

# Update

November / December 2008

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## Message from the Chair

With the holiday season imminent, it seems a natural time for myself, and for members of the Board and staff at the Commission, to reflect a little on the past year, while looking forward to the challenges of 2009 and beyond.

We have spoken with, and listened to many members of the charitable sector and its advisors during the past year, and have appreciated your willingness to share your views with us.

We especially appreciated the welcome and frankness shown to us by Waikato charitable groups, and in particular, the member organisations of Te Ara Hou Village, who hosted us when we visited Hamilton in July.

This was the first of what we hope will become a series of regular meetings (outside Wellington), during which members of the Commission can build upon our understanding of the environment that charities are working in, and any local or broader issues you may be dealing with.

The Commission has made considerable progress in its "great work" establishing the Register, but we are conscious that there is much, much more for us to do, and many ways in which we hope to support and provide practical help to the sector.

I would like to thank you for your continued willingness to work "with" the Commission, and look forward to speaking with you about our plans for the coming year and beyond.

I would also like to thank the management and staff of the Commission for their professionalism, and the friendly and helpful assistance they have provided to charities and other stakeholders.

On behalf of the Commission, may I wish you a peaceful and happy holiday break, enjoyable time with friends, family and loved ones, and an opportunity to recharge and begin the New Year with renewed energy and zeal!

Sid Ashton  
Chair

### Holiday season office hours

The Charities Commission and its call centre close for the holidays at 12pm on Wednesday 24 December, and will re-open on Monday 5 January 2009.

All of us at the Commission wish you a very safe, relaxing and happy holiday, and we look forward to welcoming you back in 2009, refreshed and ready to meet the challenges of a brand new year.

### Registration update and processing times

As at 15 December 2008, we had registered 17,356 charities.

#### **Registration processing times:**

As a guide, we usually process straightforward applications within several weeks of them reaching the front of the processing queue.

Once an application has been assessed to ensure it meets the criteria set out in the Charities Act, an analyst will contact you. They will either ask for more details to help with their assessment, or confirm that your charity has been registered.

We have now processed all the properly completed “straightforward” applications we received before 1 July this year, and are now working to finish processing those more complex applications, which require peer review.

Our analysts generally refer an application for peer review if they cannot be absolutely sure that the applicant has a charitable purpose, or if there is a possibility of private financial profit while the charity is operating, or if it is wound up.

If your application is not straightforward, it may take several more months in a queue and more time to process it.

The additional time is because the application needs a senior analyst’s experienced eye, and because the applicant may opt to make changes to their rules (if they don’t want to withdraw their application or make a submission to the Commission).

Some applicants whose applications have not met the Charities Act’s criteria have opted to withdraw their application, and later re-submitted it with updated rules that meet the Act’s criteria, and have been registered.

Our registration update is refreshed on the homepage of our website each week, so you can keep track of the number of applications we have processed and registered.

**Snapshot**

**Overview of types of charities registered as at 30 November 2008**

The “big three” most common:

**Sectors** – Education/training/research, Religious activities, Other

**Activities** –Other, Provides services (eg care, counselling), Provides religious services/ activities

**Beneficiaries** – General Public, Children/young people, Other

**Areas of operation** were as follows (note: the total is greater than the total number of registered charities, as some organisations tick two or more categories on their application):

New Zealand	
Auckland – 2,941	Northland – 917
Bay of Plenty – 1,104	Otago – 1,146
Canterbury – 1,947	Southland – 611
Chatham Islands – 32	Taranaki - 560
Gisborne – 310	Waikato – 1,392
Hawkes Bay – 745	Wellington – Wairarapa – 1,797
Manawatu - Wanganui - 990	West Coast - 367
Nelson - Marlborough - Tasman - 741	Nationwide – 3,908
Overseas	
Africa – 300	North America - 179
Antarctica - 23	Oceania - 533
Asia - 548	South America - 158
Europe - 233	

**Annual meeting and forum follow-up**

A big “thank you” to all of you who supported our recent annual meeting and forum, held at the Loaves and Fishes Hall in Wellington on Thursday 27 November.

We understand the competing demands made on everyone’s time and funds, particularly at this time of year, and were extremely appreciative that more than 160 of you were able to attend.

It was standing room only inside the hall and out, with some latecomers even taking seats in the foyer to hear the speakers and take notes as the meeting proceeded.

The meeting was chaired by Sid Ashton, chair of the Commission’s Board, who welcomed newly-appointed Minister for the Community and Voluntary Sector, the Hon. Tariana Turia.

The Minister began her address to people at the meeting by asking the question first asked by Martin Luther King – “*Life’s most persistent and urgent question is, ‘what are you doing for others?’*”

The full text of the Minister's speech is available [online](#).

In part, we attribute the huge increase in attendance and extraordinary level of interest in this year's meeting to a real "hunger" for information on good governance for the charitable sector, and interest in our two speakers, John Wells from SPARC, and Paul Hargreaves from the NZ Institute of Directors. Both speakers have valuable experience in governance issues and practice, and set the scene for the lively discussion amongst forum participants.

We have posted the presentations of our two guest speakers – John Wells and Paul Hargreaves – on our website. You can read them [here](#).

Questions from the floor centred on how the Commission plans to promote the Register, and how it could help to minimise compliance costs for charities. There were also some questions regarding tax (which were answered by a representative from Inland Revenue who was at the meeting), and some more general registration queries.

The Commission is now turning its efforts towards its planning to provide relevant and tailored support and guidance on management and governance to the sector, and to developing its capacity for monitoring and compliance.

Our 2007-08 Annual Report, which was tabled at the meeting, is also available [online](#).

### Charities Act test case

The first legal case under the Charities Act 2005 was tried in the High Court recently (Travis Trust v Charities Commission HC WN CIV-2008-485-1689 [3 December 2008]).

The case involved an appeal by the Travis Trust against the Commission's decision to decline to register the Trust as a charitable entity under the Charities Act. The central issue of the case was whether the provision of prize money for an annual and significant race (in this case a horse race) is a charitable purpose.

The judgment was delivered by the Hon. Justice Joseph Williams, who found in the Commission's favour.

The case is interesting (and important for the Commission) because it is the first legal scrutiny in New Zealand of the definition of 'charitable purpose' and 'public benefit' under the Charities Act 2005.

[Read the judgment delivered by the Hon. Justice Joseph Williams.](#)

### Commission releases benchmark survey – trust and confidence in the charitable sector

The Charities Commission has published a benchmark survey of the level of public trust and confidence in the New Zealand charitable sector.

The Commission undertook the research as part of its mandate to promote research into matters relating to charities and to promote public confidence in the sector.

It provides useful information about the way in which the New Zealand public currently views charities, and gives us a benchmark against which we can measure changes in perceptions of the charitable sector over the longer-term.

Just over 2,000 respondents took part in the survey, conducted by UMR Research.

As well as testing the current level of trust and confidence in charities, the survey also looked into how the public saw the characteristics and behaviours of charities, what influenced their decisions to support a charity, the amounts they donated, and the level of involvement the public has in charitable organisations and activities.

Amongst the survey's key findings:

- 58% of respondents reported a high level of trust and confidence in charities.
- A majority of respondents expressed a high level of trust in charities to - make a positive difference to the matters they address (55%), and - ensure that their fundraisers are ethical and honest (51%).
- The most influential characteristic in the decision to support a charity was that 'they make a positive difference to the matters they address' (41%), followed by 'they ensure a reasonable proportion of donations get to the end cause' (18%).
- A majority firmly agreed that: - I feel more confident in charities that are open about how they use their resources (84%) - I trust charities more if I have heard of them (75%) - charities play a very important role in society today (74%) and - I trust charities more if they are clear about how they are managed (73%).

[View the results of the survey in full.](#)

## In the media

Recently, the Commission has been responding to media inquiries relating to the impact of the current economic environment on charitable funding and accountability and transparency amongst charities. CEO Trevor Garrett was interviewed on television and for print articles.

## Television advertising for 'not for profits'

TVNZ's Community Support Foundation has announced the next round of its free on-air advertising time, up to \$50,000 per month for eligible not-for-profit and charitable organisations.

Further information and application criteria can be found [here](#) - keyword: Community Support.

Applications close 5pm, Friday 2 January 2009.

## Please obscure account numbers on bank statements sent with your annual return

If, when filing your annual return, you opt to provide a bank statement as your financial statement – please remember that a copy of your bank statement will be available to the public on the Charities Register.

For your organisation's protection and security, the Commission recommends that you blank or cut out your bank account number and the name of your bank before sending in the bank statement with your annual return.

Another way of obscuring your bank account details would be to mask the details, photocopy the statement, and then send it in to us with your annual return, to:

Charities Commission  
Processing Centre  
PO Box 30112  
Lower Hutt, 5040

## More annual returns online

More registered charities have now filed their annual returns with the Commission, and are available online for members of the public – and peers in the charitable sector – to view.

You may like to check out the following recent examples of annual returns and accompanying financial statements now available on the Charities Register.

[Adam Foundation](#)

[Taranaki Art Awards Trust](#)

[Auckland Rose Society Inc](#)

[Hawkes Bay Agricultural and Pastoral Society](#)

For guidance when compiling your own financial statements, you may also like to look at the information and illustrative financial statements on the NZICA (New Zealand Institute of Chartered Accountants) [website](#).

In particular, you may like to look at their illustrative financial statements for the (fictitious) PBE Foundation.

## Our information sheets and forms

*Political Activity and registration under the Charities Act* – this new information sheet is scheduled for publication on our website in early 2009. It will provide guidance for charities carrying out political activities. Keep an eye on the [Information Sheets](#) page on our website from February.

**Improving our forms** – We value your feedback on the ‘usability’ of our forms. We regularly review the forms in an effort to make them clearer, to improve the “plain language” in them, to provide better guidance, and to make them easier to use (within the parameters set by our regulations).

Now we have started receiving your Annual Return forms, we are working through some changes to help improve them, continuing our efforts to make them as easy as possible to use.

### Contact details

When we next reprint our forms, you may notice that we have changed the way in which we ask for email and phone details for a “primary contact” in your organisation.

(As has always been the case), these contact details won’t be available on the Register, but will enable us to call or email you if we need to clarify any administrative details about your application, Notice of Change, or annual return.

We will continue to use the postal address you have given us if we need to send you any formal correspondence.

## Are you seeking donee status?

If you told us that you receive or intend to receive donations when you applied for registration, Inland Revenue will use that information to work out or reconfirm your donee status and send you a letter about it. You do not need to apply to them for it.

If you begin to receive donations after your registration with us, and you did not tell us in your application that you might, you will need to apply directly to IRD if your charity would like donee status.

Visit the IRD [website](#) or phone **0800 377 774**. (There is no need to send us a Notification of Changes form, as earlier stated.)

If your organisation already has donee status, it does not need to register with the Commission to continue to be treated as a donee organisation by Inland Revenue.

### Promotion of unique registration number

The Commission has noted several examples of registered charities promoting their unique registration number and their registration, on their websites and promotional materials.

Amongst those we've seen promoting their registration on their websites are:

The [Register of Engineers for Disaster Relief New Zealand](#), registration number CC24467

The [Hutt Mana Charitable Trust](#), registration number CC20115

The Commission has published some suggestions for charities wishing to promote their registration in its information sheet [Guidelines for promoting your unique registration number](#).

### Upcoming events

The Charities Commission will be presenting at two events early in 2009:

#### **Fit 4 Funding Seminar – Lower Hutt**

Information on Finances, Governance and Volunteering  
Monday 23 February 2009

Phone Joanne Gomez, Community Development, Hutt City Council for details – 04 570 6757 or email [community.development@huttcity.govt.nz](mailto:community.development@huttcity.govt.nz)

#### **Funding Expo – Gisborne**

Wednesday 25 February 2009

Phone Jenny Greaves, Gisborne Volunteer Centre for details – 06 868 4522 or email: [gisvolunteercentre@xtra.co.nz](mailto:gisvolunteercentre@xtra.co.nz)

Upcoming events are also listed on the [Events](#) page on our website.

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