



# Hewitsons Charities, Education and Social Enterprise

Legal Update

May 2020

Since the outbreak of the Coronavirus, there has been an abundance of information and guidance available for charities, but it can of course be overwhelming. We have therefore collated what we think is the most relevant guidance for our clients, and included some “good news stories” which may hopefully lift the mood during what is otherwise such a difficult time for charities.

If you are worried about the impact of the Coronavirus upon your charity and wish to seek advice on the matter, please do not hesitate to [contact us](#).

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## Charity Commission publishes Coronavirus guidance for the sector

The all-encompassing impact of COVID-19 on charities is reflected in the [Charity Commission's guidance](#) on running a charity during the Coronavirus outbreak. It includes content on:

Provision of services – Charities need to assess their objects to determine whether they can provide help to those who need it during the outbreak.

Finance – Trustees will need to consider their short, medium and long-term priorities and whether changes to their financial planning are required. Consideration will need to be given to which of the charity's funds or assets have limits on their use. Restricted funds can only be used for a particular, defined purpose. The Commission has issued separate guidance on managing financial difficulties in a charity caused by Coronavirus (see below).

Governance – Charities are permitted to cancel or postpone their annual general meetings but these decisions must be taken in a careful and compliant way. If trustees decide that this is necessary, this decision must be recorded following a board meeting (held virtually if necessary). If the current situation impacts on a charity completing its annual return and accounts, charities can email the Charity Commission, although charities are asked to try to make the returns on time. Charities are able to hold meetings over the telephone or digitally even if the governing document does not provide for this, but the decision to do this, again, should be recorded and the reasons noted.

Serious incident reporting – It remains the responsibility of trustees to report serious incidents using the Commission's current guidelines. If you are unsure about whether to report then we are happy to advise, but if your charity is likely to be prevented for an extended period of time from carrying out its work for financial or other reasons, we would advise that a SIR is made.

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## Charity Commission issues advice about coronavirus-related financial difficulties

The Charity Commission has [published guidance](#) on Coronavirus-related financial difficulties in charities and how to work through them.

The Commission points out that the starting point is what is in the charity's best interests. The guidance recommends charities go through a process that involves considering their existing financial situation, looking at options for minimising costs and protecting and increasing income, and keeping the charity's operations and finances under regular review and taking any additional actions.

Advice includes the importance of charities having as accurate a picture as possible of the current and immediate future operations and their financial implications on the charity and the need to focus on cash flow management. Guidance is also set out on what to do if a charity cannot continue to operate because of the financial problems caused by COVID-19.

The guidance states that in reaching decisions, open and informative communication with users, supporters, staff and volunteers will be crucial.

If you require further information and advice on this, please contact a member of the [charities team](#).

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## Charities can claim Gift Aid on tickets sold for cancelled events

HMRC have updated their guidance for processing ticket refunds, collecting donations and claiming Gift Aid on cancelled charity events as a result of COVID-19. This guidance will be welcomed by charities, who in light of the "lockdown", had to make the financially difficult decision to cancel events.

To read more about this, please [click here](#).

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## Big Issue strikes deal for its magazines to be sold in Co-op stores

Due to the outbreak of Coronavirus and in order to comply with the government's social distancing measures, since 20 March, vendors have not been able to sell copies of the Big Issue.

The magazine is sold by some of the UK's most vulnerable people as a means of lifting themselves out of poverty. Fortunately, the charity has entered into an agreement with the Co-op, which has 2,600 stores to stock its magazines. The charity said that this agreement would help to fund its work throughout the pandemic and beyond.

Russell Blackman, managing director of the Big Issue, said: "Our income comes from street sales, and without our vendors on the streets we cannot support those who really need us now and in the future."

“We are delighted with the support from the Co-op, which operates at the heart of communities across the UK. The money raised will help to secure the future of the magazine and make a real difference to the lives of our vendors around the country.”

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## Fundraising regulator issues guidance for fundraising appeals

The Fundraising Regulator has published new guidance to help the public in setting up their own fundraising appeals and raising money for charity.

In response to the public’s fundraising efforts during the current pandemic [new guidance](#) was released. It is designed to support people in making sure that their fundraising appeals are legal, ethical and have the best of success.

It sets out ten steps to help those who would like to raise money by setting up an appeal online. The steps include, ensuring there is a need for the appeal, working alongside other charities where possible and being transparent to gain trust.

The guidance reminds fundraisers to use a trusted payment system to receive the money, for example avoiding the use of personal bank accounts and to be mindful of any legal implications which may occur.

The publication of the guidance follows the Regulator’s [joint advice](#) with the Charity Commission last month to help the public give safely during the pandemic.

If you require further information and advice on this, please contact a member of the [charities team](#).

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## 250,000 have volunteered to help community organisations, says Navca

New figures released by the National Association for Voluntary and Community Action (Navca), suggest that more than a quarter of a million people have volunteered to help community organisations since the coronavirus outbreak began.

The volunteers are believed to be in addition to the more than 750,000 people who have put themselves forward to help the NHS during the Covid-19 crisis. The figure is an extrapolation based on data provided by about a quarter of Navca members.

A Navca spokeswoman said the number was understood to be significantly higher than normal volunteering levels among such groups.

Jane Ide, chief executive of Navca, said the number of people putting themselves forward was a powerful sign that “even in the face of a crisis that affects every one of us, the human desire to help others is unquenchable”.

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## Virgin Money Giving to waive 2% platform fee for charities during lockdown

A Virgin Money statement has said that for the remainder of the coronavirus lockdown the platform fee of 2 per cent would be waived, with donors still given the option to cover the payment processing fee for the charity.

The platform fee goes towards covering the costs of VMG, which is operated by its parent company Virgin Money on a not-for-profit basis.

David Duffy, chief executive of Virgin Money, said: “With many charities seeing a large drop in their fundraising contributions during lockdown, we want to make it that little bit easier for all the generous donors, fundraisers and the charities they support.”

"By covering VMG's small platform fee for the rest of the lockdown, we hope to help charities raise much-needed funds to continue their valuable work during the worst of this pandemic."

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## Two sisters from Northamptonshire launch the "Good News" Newsletter

Bethan and Holly Botterill, from Bugbrooke, Northamptonshire, [began sharing stories](#) after noticing "negative" stories dominating the news. People from all over the world have been in touch thanking them for all the good news at such a difficult time.

"It seems to be a lot of doom and gloom so we're trying to show positive things are happening," said Holly.

We understand that those who subscribe to the newsletter receive an email with positive non-coronavirus related news stories. Anyone can submit positive news to the newsletter, simply by getting in touch via social media or by emailing them. They aim to share personal good news stories as well as positive news from around the world.

If you wish to subscribe, email: [heressomegoodnews@gmail.com](mailto:heressomegoodnews@gmail.com). Whilst we cannot endorse this specifically, we are fully in favour of looking for the positives now more than ever.

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