

trustee focus

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Your experience of charity mortgage interest rates

A trustee member has had some difficulty in renegotiating a very high long-term fixed rate of interest on their mortgage of the building that they own. Have you any experience of this and how did you tackle it? Do get in touch with us at info@trusteenet.org.uk and we can share your experience with others.

A model constitution for small charitable organisations

The Charity Commission has launched a simplified model constitution for very small charities. The new constitution provides a practical framework for charities with an income of under £5,000. It uses language that is easy to understand and, in a very short form, it covers all the requirements for a very small charity which does not employ people or own land.

Charities with an income of less than £5,000 do not need to register with the Charity Commission, but are still subject to charity law. If the income of the charity grows larger than £5,000, the charity will need to register with the Commission and is then likely to need a more comprehensive governing document.

More information can be found at:

www.charitycommission.gov.uk/registration/smallcharity.asp.

Is borrowing all it's cracked up to be?

Triodos Bank explore whether trustees are right to be reticent about taking on loan finance?

Charity funding is constantly changing and trustees like you are increasingly encouraged to take a more enterprising approach to their organisations' finances. Despite growing numbers of charities borrowing successfully, many trustees continue to be reluctant to borrow because of the perceived risks they associate with it. Let's explore the benefits, and risks, on both sides.

Benefits:

- Borrowing allows you to introduce new services and facilities to better serve your users. It can create opportunities to generate more income from a wider variety of sources.
- Securing property or building costs at today's prices can shield you from future price rises. Delays can lead to increased costs, requiring additional fundraising activity.
- Owning a property can help secure your long-term sustainability, establish an asset base and protect you against increasing rents or non-renewal of leases. It also allows you to create a virtuous cycle of investment and return by borrowing against assets for future organisational development.

Risks:

- Grants may be preferable to borrowing because they don't have to be paid

Prefer plain text? Email:
membership@trusteenet.org.uk

KEEP YOUR DETAILS UP TO DATE
If you are no longer a trustee or your
details have changed, log in to
www.trusteenet.org.uk to update
your details.

back. But funding isn't always available and conditions may require time-consuming performance reporting.

- As well as the ongoing commitment of loan repayments, you need to consider the setting up costs involved, including arrangement and legal fees.
- The time, and management capacity, needed to develop and present a business plan if you are to borrow successfully.
- By giving a lender a legal charge over your property or other security, there is a risk that you could lose it, should things go wrong.

Triodos Bank would like to share their wealth of knowledge and experience of working with charities. More than 50% of their lending is to charities and social enterprises. They know borrowing is not appropriate for everyone and should always be considered carefully. But trustees can miss an opportunity to safeguard their charity's long-term future if they do not seriously consider it.

Open and Transparent:

Triodos is the only commercial Bank in the UK that publishes details of every loan they make. Visit www.triodos.co.uk/knowwheremyourmoneygoes, where you can find details of every customer they lend to and how they are making money work for positive change. Call them free on 0800 328 2181 to discuss borrowing options available to you or email businessbanking@triodos.co.uk.

Charities and trading

In the current economic climate, many organisations are feeling a pressure to be ever more creative in generating income. One area that many organisations explore is that of developing trading income, through selling products or services and trustees need to be alert to the implications of developing such revenue streams. A useful article has been written by the team at charity law firm, Bates Wells and Braithwaite, for the Guardian newspaper and can be found at:

www.guardian.co.uk/society/2009/nov/03/charities-trading-questions

Charity Builder UK

Free service for your organisation

CTN is pleased to be a part of a new free web-based 'back office' service for your organisation, designed to help you be compliant, efficient and money-saving. Through your membership of CTN, you can register for this free interactive service, providing Human Resources, Health and Safety, Insurance, Governance, Volunteering and other support.

The service has been developed by Tennyson Insurance and is supplied by beprofessional Ltd, a London-based limited company, co-owned by Deloitte (accountants) and Berwin Leighton Paisner (lawyers). Have a look now at: www.charitybuilderuk.com.

Robert Brown Memorial Fund

Robert Brown, a key figure in the charity investment arena, sadly died in November 2008 of cancer. He was well known for the degree to which he and his colleagues promoted trustee awareness of investment issues through a range of publications, seminars and events. Robert was a passionate believer in wider financial education for trustees and professionals alike.

An appeal has been successfully launched to raise funds for a charitable trust

specifically for the education of charity trustees and charity professionals.

A small committee of his ex-colleagues will administer the fund, with the aim of providing grants and scholarships to subsidise the costs of attending charity-centric investment-related courses and training initiatives. Should enough money be raised, the aim is to fund the writing of occasional essays on key investment issues facing charity trustees.

A grant application form can be obtained by writing to Robert Ward, Sarasin & Partners, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU or by e-mail to robert.ward@sarasin.co.uk.

What's your story?

We are looking for bloggers to start recounting the stories of their life as a trustee. If you would like to start to 'blog', then go to your membership page on www.trusteenet.org.uk. Just log in and click on your user name and you can begin to blog.

Here's an example from one of the blogs already out there.

"I am a founding trustee of a small overseas development charity, as well as a trustee in my local Volunteer Centre. Of course, there's my full time work (more than 9-5!) and family, etc, etc. I am sure you are familiar with the usual moan of 'where can I find the time to.....?' Time is the most priceless commodity for a trustee. And I feel there is not enough support from local, regional and central government and funding bodies to recognise this time issue. We are all passionate about making a difference, but you have to be in good physical and emotional shape to do this effectively. Perhaps free NHS prescriptions for stressed out trustees could be a suggestion!!!

I am in the middle of work and at the same time thinking about securing some funding to help fund an admin staff for our empty hot desk office! So much to think about, not enough time to do it. Perhaps I need to be better organised. But I feel I am! ...Oh just remembered, need to check whether I can attend a training event I have been invited to as a trustee. But it's daytime! Yet another day off work? I am running out of annual leave! Less holiday time with the family. Why can't we have some of these consultation events and training days in the odd evening or a Saturday? But then that may not be convenient for some as well. So many questions, but limited solutions. Oh, the travails and challenges of being a trustee".

Season's Greetings from the staff and trustees of CTN

Well, 2009 has been a challenging year for many organisations across the sector, dealing with the effects of the global economic downturn. For many of us, we have had the challenge of securing funding in these difficult economic times, alongside meeting increasing demand for services and undoubtedly many of you have had to make some difficult decisions. Whatever the challenges of the new year ahead, CTN is here to help and support you wherever possible and we hope that, through our services, you will have the opportunities to share your experiences with other trustees so that we can all learn, take heart and provide the best possible services to our users.

We, at CTN, wish you and the organisations that you serve all the very best for a happy and effective 2010.

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