

Update

May 2009

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Milestones

New applications now “business as usual”

The Commission has now completed processing all the applications it had received before tax laws changed in June last year.

Most have been registered. A small number were declined because they didn't meet the Charities Act's criteria, or withdrew their applications for other reasons. A few, where the issues are more complex, are still engaged in correspondence with the Commission.

We continue to receive applications from new charities, and from charities who decided to delay applying until now, and will continue to process these as we receive them.

At present, (if there are no issues that need to be resolved in order to meet the Charities Act's criteria) applications take approximately one month to process. This is the Commission's “business as usual” target.

Annual Returns

The Commission has already lodged Annual Returns and financial information from more than 4,000 registered charities on the public Register, and is expecting a further 3,500+ to file their returns when they are due at the end of June.

The Commission has sent reminders to all charities whose returns are due then, and has been pleased to see that almost 800 charities started completing their return online after soon receiving our reminder.

Snapshot

The Commission has now registered more than 22,000 charities all of whom are shown on the [Charities Register](#). Seventy-two groups were registered as at 31 May 2009.

Overview of types of charities registered as at 31 May 2009:

The “big three” most common:

- **Sectors** – Education / training / research, Religious activities, Other
- **Activities** – Other, Provides services (e.g. 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 - 3,827	Northland – 1,192
Bay of Plenty - 1,474	Otago - 1472
Canterbury – 2,465	Southland - 819
Chatham Islands - 39	Taranaki - 735
Gisborne - 424	Waikato – 1,854
Hawkes Bay - 997	Wellington – Wairarapa - 2,292
Manawatu - Wanganui - 1,295	West Coast - 448
Nelson - Marlborough - Tasman - 941	Nationwide - 5,024

Overseas	
Africa - 388	North America - 235
Antarctica - 32	Oceania - 753
Asia - 788	South America - 212
Europe - 304	

**Annual meeting –
Monday 30
November**

Planning is well underway for the Commission’s annual meeting and forum.

This year’s annual forum will be held on the afternoon of Monday 30 November, in Wellington, so please mark your diary.

All charities are warmly invited to attend the forum, at which there will be speakers of interest to the sector, and an opportunity to ask questions and make submissions. The Minister for the Community and Voluntary Sector has indicated that she is available to attend.

The forum is also a great opportunity to network with others in the sector, and to exchange views with the Board and staff of the Commission. Refreshments will be provided.

Further details will be published as they become available.

We will send you a personal invitation closer to the date, and hope to see you there!

2009-2012 Statement of Intent

The Commission has published its *2009-2012 Statement of Intent*, which was presented to Parliament during Budget week.

The *Statement* sets out the Commission's strategic direction and agreed outputs and outcomes for the future. You might like to [take a look](#) for yourself.

Memo of Understanding with Police

The Police and the Commission have signed an agreement about how we will manage flows of relevant information that might lead to the detection and/or prevention of possible criminal activity affecting charities.

While the vast majority of charities operate within the law, a very small number do not.

Illegitimate – and sometimes legitimate – charities are sometimes used by criminals to launder the proceeds of crime, or as a cover for other criminal (or even terrorist) activities. Often, where a "legitimate" charity is involved, such activities are without the knowledge or any suspicion on the part of the charity itself.

Trevor Garrett, the Commission's chief executive, says that having a formalised agreement with the Police about sharing relevant information will help to prevent possible abuse of charities, the good work they do, and their reputation in the community.

FAQs:

- **Must all our branches be registered?**
- **Must we have an AGM?**
- **Can we pay an officer an honorarium?**
- **Winding up?**

Here are some of the questions fielded by our free information line staff on **0508 242 748** recently – they (and their answers) may help you too:

If our regional or national body is incorporated with the Companies Office, do all of our branches need to apply for registration too?

If any of your branches are separate legal entities (for example, if they are individually registered with the Companies Office), they will separately need to apply for registration themselves.

If the branches are *not* separate legal entities, they do not need to apply for registration.

If the branches have their own IRD numbers, we suggest that the national or regional body provide a list of the branches' names and IRD numbers to Inland Revenue to ensure that it is aware of the connection between them.

Do we need to have an AGM?

Yes, if your rules or an Act of Parliament requires your organisation to hold one.

The Charities Act does not require charities to hold an AGM, but your organisation may consider it good practice to hold an annual meeting to consider matters such as your financial position, strategic direction for the next year, and to elect new officers if necessary.

The [Community Resource Kit](#) has some useful information about why and

how to run meetings, including AGMs, and there is also helpful information on the Companies Office's [Societies and Trusts](#) website.

Can we pay an honorarium to one of our officers?

Yes, if your rules allow it. It will not affect your organisation's charitable status as long as the payment:

- is made for services that advance the charitable purpose of your organisation (including administration) *and*
- is reasonable and relative to payments that would be made between unrelated parties (for example the person is not paid more than market rates for their service).

What do you do if our charitable organisation decides to cease operating?

You must:

- follow the winding-up provisions in your rules
- let the Commission know that you have wound up (by letter, or an email to info@charities.govt.nz), and ask us to de-Register you.

We'll include more FAQs in the next few issues of *Update*. If you have a question that you think might be useful to others too, please let us know by emailing info@charities.govt.nz

Community Response Fund applications

Announced in the 2009 Budget, the Community Response Fund is a short-term fund to help meet the immediate funding pressures the economic downturn is placing on critical community-based social services for families, children, young and older people.

Regional panels will consider funding applications every four months during the year beginning July 2009. Applications for the first funding round opened on 8 June, and close on 3 July 2009.

For more information, including application forms, please visit the [Family and Community Services website](#)

Petrol vouchers for volunteers

Registered charities or volunteer organisations that rely on voluntary assistance and use vehicles are eligible to apply to BP New Zealand for fuel vouchers and gift cards. Application forms and full eligibility criteria are available on [BP's website](#).

Applications close on 5 July. Successful applicants will be advised by email during the week of 27 July.

Hallmarks of an effective charity

One of the "intermediate outcomes" the Commission wants to achieve as part of its longer term planning, is "a strong, effective charitable sector in which the public has trust and confidence".

As part of its work on this, the Commission has been talking with members of the sector to define what it actually means to be an "effective charity".

As a starting point, the New Zealand Commission used some work that was done by the UK Charity Commission last year.

Using an online survey (amongst other discussions), we asked whether the sector considers the UK “hallmarks of an effective charity” to be relevant to New Zealand, and whether there are any other, local, characteristics that can be identified and should be included.

For example, the UK hallmarks suggest that an “effective charity”

- Is clear about its purpose
- Is always mindful of its charitable purpose in all that it does
- Has a good understanding of the needs and requirements of its beneficiaries
- Delivers its services efficiently
- Manages its resources in the best way to help it achieve its objectives
- Has a Board or trustee body with a mix of skills and experience
- Understands its accountabilities and has good systems in place to manage them
- Assesses its performance and measures the impact and outcomes of its work
- Is accountable to the public

Having a set of uniquely New Zealand “hallmarks” will help the Commission in its development of education and information for the sector.

We’ll keep you in the loop about our work on this important topic in later issues of *Update*.

Nepali spoken here!

The Charities Commission Call Centre is a member of Language Line, a free service that provides callers with help in 40 different languages including Māori, Tongan, Samoan, Cantonese, Mandarin, Japanese, Russian, and Somali Amharic – and now, Nepali!

Language Line, will be adding the Nepali language on Monday 15 June 2009. Nepali is spoken in Nepal, Bhutan, parts of Myanmar (formerly Burma), and also India.

Simply call us our free information line, **0508 242 748**, ask for the language you want, and wait on the line. An interpreter to translate your conversation will be available within a few minutes.

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