

NEWSLETTER

Not for Profit eNews

November 2020



Welcome to the November edition of our NfP eNews

I hope all is well with you and those dear to you.

In this edition we provide an update on VAT and social media advertising, this months edition has been brought forward earlier in the month to alert you of a 'call to arms' from the Charity Tax Group who are looking for a charity to come forward to help change the policy for good.

There is the latest information on the new format of CJRS the Job Support Scheme as well as detail on the Job Retention Bonus that many charities will want to take advantage of, if they furloughed staff and continue to employ them.

We also report on an insight relating to Charity Fraud Awareness week, information regarding CAF funding available to the sector as well as a reminder on the Brexit transition deadline of 1 January 2021.

The publication also provides some food for thought over the stepping down of Baroness Stowell and the recent media attention on the National Trust's past affiliations and the impact this may have on charitable organisations.



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Volunteer now!

Next steps for VAT and social media advertising - CTG virtual meeting for charities on 2 November 2020

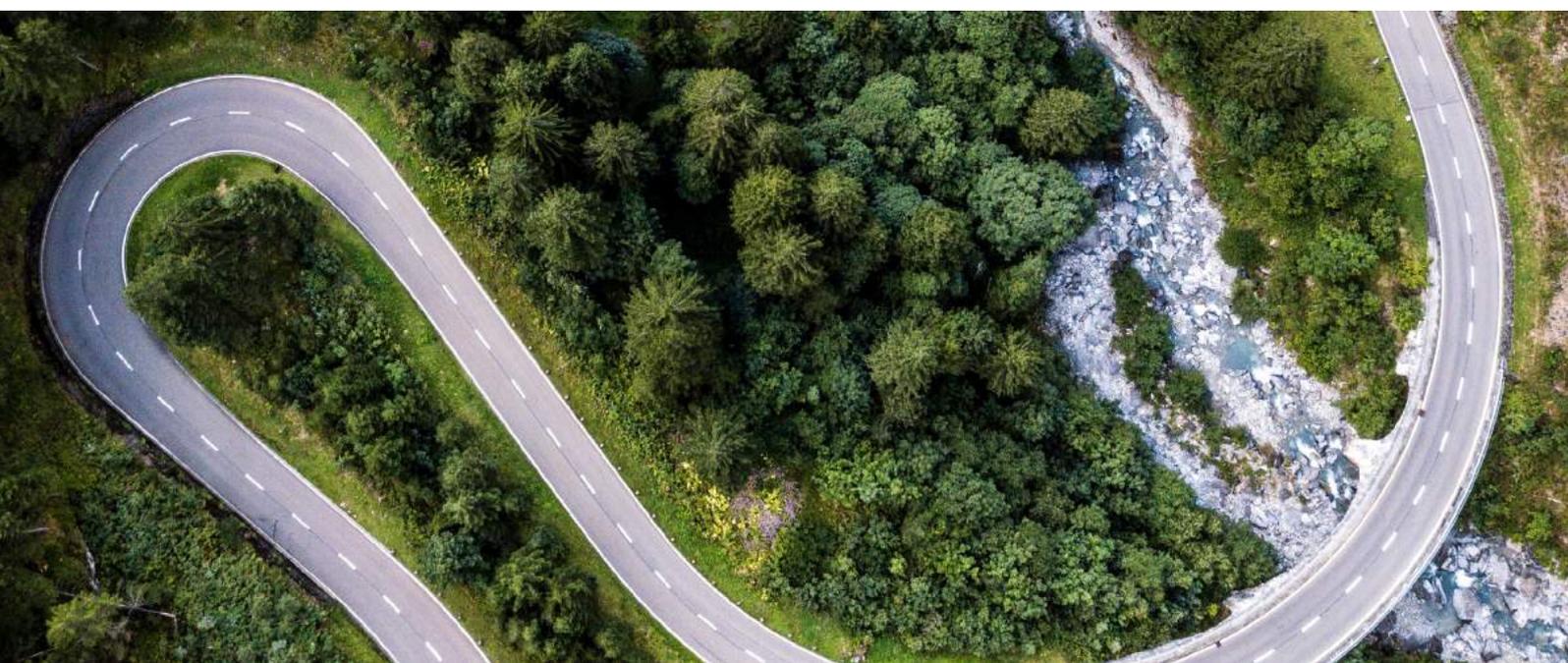
The Charity Tax Group (CTG) has recently been successful in persuading HMRC to change their policy regarding VAT on digital advertising. HMRC now accept that zero rating can apply to most forms of advertising with the exception of adverts via social media. CTG has announced that the only possible way to get this policy changed is by a charity appealing to the VAT tribunal and the CTG is now looking for a volunteer charity to take on the case. In particular the case needs to be taken by a charity which buys in social media advertising from outside the UK, e.g. from Facebook Ireland, as this would be subject to reverse charge VAT. A virtual meeting will take place on Monday 2 November 2020, 10.00-11.00, for charities subject to reverse charge VAT payments on social media advertising to discuss possible next steps. If you think this applies to your charity and you are keen to help the cause (and possibly get your name up in lights!) Please email info@charitytaxgroup.org.uk for more information.

Charity Fraud Awareness Week

Last week was Charity Fraud Awareness Week which was between the 19th and 23rd October. Events during the week raised awareness of the need to remain vigilant during difficult times. According to [Civil Society](#) during the pandemic fraudsters have stolen over £3.5m from charities largely due to cyber-crime.

The Charity Commission alongside The Fraud Advisory Panel have provided a [link](#) to provide free resources such as the online webinar provided.

Many charities will have had to amend their internal controls during the pandemic in order to respond to new ways of working virtually. This may have to result in amending authorisation procedures; more demanding timescales which can put additional burdens or stresses on the finance department or increased goodwill and trust in individuals. Therefore, it is important to ensure that in responding to the pandemic charities will have followed due process and consideration to maintain integrity and safeguard the charity's assets. If you have any concerns and would like advice on how to improve controls in your organisation please do not hesitate to get in touch.





Latest Lockdown Restrictions – Job Support Scheme

October 2020 has seen unfortunately the rise of Covid-19 infections across the UK, in response to this the Government has announced additional financial support to support businesses. The key area is the JSS (Job Support Scheme) which is an extension of the current CJRS (Coronavirus Job Retention Scheme) which comes to an end on 31 October 2020 (the last day employers can submit or change claims under CJRS is 30 November 2020 for periods ending on or before 30 October 2020). The new JSS will be available from 1 November 2020 for businesses remaining open. The Charity Tax Group have provided some further key details which can be found [here](#).

The eligibility criteria include:

- The employee will need to work a minimum of 20% of their usual hours and;
- The employer will continue to pay them as normal for the hours worked.

In return, the scheme provides:

- The employee will receive 66.67% of their normal pay for the hours not worked – this will be made up of contributions from the employer and from the government.
- The employer will pay 5% of reference salary for the hours not worked, up to a maximum of £125 per month, with the discretion to pay more than this if they wish.
- The government will pay the remainder of 61.67%, of reference salary for the hours not worked, up to a maximum of £1,541.75 per month. This will ensure employees continue to receive at least 73% of their normal wages, where they earn £3,125 a month or less.

JSS will also expand to support businesses who must legally close premises due to Covid-19. The Government will provide eligible businesses grants to pay two-thirds of each employees' salary (or 67%), up to a maximum of £2,100 a month, and will ask employers to cover NICS and pension contributions.

The Government has also issued a detailed [policy paper](#). This confirms that large employers (250+ employees) need to undertake a Financial Impact Test.

SPOTLIGHT ON

Winter Economy Plan

Key points from the Chancellor's speech

[READ](#)



Job Retention Bonus

HMRC has also published new [guidance](#) on the Job Retention Bonus. This is a £1,000 one-off taxable payment to the employer, for each eligible employee that you furloughed and kept continuously employed until 31 January 2021. Employers will be able to claim the bonus between 15 February 2021 and 31 March 2021.

This bonus is available to claim if you're an employer who has furloughed employees and made an eligible claim for them through the Coronavirus Job Retention Scheme or Job Support Scheme.

More information on who can claim, and general eligibility can be found [here](#).

Brexit – considerations on transition

The UK transition time with new rules coming into force on 1 January 2021, requires organisations to ensure due consideration is made on any changes required to remain compliant. [Gov.UK](#) have provided a link to help provide answers on how this will affect your organisation

CAF Resilience Fund – Deadline 10th November

CAF (The Charities Aid Foundation) has provided a £20m fund to distribute a portion of the governments Covid-19 support. This fund provides the opportunity to small and medium sized charities (income between £50,000 and £10m) in England to be able to apply to this fund, which could provide grant funding between £10,000 - £100,000. Each applicant will need to be based in the UK and be able to deliver the services in England and spend the grant money before 31 March 2021.

Please see the link [here](#) for more information.





Baroness Stowell stepping down as Charity Commission Chair

Following the General Public Meeting, the chair of the regulator has announced that she will not stay on for a second term- officially stepping down in February 2021. This comes as many sector commentators have criticised her speech at the Annual Public Meeting this Autumn.

An [article](#) in Civil Society explored the flaws in the controversial statement including:

- Failure of Emotional Intelligence and being 'out of touch' with the sector
- Disparaging all Charities for the failings of a few
- Misunderstanding of Public Expectations

It was claimed that the Baroness did not identify, the challenge that Covid-19 has brought to the sector, the key challenge of loss of income, the ability to continue charitable causes and support of the beneficiaries, as well as treating the sector as one and not recognising and celebrating the differences between charity offerings. We watch with interest to see who will be the next Chair of the regulator.

And Finally - Historical past of charities

An [article](#) in the telegraph posed a suggestion that the National Trust could face an inquiry into its purpose after the Trust published a report into its colonial history. Indeed, the Trust considered the article misleading as it is not facing an inquiry from the Commission.

However, the article did show that due consideration is needed from charitable organisations to understand their past and any public perceptions and misconceptions that can arise from this. It is always important to consider the charitable purposes of the organisation and the regard for public benefit, but as always media attention on any controversial past relationships or affiliations can have an impact on perception which can damage the reputation of the charity.

SPOTLIGHT ON
COVID-19
Essential COVID-19 advice
for your business

[GO TO HUB](#)





MHA Trustee Hub is live!

Our national hub of downloadable templates and resources for charity trustees is now live!

The MHA Trustee Hub is an online resource aimed at assisting charity trustees to find **practical guidance such as templates, checklists, help sheets and policies**, that will support Trustees to improve governance and financial competencies, and help charities to adapt to the 'new normal' environment post-Coronavirus.

At MHA we pride ourselves on our commitment to the not for profit sector and our clients. Over the years we have seen increasing responsibility within the Trustee role. To help you within your role we have created our own Trustee hub where we will share materials to help and support you in your role.

The initiative is an ongoing project where materials will continue to be updated to provide the most relevant information to charity Trustees.

Go to the MHA Trustee Hub:
mha-uk.co.uk/charity-trustee-hub/



There is no doubt that strong effective governance and leadership is the major contributor to the success of a charity.

Sudhir Singh
Head of Not for Profit sector, MHA



Trustee
hub

NOW LIVE

#MHATrusteeHub



MHA numbers

1,600

not for profit clients nationally

>30

years sector experience

MHA rankings*

3

national ranking for overall service

5

national ranking for charity expertise

9

national ranking overall in charity sector

10

top 10 international network

* Charity Finance Audit Survey results published in Dec. 2019

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MHA is an association of some of the best independent regional UK accountancy firms

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About Baker Tilly International

Baker Tilly International is a network of independent accountancy and business advisory firms; our firm is an independent member of the network

US\$3.9bn

Combined global revenues
9% increase on FY18

146

Territories



122

Member Firms

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Now, for tomorrow