

Press release: Have your say on new guidance for charities that are connected with non-charitable organisations

The Charity Commission has [opened a consultation about new guidance](#) to help charities manage their relationships with connected non-charitable organisations.

The new guidance is closely based on the core trustee duties as explained in the regulator's existing guidance, and sets out principles for trustees to follow.

The Commission stresses that it is common for charities to have close connections with non-charities, for example trading subsidiaries or charities established by commercial businesses, and that this is not a concern in principle.

However, it says that trustees must manage these relationships properly in order to fulfil their legal duties and maintain public trust and confidence. It is vital that the public can easily distinguish between the charity and the connected non-charitable organisation, particularly where, for example, they share a very similar name.

The regulator says that serious problems can arise when charities' relationships are not managed appropriately, and that a number of its case reports in recent years involve concerns about trustees' handling of these matters.

It says it is keen to hear charities' views on the guidance, especially those of charities that are closely connected to non-charitable organisations. It is also interested in feedback from other interested parties, such as charity legal advisers. It is organising round-tables to facilitate discussions about the guidance.

Sarah Atkinson, Director of Policy, Planning and Communications at the Charity Commission, says:

This guidance is designed to help charities benefit from appropriate connections with non-charitable organisations, while preserving and protecting what is special and unique about charity. We want to help trustees make decisions that promote their charity's best interests, and that encourage public trust in charity more widely.

We know that charities want this guidance: currently advice is spread across several different Commission publications and this document pulls it all together in one place. We have also designed some practical aids to help trustees put the guidance into practice.

The guidance is in draft form, and we are keen to hear from as wide a range of charities and advisers as possible, to ensure the final guidance is as clear and helpful as possible.

The draft guidance stresses that trustees must, among other things:

- actively manage the relationship in compliance with their legal duties and the law
- preserve the charity's separation and independence from the non-charitable organisation
- manage the risks arising from the charity's association and/or work with the non-charitable organisation
- make decisions in accordance with their legal duties
- identify and avoid conflicts of interests and loyalty in respect of the non-charitable organisation when making decisions
- be accountable about the relationship, for example by complying with all relevant accounting and reporting requirements

The consultation about the draft guidance will close at 5pm on the 15 May 2018.

Ends

Notes to editors

1. The Charity Commission is the independent regulator of charities in England and Wales. To find out more about our work, see the [about us](#) page on GOV.UK.