, *Fund-raising in Europe: A Decade of Change*, canvassed the views of its members in 17 European Union (EU) states, including the UK, France, Germany, the Netherlands and Switzerland.

The EFA – a network of fund-raising associations representing thousands of fund-raising organisations and individual fund-raisers in 26 European countries – found that, despite ongoing economic uncertainty, almost two-thirds of respondents (64.7%) said most organisations had increased or maintained income levels from year to year in the last decade.

And a similar percentage (68.8%) predicted that voluntary levels would rise or stay the same in 2013 compared to 2012.

The top three positive influences on fund-raising over the past ten years were cited as greater professionalism within the sector (88.2%), technological developments, such as mobile and online fund-raising technology (52.9%), and corporate support for charitable causes (47.1%).

Meanwhile barriers to fund-raising included a shortage of fund-raising skills (41.2%), tax relief for charities or on charitable donations (29.2%) and VAT legislation (17.6%).

Looking forward to the future, 50% of respondents said they wanted national governments to improve

or introduce tax incentives for charity donors. When it came to what central EU government could do, 43% wanted VAT reform and 21% measures to support cross-border giving and to make it easier.

EFA vice-president Becky Gilbert said: "Charities across Europe are dealing with many of the same challenges and reaching out to many of the same donors across national boundaries. It has never been more important that charities come together to share information and learn from one another, raising the bar in fund-raising practice internationally."

Regardless of whether their wishes are granted in the future, it is vital for charities to maximise their tax efficiency within the current regime by working with tax specialists, such as Nicholsons. For more information, please contact us.

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and take a closer look at us. From there, you can sign up for our newsletters and quite simply get to know us a little better!

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