

AUDIT • TAX • ADVISORY

NEWSLETTER

# Not for Profit eNews

December 2020

Now, for tomorrow

 **mha**  
MONAHANS



# Welcome to the December edition of our NfP eNews

Welcome to the last edition of eNews for 2020 from MHA Monahans

Many will be glad to see the back of 2020, as it has been a challenging year for all of us, so hopefully we can all use the festive period to take stock of the year gone. No doubt all of us have had to adapt to these challenges and hopefully we can reflect on some of the positives that have arisen from adversity. 2021 is set to be another year of challenges and uncertainty but no doubt the sector will be resilient, diverse and ingenious in fighting for the causes it is so desperately needed for.

In this edition we provide an overview of the Charity Commission's new 5-minute guides, changes in EU to UK rules, guidance to charity trustees for redundancies, as well as updates to the probate service commitment, and the coronavirus statutory sick pay rebate scheme.

We also report back on the High court's National Fund hearing and their thoughts and focus for the future use of this dormant fund.

Best Wishes,



# The UK and EU Transition

A challenge for 2021 will be dealing with the impact of Brexit again. Having left the EU there are new rules from January 2021 as the transition period comes to a close. The Charity Commission has issued guidance on what you need to do if you are a charity and how the changes may affect you. A summary of the advice available is provided below:

1. **EU funding:** EU funding that has already been awarded will continue to be paid, this includes funding post December 2020. Charities can still apply for some EU funds under the current spending framework depending on the deadline. The next spending framework is yet to be formalised. It is important to note that due to security reasons there are some projects which may have had funding stopped. In this instance the charity should contact the UK government department responsible.
2. **EU staff or volunteers:** the EU Settlement Scheme is open and you are able to apply now if you meet the criteria. The deadline for applying is 30 June 2021 and you must have started living in the UK by 31 December 2020. The scheme offers EU, EEA, and Swiss citizens the opportunity to gain settled or pre-settled status, enabling them and their family to continue living in the UK post June 2021.
3. **Personal data from the EU:** Standard Contractual Clauses (SCCs) with EU counterparts may be required from 1 January 2021, for personal data to be received legally from the EU. There have currently been no changes to the way personal data is sent to the EU, EEA, and Gibraltar.
4. **Import goods from the EU:** Changes to the process for importing goods from the EU will change from 1 January 2021. Customs declarations will need to be made, you will need an EORI number that starts with GB, you need to pay customs duties and VAT on all imports, and there may also be additional rules when importing certain types of goods. These rules are looking to be quite complex so do obtain advice sooner rather than later.
5. **Export goods to the EU:** Changes will be implemented from 1 January 2021 to the process of exporting goods to the EU. As noted in point 4, customs declarations will need to be made, you will need an EORI number that starts with GB, and there may also be additional rules when importing certain types of goods, VAT however is different and for most goods VAT can be charged at 0%. It is important to also ensure that the EU business where you are exporting too, is also following the correct guidelines.

SPOTLIGHT ON

## Brexit Managing Risks in uncertain times

[GO TO HUB](#)





## Charity Commission's new "5-minute guides"

New, easy to understand guides have been published by the Charity Commission, to help trustees run their charities in line with the law. The guides, although basic, are for all Trustees (experienced or not) to help recognise that good governance is not a bureaucratic detail but the underlying foundation that enables charities to fulfil their purpose for the public benefit. These are certainly stocking fillers for Trustees to read over the festive period.

The basic aspects of charity management that are covered are:

- Financial oversight
- Achieving a charity's purposes
- Good decision making
- Addressing conflicts of interest
- What to file with the Commission and what support is available.

The publications form part of the Commissions 2020/21 Business Plan to deliver updated core guidance and make it easier to access information they need.

## Coronavirus Statutory Sick Pay Rebate Scheme

Employers could be able to claim back up to 2 weeks of Statutory Sick Pay for employees who are eligible for sick pay due to the coronavirus.

The scheme covers all types of employment contracts, e.g. full time, part time, flexible, and fixed term. You can make more than one claim per employee, but the total per employee is 2 weeks. The weekly rate was £94.25 before 6 April 2020 and £95.85 post. If you pay more, you cannot claim the entire amount paid.

It is important to note that you cannot claim for employees who were required to quarantine due to entering or returning to the UK, unless the criteria has been met. Details of the criteria that needs to be met, as well as the records you must keep, can be found on the HMRC [website](#).

INSIGHT

## Extension to the Coronavirus Job Retention Scheme

**READ NOW**



## Probate service commitment

The HM Courts and Tribunals Service has released a statement detailing how it plans to address its backlog of around 29,000 cases awaiting probate.

This needs to occur before assets can be sold or transferred to beneficiaries, which includes charities legacy income for 2019 and 2020. HMCTS have committed to ensuring updates are given, by releasing details of progress every month.

There has been an increase in importance of this, following a recent report by a group of organisations in the charity legacy sector, that have made projections that legacy income for charities will amount to £40billion over the next decade.

They have set out a series of recommendations on continuing legacy fundraising, including the importance of demonstrating the need, the relevance and appreciation to long term supporters.

## Release of National Fund to charity

It has been ruled that £500m from the dormant National Fund could be transferred to charities.

This fund was originally established in 1928 with the aim of paying off the UK's national debt after the first world war. The High Court have ruled that the likelihood of clearing the national debt was 'so remote' that the courts could order the fund to be used for other charitable causes.

The decision is yet to be confirmed as it has been deferred to a future hearing, however charities and politicians have discussed possible options on how to use the fund's assets, including supporting the country in its recovery from the impact of Covid-19.

See the full judgement for more information on the hearing.

SPOTLIGHT ON

## COVID-19

Essential COVID-19 advice  
for your business

**GO TO HUB**





## What charity trustees need to know about redundancies

The coronavirus pandemic has raised many issues for Charities, and one difficult task, that many will face, is restructuring.

With this comes the possibility of reductions to the workforce through redundancy. An [article](#) on Civil Society details what trustees need to know about the process, as well as key provisions of employment law that is important to be aware of.

## Considerations of Advertising Trackers

A recent [article](#) in Third Sector highlights the results of a report, whereby charities were allowing advertising technology companies access to data on pages with sensitive content. The use of these advertising trackers could be in breach of GDPR requirements and therefore could enable significant fines to be incurred.

## And finally...

For those of you who are looking to make a New Year's resolution.... why not volunteer in 2021.

Just to start you off with a suggestion – we are supporting Bookmark, a charity who have a volunteering programme which enables you to help a child learn to read. The volunteering programme asks you to deliver one-to-one 30 min sessions, twice a week for six weeks. You'll volunteer with the same child each time, so you'll be able to get to know their interests and see the progress they are making.

You can use your creativity to inspire them, exploring a range of books, games and activities that help them to gain confidence and find enjoyment in reading.

Click on the link for more details and to change a child's life forever:

<https://www.bookmarkreading.org/volunteer>

INSIGHTS

# Visit our dedicated Trustees Hub

GO TO HUB

## Our numbers

1,600

not for profit clients nationally

>30

years sector experience

## Our 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

### About MHA

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

179

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2200

Staff

Over

50

Offices

8



Member firms

UK

Independent member of Baker Tilly International

### 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

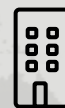
US\$3.9bn

Combined global revenues  
9% increase on FY18

146



Territories



122

Member Firms

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