

CharityScotland

SUMMARY DOCUMENT

The report of



Scottish Charity Law
Review Commission

Charity Scotland

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The Scottish Charity Law Commission

Foreword



Jean McFadden
Chair of the Commission

The Commission first met in April 2000 and we have come a long way in the past 12 months. I would like to pay tribute to my fellow Commissioners - Colin Crosby, Gillian Donald, Martyn Evans, Richard Fries, Alistair Grimes, Keith Jones, Kaliani Lyle, Simon Mackintosh, Ian McPherson, John Naylor, David Orr, Avril Sloane and Janette Wilson - for whom I have nothing but admiration. They gave of their time, effort and experience to ensure the Commission achieved its objectives. My thanks also go to Elinor Mitchell and Susan Herbert who have supported the Commission throughout the year. We came together last year with very different views and experiences of the voluntary sector and we used this wealth of knowledge to work through our remit. While we all came to the Commission with our own ideas about what changes were needed, we have conducted our enquiry in a transparent way and remained open minded throughout.

We were asked to review the law relating to charities in Scotland and to make recommendations on any reforms considered necessary. In taking forward the review the Commission considered the following:

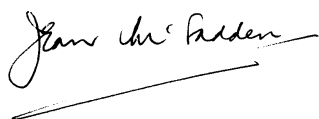
- the structure of regulation and support for the charitable sector in Scotland
- the operational effects of Scottish legislation on charities of all types and size, bearing in mind the need to encourage voluntary and charitable activity and the contribution which the voluntary sector makes to the social economy
- how best to provide the charitable sector with definitive advice and information
- the requirement to protect the public, ensuring high standards among charities but at the same time avoiding over-burdensome administrative requirements
- whether in addition to reform, the law should also be consolidated.

We make our recommendations with considerable confidence. We consulted widely and travelled the length and breadth of Scotland seeking views and listening to opinion. I would like to express my gratitude to all those who responded to our consultation document and to those who gave oral evidence to our Commission. We were given a year to report and we have delivered broadly on time. That has not been easy. After gathering our evidence, we debated each issue several times, and have produced a set of recommendations which have been endorsed by all the Commissioners.

We have been extremely impressed with the energy, commitment and motivation of those working in the voluntary sector. We recognise that a great deal of valuable work is being done and that those working in the field bring an unparalleled sense of community spirit and voluntarism to society. We want to encourage people to become and stay involved in voluntary work. We believe that our recommendations will ensure that the necessary framework is in place to support those involved and encourage others. We have also been impressed with the high level of public backing for charities; this can only be maintained if the public is convinced of the integrity and honesty of those working in charities. We believe that the recommendations which we propose will ensure such integrity is maintained.

Our recommendations are mainly for changes which are within the gift of the Scottish Parliament. There are some issues however, on which we felt so strongly, but which are reserved United Kingdom matters, that we decided to recommend further action. This will need to be taken across the United Kingdom. I feel this is entirely within our remit.

You are reading the executive summary of our report. The full report is published separately and is also available on our website at www.charityreview.com. I commend our proposals to you.

A handwritten signature in cursive script, reading "James McFadden". The signature is written in dark ink and is positioned above a horizontal line that extends to the right.

May 2001

Background

Four hundred years ago the idea of charity was set out in the preamble to the Statute of Charitable Uses 1601. The description of charity contained in the statute and developed in the subsequent case law, continues to be the basis for determining which organisations should attain charitable status. Charitable status gives organisations certain rights and also places limits on what they can do. Rights include fiscal advantages and being a charity gives organisations a special place in public sentiment as well as encouraging charitable donations and voluntary activity by citizens. Charities are regulated to ensure that they continue to provide public benefit, that they use their funds appropriately and are governed well.

The concept of what a charity is has changed over time - not least because society itself is developing and changing. At the end of the 19th century, the concept of charity and voluntarism was beginning to decline, but now the voluntary sector is seen as providing ways of increasing citizen involvement in social activity, encouraging social inclusion and harnessing skills for public benefit. There are over 27,000 charities in Scotland and more than 44,000 voluntary organisations. Charities are a major source of social service provision in Scotland and they are active in a wide range of areas of public life including education, recreation and social care.

We believe that there needs to be a modern and relevant basis for charity in Scotland. During our discussions we had an extensive debate about the extent to which we could or should seek to change the definition of charity in Scotland without seeking change across the United Kingdom. At present the Inland Revenue assesses the eligibility of an organisation for charity tax benefits. In Scotland, it is that assessment that determines whether or not an organisation can call itself a charity. We believe that the rules for determining charitable status in the Taxes Acts would benefit from modernisation. Because tax is a reserved matter, the Scottish Parliament cannot effect any change to the definition applied by the Taxes Acts. It is, however, within the competence of the Scottish Parliament to create a new definition of charity for Scotland only, which is what we recommend. We acknowledge that the best possible course of action would be for a change in the definition across the whole of the United Kingdom. However, we accept that such a change is not within our remit, as it is not within the competence of the Scottish Parliament.

For these reasons we felt that it was important to make recommendations for change in Scotland only. In this summary, we refer to a “Scottish Charity” when we mean an organisation that fits the new criteria which we recommend. We refer to a “Charity” when we mean an organisation that meets the current criteria of the Inland Revenue and the Charity Commission. We refer to “charity” when we mean either the general concept of charity, or all charities. When we refer to “trustee” we mean someone concerned with the management and control of a charity.

Concept of Scottish Charity

When considering what organisations might be Scottish Charities, we went back to first principles and have identified some basic principles for determining charitable status. The principles will offer a more inclusive approach and we believe that the status of Scottish Charity will be available more widely than at present. We have not focussed, in this report, on which organisations should or should not have charitable status. We have focussed on the principles and we have created a framework against which all organisations will have to be assessed.

We recommend the following defining principles. A Scottish Charity should be an organisation:

- *whose overriding purpose is for the public benefit*
- *which is non-profit distributing*
- *which is independent*
- *which is non-party political.*

We hope the principles are fairly self-explanatory and they are explained in more detail in chapter one of the main report. To summarise, we believe that all Scottish Charities must be able to meet the public benefit test. This means that a Scottish Charity should have the purpose to relieve need, or sustain or enhance the lives of people in the community. Alternatively, a Scottish Charity could promote animal welfare, or protect or enhance the environment.

Increasingly it is being recognised that users of an organisation can play a useful role in governance without that undermining the overall commitment to public benefit. We believe that it would be wrong to withhold charitable status from organisations just because some users are involved in governing the Scottish Charity.

We recommend that “self-help” organisations, excluding mutual organisations, might be Scottish Charities if (1) they confer wider public benefit as long as the membership is open on objective public benefit criteria; and (2) the governance of these organisations reflect the public benefit culture.

Scottish Charities should not distribute profits. We believe that all assets of a Scottish Charity, including surpluses, must be applied directly or indirectly to charitable purposes.

Scottish Charities play an increasingly important role in the supply of services on behalf of local, and to a lesser extent, national government. However, for co-operation between Scottish Charities and the state to be effective, it is important that the framework within which Scottish Charities operate should be clearly understood. Increased reliance upon the state for funding creates a potential risk to the independence of Scottish Charities. We believe that the independence of trustees is essential. In our view, trustees should use their discretion solely in the best interests of the charity and Scottish Charities should be independent in the way in which they operate.

We believe that it is important that Scottish Charities contribute to public debate on issues which are relevant to their own work. We acknowledge that it can be difficult to judge what is charity-related political activity and what is overt party political activity, but we are clear that Scottish Charities should not undertake party political work.

New regulator for Scotland

In England and Wales decisions relating to charities are taken by the Charity Commission, which is at present pursuing a modernisation agenda in the form of the review of the Charity Register. The powers of the Charity Commission do not extend to Scotland. In fact, there is no Scottish organisation charged with taking forward a charity reform agenda. By default, the concept of charity changes, because of decisions taken in England. Up until now, Scotland has been unable to influence the agenda. We conclude that it would be appropriate for a Scottish organisation to be established which would determine Scottish charitable status, regulate the sector and protect the public interest.

We recommend that a new regulator for Scotland be established, called CharityScotland.

A table outlining the proposed functions of CharityScotland is shown on page seven.

Fiscal benefits for Scottish Charities

As stated earlier, the creation, operation, regulation and dissolution of Scottish Charities is within the competence of the Scottish Parliament, while direct tax matters are reserved to the United Kingdom Parliament. We acknowledge that the direct tax benefits are valuable to charities. The Treasury¹, in 1997, estimated that these were worth some £1.75 billion to charities across Great Britain. As direct tax benefits are not within the competence of the Scottish Parliament we have not made a specific recommendation for change. However, we know that there are other benefits that are valuable to charities. During our consultation, representations were made to us about the withdrawal of water charge relief from charities. Given that Scottish Charities will continue to receive mandatory relief from non-domestic rates, we think they should receive similar levels of relief from water and sewerage charges.

We recommend that Scottish Charities should receive mandatory 80% relief from water and sewerage charges.

Public trusts and educational endowments

A public trust in Scots law is one constituted for the benefit of the public or for a section of the public. An educational endowment is property which is dedicated to purposes which are both exclusively charitable and educational. The Dundee research report² recommended that *for regulatory and reorganisation purposes the concept of educational endowment should disappear and that there should be only two types of organisation; the Scottish Charity and the public trust.* We endorse this proposal. *We also recommend that it should be easier for public trusts to reorganise.*

Legal Form of Charities

The Department of Trade and Industry (DTI) is currently reviewing whether charities should be required to register as companies in order to secure limited liability for their trustees within the context of a review of company law. We are keen that trustees of Scottish Charities should benefit from any changes proposed and have made an interim recommendation to this effect to Scottish Ministers. This means that the DTI can proceed with a British proposal for change. The proposal is that:

- *there should be a new form of incorporation called Charitable Incorporated Organisation(CIO)*

1 Her Majesty's Treasury "Charity Tax Reviewed" HMSO 1997

2 Scottish Charity Legislation: An Evaluation, University of Dundee Charity Law Research Unit, Published by Scottish Executive May 2000.

- *the CIO be restricted to charities*
- *that CIO should be optional for charities (i.e. charities incorporated under other regimes could opt to convert but would probably not be required to do so).*

Regulation and support for Scottish Charities

Charity legislation is currently contained in three separate statutes - Part 1 of the Law Reform (Miscellaneous Provisions)(Scotland) Act 1990 (the 1990 Act), Part VI of the Education (Scotland) Act 1980 (the 1980 Act) and section 119 of the Civic Government (Scotland) Act 1982 (the 1982 Act) and associated regulations. There are seven individuals or organisations involved with charities in Scotland. We were told during our consultation that the current system was confusing. One of the recurring themes through the consultation process was the lack of a charity-focussed organisation with real powers, in Scotland. This was also raised as a major issue in the Dundee research report. The majority of those with whom we consulted felt that a one-stop-shop would offer clarity and focus to the system.

We recommend that CharityScotland should have the dual role of protecting the public interest and providing an effective support and regulatory system for charities.

CharityScotland

When considering the powers for CharityScotland, we looked at the model of the Charity Commission in England and Wales. We believe that CharityScotland should in general have the same function as the Charity Commission, which is the general function of promoting the effective use of charitable resources by encouraging the development of better methods of administration, by giving charity trustees information and advice and by investigating and checking abuses. This would make CharityScotland the focus for Scottish Charities as the single official body with responsibility for the supervision of Scottish Charities. We also believe that there is an important role for CharityScotland in protecting the public interests.

We recommend that CharityScotland should have the following functions:

- *the determination of Scottish charitable status*
- *the maintenance of the Scottish Charity register*
- *the provision of public accountability of Scottish Charities*
- *the monitoring of Scottish Charities*
- *the provision of a support service for Scottish Charities*
- *the supervision of Scottish Charity reorganisations*
- *the protection of the public.*

Establishment of CharityScotland

We want the organisation to be independent, have the confidence of the public and be valued by the voluntary sector. Equally we want it to be an authoritative organisation with a wide range of supervisory and quasi-judicial powers. We believe that the board of CharityScotland should have representatives from a range of relevant backgrounds and that the appointment process should be open and independent.

The determination of Scottish charitable status

CharityScotland should be the organisation which a body would approach if it wanted to register as a Scottish Charity. *We recommend that CharityScotland should work closely with the Inland Revenue to provide a seamless service for applicants.*

The maintenance of the Scottish Charity register

As well as setting up the Scottish Charity Register, CharityScotland will have responsibility for making sure the register is up-to-date. This includes making sure those in the register continue to meet the standards required of Scottish Charities. *We recommend that CharityScotland should seek to keep the concept of Scottish Charity in line with current thinking.*

The public accountability of Scottish Charities

Ensuring that Scottish Charities are accountable to the public should be an important part of the work of CharityScotland. Members of the public need to have sufficient information about Scottish Charities to allow them to have confidence in the work that they do and the way in which they are run. *We recommend that all trustees should be held to account for the charitable funds they control. We are conscious of the need not to overburden smaller volunteer-run Scottish Charities and recommend that they should be permitted to submit an abridged form of annual return.*

The monitoring of Scottish Charities

We recommend that CharityScotland should use the annual returns provided by each charity to undertake systematic and preventive monitoring of charities.

The provision of a support service for Scottish Charities

All organisations, whatever their size, require a degree of certainty in ensuring that they meet their legal and other obligations. *We recommend that CharityScotland provide a reliable source of both written and oral information, guidance and advice.* We recognise the importance of the voluntary sector and other organisations in Scotland and value the expertise and information they bring to the sector. *We recommend that CharityScotland redirect callers to relevant organisations, as appropriate.*

The supervision of Scottish Charity reorganisations

Constitutional reorganisation can be difficult and expensive. Any money used to reorganise a charity is money lost to good causes. Some safeguards have to be put in place to ensure there is no inappropriate use of funds and that the donors' wishes are respected as far as possible. *We recommend that it should be made easier for Scottish Charities to reorganise and that the powers to facilitate reorganisation should be vested in CharityScotland. We recommend that the powers of the Scottish Charities Nominee should also be vested in CharityScotland.*

The protection of the public

We recommend that CharityScotland should have a range of protective powers to ensure that Scottish Charities work in the public interest and that trustees are not able, knowingly or negligently, to misuse charity funds. In order to preserve the focus within the system and to give one body unambiguous responsibility for the support and supervision of Scottish Charities *we recommend that the investigatory remit of the Scottish Charities Office be transferred to CharityScotland and that their remaining work be subsumed into the Crown Office. We recommend that CharityScotland should be the first port of call for all complaints against Scottish Charities. We also recommend CharityScotland should be able to make temporary arrangements in relation to Scottish Charities during an investigation, including the appointment of a manager to take over management of the Scottish Charity, where necessary.*

Functions of CharityScotland

The proposed functions of CharityScotland are discussed in detail in chapter three of the main report. An outline description is shown on page seven.

Role of the Crown Office and the courts

We believe that the Crown Office and the courts should have powers in the following areas:

- for the Crown Office to prepare cases against Scottish Charities to take to court
- for the court to protect the public
- for the court to provide remedies.

The Lord Advocate would continue to have a role as public guardian in relation to pursuing cases against Scottish Charities. We envisage that CharityScotland will handle the majority of complaints made against Scottish Charities and, based on past experience, we would expect very few cases to go to court. Where it becomes necessary for a case to go to court, we believe that in the first instance, the most appropriate forum for cases to be heard would be the Sheriff Court. We think that a balance has to be struck, between taking swift action and ensuring that the appropriate expert authorities hear charity cases. We believe that Sheriff Courts are aptly placed to hear cases where there is some necessity for speed - for example when a court order is required to suspend a trustee.

The Court of Session currently has a number of powers aimed at protecting the public under the 1990 Act. We think it is appropriate that these powers be increased.

We recommend that the powers of the courts to provide remedies where wrongdoing has been proved should be increased. We also recommend that the powers of the Court of Session remain and that the Sheriff Court should have concurrent powers.

The right of appeal

The Kemp Report³ suggested that a Scottish Charity Review Tribunal should be set up to enable organisations to appeal decisions against eligibility for charitable status, without recourse to the civil courts.

We recommend that the Scottish Executive should be able to establish an ad-hoc Scottish Charity Review Tribunal, as necessary.

We think that organisations should have the right of appeal against a range of decisions that might be taken by CharityScotland.

Trustees' Powers of Investment

The powers of investment of Scottish trustees are significantly more restricted than those of trustees in charities in England and Wales. We believe that this should be remedied.

We recommend that a Trustee (Scotland) Bill, giving Scottish Charity trustees extended powers of investment, amongst other things, be introduced in Scotland. We also recommend that trustees of Scottish Charities should have access to common investment funds.

³ The Commission on the Future of the Voluntary Sector in Scotland (The Kemp Report) 1997

Multiple reporting

There will be some Scottish Charities which have reporting and accounting requirements that they are required to adhere to, often because of the work in which they are involved, which are quite separate from their obligations as a Scottish Charity. For example, a housing association may be a charity but it will also have to provide extensive reports and accounts to an external authority. We believe that organisations should not have to report and account formally to more than one external body.

We recommend that CharityScotland should have a power to review the reporting structure of Scottish Charities and exempt, from reporting and accounting to it, any which it felt were sufficiently well regulated elsewhere.

Protecting the Public

Being a Scottish Charity confers a powerful status. Many people voluntarily give of their time and money to help Scottish Charities. It is therefore essential that the integrity of Scottish Charities be preserved. Apart from volunteering their time, the main way in which the public support Scottish Charities is through giving money.

Governance of Scottish Charities

We believe that the public is entitled to some reassurance that the organisations calling themselves Scottish Charities are managed effectively.

Support for trustees

Trustees should be aware of their responsibilities and it is incumbent upon the trustees of Scottish Charities to make sure that those running the organisation are able to do so in an informed and competent way. Umbrella bodies have already produced best practice guidance for trustees and, in the short term, we would commend these to all charities.

We recommend that CharityScotland should work with the appropriate agencies to produce best practice guidance for trustees.

Trustees need to be responsible for the actions and decisions they take but where they have acted appropriately we believe that it will be important for CharityScotland to ensure that trustees have appropriate protection. It was clear from our consultation that limited liability for trustees is seen as important. In order to ensure that there continues to be willingness amongst individuals to serve as Scottish Charity trustees, we believe that it is important that trustees are protected from being personally liable for the debts of the organisation.

We recommend that CharityScotland should:

- *advise trustees on appropriate organisational forms which offer limited liability and ways in which trustees can protect themselves*
- *investigate and advise on new ways of achieving affordable insurance for trustees.*

Trustee registers

The overwhelming majority of those whom we consulted agreed that there should be a register of those involved in governing Scottish Charities. The names of those involved in governance should be included as a matter of course in the annual return. Individuals who want to check the governance arrangements within a specific Scottish Charity should be able to check this information by looking at the appropriate annual return.

We recommend that members of the public should have access to the annual returns from Scottish Charities.

While we recognise that this might not offer the convenience of a specific register of trustees, this would mean that the names of those governing Scottish Charities would become a matter of public record.

Ineligible and disqualified persons

There are two groups of people who cannot serve as trustees - those ineligible from serving and those disqualified. An individual will be ineligible from serving as a trustee by virtue of youth or incapacity. A list of those disqualified is contained in the 1990 Act.

We recommend no change to the current lists of those ineligible or those disqualified.

Scottish Charities must satisfy themselves as to the suitability and competence of trustees. Of course, this will vary in some respects from Scottish Charity to Scottish Charity.

We recommend that Scottish Charities should require trustees to sign a declaration that they are not disqualified from serving as a trustee.

We recommend that it be made an offence to sign a false declaration, and that if an individual does so, he/she be barred from holding further trusteeships. This should offer the public some degree of assurance with regards to the appropriateness of individuals holding positions of trust. We believe that it would be appropriate for CharityScotland to maintain a register of individuals who have been disqualified from serving as a Scottish Charity trustee. We do not believe that this register should be made freely available on a web-site, but we do believe that individuals should be able to check whether a named individual appears on the register.

We recommend that CharityScotland should maintain a register of people who have been specifically disqualified from serving as a Scottish Charity trustee.

Public charitable collections

We believe that it is important to get the balance right between assuring the public that the charitable donations they make are being used to benefit those most in need; making it easy for members of the public to become and stay involved; and giving Scottish Charities the freedom to be dynamic and enterprising organisations. It is important that Scottish Charities do not abuse the goodwill of the public - and indeed they should be prevented from so doing - but it is equally important that they should be helped to maximise the good they set out to do.

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| Who can collect | <i>We recommend that organisations that are registered with CharityScotland should have a standing permission to collect money from the public.</i> |
| Where may collections take place | Permission to collect on a particular day will be obtained from the relevant local authority. <i>We recommend that the permission to collect should be valid in both public and private places.</i> |
| Non-cash collections | <i>We recommend that the definition of public charitable collections should include the collection of money or the collection of promises of money and the collection of goods or donations by registered Scottish Charities.</i> |
| Current licensing arrangements | Local authorities will still be required to ensure that local organisers are fit and proper persons. <i>We recommend that local authorities inform the police, on a weekly basis, the names and numbers of collectors expected on the streets.</i> |
| Training | <i>We recommend that all staff involved in processing and granting date permissions for public charitable collections should undergo specific joint training.</i> |
| National calendar | <p><i>We recommend that the exempt promoter system ceases. We recommend that CharityScotland be charged with the following functions:</i></p> <ul style="list-style-type: none"> ■ <i>setting up a computerised calendar of public charitable collections in Scotland</i> ■ <i>co-ordinating national flag days and other major public fundraising events</i> ■ <i>liaising with and working closely with local authorities regarding dates.</i> |
| Monitoring of returns | <i>We recommend that all returns relating to public charitable collections should be made to CharityScotland.</i> |
| Non-Charities collecting from the public | <i>We recommend that if local authorities are given the power to approve public collections by non-charities, a statutory framework should be put in place to enable local authorities to monitor and control such collections.</i> |
| Surplus funds | <i>We recommend that CharityScotland should have the power to authorise the use of monies raised during public charitable collections for a different purpose or the transfer of the monies to a Scottish Charity with similar purposes.</i> |

We acknowledge that the vast majority of those who collect for Scottish Charities are honest and trustworthy. We recognise that there are occasional problems, but we do not think it would be realistic or appropriate for CharityScotland to police or regulate deceitful behaviour. We would encourage individuals to give only to registered and recognised Charities or Scottish Charities. We would encourage Scottish Charities to provide all their legitimate collectors with easily identifiable badges and sufficient information about the organisation to allow the public to question legitimate collectors, obtain helpful advice on the work of the Scottish Charity and assure themselves of the legitimacy of the collector.

We have made a series of recommendations in relation to public charitable collections. These are outlined on page eleven.

Charity Fundraising

The choice of fund-raising methods is a matter for trustees to decide. However, charities which are supported by donations need to be alert and sensitive to public opinion and criticism. Fund-raising methods which meet with disapproval can damage the charity and reduce public confidence in the sector as a whole. An overwhelming majority of respondents felt that charities should be required to disclose expenditure on fundraising activities and felt that the activities of professional fundraisers should be regulated. There was a wide range of suggestions on how this might be achieved, but the underlying theme throughout was better transparency and more openness.

Professional fundraising organisations

We agree that the lack of regulation of professional fundraising organisations is somewhat unsatisfactory and that some changes are needed in this area. We suggest that the aim of any changes should be greater transparency so that the public is aware how much of the money they donate will be or has been used for charitable purpose.

We recommend that CharityScotland should scrutinise information regarding expenditure on fundraising when examining the accounts of Scottish Charities.

Our consultation also raised a more general concern about the proliferation of professional fundraisers on the streets. Many felt it would be appropriate for such individuals to be distinguished from volunteer collectors so that the public have a clearer idea of the means by which charities are attempting to raise money.

We recommend that paid collectors and employees of professional fundraising companies should be identified as such.

How costs are accounted for is also vitally important. When we were gathering our evidence we discovered that some charities do not show all fundraising costs within their accounts, sometimes treating income from professional fundraising companies as donations, rather than disclosing the entire amount spent to achieve that income.

We recommend that CharityScotland should review the percentage spent on charitable purposes in the financial statements of each Scottish Charity and pursue an investigation into any Scottish Charities that appears to spend excessive amounts on raising funds.

Charitable Merchandise

Our working definition of charitable merchandise is a product, from which the proceeds of sale are applied to charitable purposes. When members of the public purchase so-called charitable merchandise we believe that it is reasonable for them to expect to know how much of the price paid will be used to promote the charitable purpose of the organisation in whose name the products are being sold.

We recommend that all charitable merchandise should give details on the label as to the percentage of the total price which is expected to go to the charitable cause and identify the Scottish Charity concerned.

Fundraising Events

The return rates from fundraising events differ enormously and there is sometimes good reason for this. There remains concern over the lack of information in this area and particularly that the real costs of some events are hidden from donors.

We recommend that Scottish Charities which undertake to organise a sponsored event (or pay a third party in whole or part to do so) should state in their annual reports:

- *the total cost of setting up the event*
- *the total income generated from the event*
- *the rate of return from the event.*

We also recommend that single events costing more than £20,000 should be reported separately in the Scottish Charity's account.

Designated religious bodies

Designated religious bodies are currently in a unique position. The 1990 Act gives Scottish Ministers the powers to designate religious bodies. The purpose of the designation is to exempt organisations from various aspects of Scottish Charity regulation. As a general principle we believe that all Scottish Charities should be treated equally. We acknowledge, however, that there may be some areas in which it may not be appropriate for CharityScotland to intervene.

We recommend that designated religious bodies should be exempt from the powers of CharityScotland in relation to investigations, the appointment and removal of trustees and powers in relation to temporary management of a Scottish Charity.

In all other instances, we believe that all Scottish Charities should be treated equally and that the powers of CharityScotland should apply to religious bodies in the same way as other Scottish Charities.



From left to right; seated;

Janette Wilson, Jean McFadden, Avril Sloane

Standing;

Alistair Grimes, David Orr, Martyn Evans, Richard Fries, Kaliani Lyle, Keith Jones, Ian McPherson.

Missing from the picture; Colin Crosby, Gillian Donald, Simon Mackintosh and John Naylor.

