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**ABOUT ALEXANDER SLOAN**

We are authorised by The Institute of Chartered Accountants of Scotland to carry on audit work and have offices in Glasgow and Edinburgh.

We provide external audit and independent examination services for several hundred incorporated and unincorporated charities, including some of the largest in the country. In addition we provide internal audit services for 27 not for profit organisations.

We provide a range of services for charities including:-

- External Audit
- Internal Audit
- Payroll Services
- Training for Board and Committee Members
- Monitoring and Annual Return Completion
- Business Plans



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# CHARITIES TECHNICAL UPDATE

SPRING 2008

ALEXANDER SLOAN CHARTERED ACCOUNTANTS

**CHARITIES REFERENCES IN DOCUMENTS (SCOTLAND) REGULATIONS 2007**

The “Charities References in Documents (Scotland) Regulations 2007” came into force on 1 April 2007 and affects documentation issued by, or signed on behalf of, charities after **31 March 2008**. The Regulations apply to all charities which are listed in the Scottish Charity Register (including charities that are also registered in another country or territory) and are intended to provide clarity to the general public regarding whether or not a body has charitable status.



It should be noted that after 31 March 2008, if charities find that they have leftover printed material which does not comply with the new requirements, it will be acceptable to amend these documents by hand, or by using stickers to include the additional information required.

**DETAILS TO BE INCLUDED**

The following information **must** be clearly stated on all relevant documents (See documentation section overleaf) issued after **31 March 2008**:

- The Charity name – as entered in the Scottish Charity Register;
- Any other name by which the charity is commonly known;
- The Scottish Charity Number

In addition, if the charity name does not contain the word “charity” or “charitable” then the documentation must also state the fact that the organisation is a charity. The Regulations permit use of the following terms:

- Charity
- Scottish Charity\*
- Charitable body
- Registered Charity
- Registered Scottish Charity\*
- Charity Registered In Scotland

It is recommended that the above information be placed in a prominent position on charity documents.

\* these terms can only be used for charities established under the law of Scotland or which are managed or controlled wholly or mainly from Scotland.



## Charities References in Documents (Scotland) Regulations 2007 (Continued)

The Regulations specify 10 categories of documentation which **must by law** incorporate the information outlined above. These are listed in the left hand column below. Guidance has been provided by the Office of the Scottish Charity Regulator (OSCR) to give some practical examples of the type of documents in each category which **must** comply and those which **should** comply as a matter of good practice. These are detailed below:

	Type of Document	Documents which must comply	Recommended as good practice
1	<b>Business Letters and E-Mails</b>	-Any letter or email concerned with the business of the charity -Letters and emails sent by solicitors or other professionals on the charity's behalf -Correspondence between parent and subsidiary charities	-Compliment slips -Business cards -Charity website homepage
2	<b>Adverts, Notices and Official Publications</b>	-Printed adverts in newspaper or magazines -Posters and published notices -Annual Reports -Magazines, Newsletters, Flyers and Handouts -Charity Information booklets	-Radio, television or internet adverts -Signage and display boards
3	<b>Documentation soliciting money or goods for the benefit of the charity</b>	-Sponsorship forms -Printed collection envelopes -Leaflets requesting clothes, bric-a-brac, etc for sale by the charity	-Labels on collection buckets
4	<b>Bills of exchange, promissory notes, endorsements and orders for money or goods</b>	-Purchase orders, Loan agreements and Corporate bonds <i>Note that although a cheque is technically a type of bill of exchange OSCR will not require charities to include charitable references on cheques.</i>	
5	<b>Bills Rendered</b>	-All bills submitted for payment by or on behalf of a charity -Demands for rent by charitable housing associations	
6	<b>Invoices, receipts and credits</b>	-All invoices and receipts for goods and services provided by a charity -Any letter of credit issued or signed on behalf of the charity.	
7	<b>Accounts</b>	- Annual Financial Statement of a Charity	- Interim accounting information which may be issued during the course of the year
8	<b>Educational or campaign documentation</b>	- Publicity leaflets highlighting a charity's activities or projects - Campaign or promotional material intended to raise funds or support - Contributions to consultations for example those conducted by the Scottish Government	- Campaigns or promotional broadcasts on the internet, radio or television.
9	<b>Conveyancing documentation</b>	- Legal conveyancing documents issued or signed on behalf of a charity by a solicitor or other professional.	
10	<b>Contractual documentation</b>	- Legal contracts or agreements– e.g. contracts for the provision for services. - Tickets for events containing contractual information, such as terms and conditions.	



## SCOTLAND'S LARGEST CHARITIES NAMED

OSCR has published a list ranking the 300 charities with the greatest annual incomes.

The first 20 charities on the list have a combined income in excess of £4billion, accounting for 38 per cent of the sector's total income of £10.9 billion.

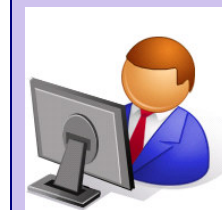
The 300 charities on the list together have an annual income over £9.5 billion, or 87 per cent of the sector's total income.



A number of universities appear in the list. The list also includes charities that are bodies registered as charities in England and Wales; these 'cross-border' charities report their total (UK) income, rather than figures for their operations in Scotland. Of the sector's £10,932,783,575 gross annual income, £4,010,064,874 or 37 per cent, is accounted for by such cross-border charities.

### Key points are as follows:

- of the 20 charities with the greatest incomes, over half are also bodies registered as charities in England and Wales; and 7 are universities
- The charity with the largest income that is not also registered as a charity in England and Wales, is the University of Edinburgh, with an annual income of £438,852,000, followed by the University of Glasgow with £312,372,000
- the Church of Scotland is 20th on the list, with a gross annual income of £108,342,000.



### LATEST CHARITY NEWS

IS AVAILABLE AT OUR SPECIALIST CHARITY WEBPAGES ALONG WITH THE LATEST COPY OF OUR NEWSLETTER

[www.alexandersloan.co.uk/charities.htm](http://www.alexandersloan.co.uk/charities.htm)

### NEWSLETTER

If there are any issues that you wish to see included in future issues of this newsletter then please let us know.

Also if you would like an electronic version of this newsletter in the future please

e-mail us at the following address: [charities@alexandersloan.co.uk](mailto:charities@alexandersloan.co.uk)

