

NFP eNews 09 NOVEMBER 2021

Welcome to haysmacintyre's regular 'e-news alert' for charities and not for profit organisations.

UPDATES TO CHARITY COMMISSION GUIDANCE ON SAFEGUARDING

The Charity Commission has updated its guidance for charities and trustees in England and Wales on '[Safeguarding and protecting people](#)'. The update brings in a new section on managing the safeguarding risks when operating online, as well as updates to some terminology and links to other sources of support. Some of the questions posed by the guidance around online safeguarding are:

- Does your charity have adequate control over its website and social media accounts?
- How do people talk to each other when using your online services and how do you keep users safe?
- How do you monitor what people do, say and share when using your services?

The Commission has also released a new [5-minute](#) guide on safeguarding for charities and trustees, which summarises these responsibilities.



CHARITY COMMISSION LAUNCHES INQUIRY INTO FASHION FOR RELIEF

The Charity Commission has [opened a statutory inquiry](#) into Fashion for Relief over concerns about potential misconduct and/or mismanagement. The inquiry follows on from a compliance case in 2020 which identified a number of regulatory governance and financial concerns, and the charity's response to a subsequent action plan that the Commission issued them aimed at improving the charity's financial management. As with all Commission inquiries, a report will be published once the inquiry has concluded.

LIVING WAGE RATE INCREASES

The hourly Living Wage rates published by the [Living Wage Foundation](#) have been increased. The UK Living Wage has risen by 40 pence to £9.90, and the London Living Wage has increased by 20 pence, to £11.05.



THE FUTURE OF GIFT AID

The Future of Gift Aid is a collaborative project between AIMM, Cancer Research, the Charity Retail Association, the Charity Tax Group, Data Developments, Fonix, GoodBox, Blackbaud (JustGiving), Liberty Pay, The National Trust, Nisyst, Oxfam, Pennies, Streeva (Swiftaid), Sue Ryder, The Children's Society, Exeter, Portsmouth and Surrey Universities and HMRC.

The project advocates a move towards an automated Gift Aid system to help unlock the estimated £560m that goes unclaimed each year, while also reducing the £180m claimed in error. You can read more about it [here](#).

TAX ADMINISTRATION AND MAINTENANCE DAY

30 November was the first Tax Administration and Maintenance Day, and the Government published a series of consultations, calls for evidence and other documents covering a range of tax administration and policy areas. These are summarised in a [command paper](#) which, together with the published [collection of documents](#), supports the delivery of the Government's 10-year tax administration strategy, which is focussed on harnessing technology and digitisation to deliver a tax system that operates closer to real time and helps businesses and individuals get their tax right.

As part of the day, the Government published their responses to the [consultations on Making Tax Digital \(MTD\) for Corporation Tax](#), and [simplifying the VAT land exemption](#).

Despite calls for charities to be exempt from MTD for Corporation Tax, the Government has confirmed that it "would prefer the sector to be within the scope of MTD". However, the need for a bespoke approach for the sector was acknowledged: "HMRC has had discussions with the stakeholders representing the charity sector, in particular smaller charities, sports clubs and not-for-profit organisations. The Government is open to exploring a more bespoke design for these entities that reflects their specific circumstances."



COMPANIES HOUSE REMINDER ABOUT FILING ACCOUNTS

Companies House has issued a reminder for companies with December filing deadlines to file their accounts early in order to avoid missing the filing deadline, and to use the [online service](#) wherever possible. Charities continue to be excluded from online filing, and accounts must be delivered by post. Companies House note that it could take longer than usual to process paper documents sent by post, which could lead to deadlines being missed if accounts are rejected. And remember, postal delays are not an acceptable excuse for filing late.

HMRC RELENT ON VAT ON DILAPIDATIONS

An HM Revenue & Customs Brief published in 2020, concerning termination and compensation payments, suggested that it would be looking to apply VAT on dilapidation payments, possibly retrospectively. After various representations, HMRC withdrew the Brief and said the new policy would be effective from 1 February 2021 and not be backdated. However, no new Brief has been issued and we now understand that guidance has been drafted, but not yet published, that means dilapidations will remain outside the scope of VAT. Please contact [Stephen Patey](#) for further advice and guidance.



PREPARE FOR THE INTRODUCTION OF FULL CUSTOMS CONTROLS

HMRC has issued a [reminder](#) that full custom controls will come into effect from 1 January 2022, bringing an end to the ability to delay making import customs declarations that have applied during 2021. Most customers will have to make declarations and pay relevant tariffs at the point of import. Further changes will also be introduced from 1 July 2022, and will be published closer to the time.

RESOLVING COVID-19 RENT ARREARS

The Government has announced new laws and a Code of Practice to resolve the remaining commercial rent arrears caused by the pandemic. Whilst commercial tenants are protected from eviction until 25 March 2022, the new Code, which underpins negotiations on settling rent arrears, sets out an expectation that landlords should waive some, or all, of the arrears where they are able to do so. New proposed law will establish a legally-binding arbitration process from 25 March 2022.



PENSION SALARY EXCHANGE

Following the introduction of the Health & Social Care Levy, effective from 6 April 2022, employers should consider the use of pension salary exchange which may reduce the impact of the levy and generate some National Insurance savings too. Considering the use of pension salary exchange ahead of 6 April 2022 will act as a timely reminder to encourage employees to think about planning for their future pension arrangements. If you have any questions or require advice, please contact either [Nick Bustin, Employment Tax Director](#), or [Dinesh Pancholi, Employment Tax Senior Manager](#).

HMRC HITS THE BULLSEYE

In another IR35 case, concerning Dave Clark the Sky TV darts presenter, the First Tier Tribunal has found that he was caught by the legislation and faces a tax bill of over £280,000. The Tribunal found that personal services were required and the level of control was sufficient for a contract of services to exist. The decision makes it clear that all the facts of engagements must be established by the engager, especially after the changes to the IR35 rules which have affected the private sector since 6 April 2021. Please contact [Nick Bustin, Employment Tax Director](#), for further information and assistance.



SSP GUIDANCE UPDATED

HMRC has updated its PAYE guidance for employers to check if Statutory Sick Pay (SSP) paid to employees, due to COVID-19, can be claimed back. Please contact our employment tax team for assistance and for other employment related tax matters.

AND FINALLY... HMRC APOLOGISES FOR ITS SERVICE, AND CLOSES HELPLINES ON FRIDAYS IN DECEMBER

ICAEW's Tax Faculty has been urging HMRC to tackle its accumulated backlog of correspondence, especially with corporation and income tax repayments, registrations for self assessment (SA) and VAT, amendments to SA returns and 64-8 applications for agent authorisations.

Whilst HMRC has said it is on track to clear the SA registration backlog by the end of January, it has issued a statement on its performance through the ICAEW which can be read [here](#). Meanwhile, HMRC has also announced that it is closing the VAT and corporation tax helplines (with the exception of the bereavement line) on 3, 10 and 17 December to allow themselves to allocate staff to clearing backlogs of post – in particularly HMRC registrations and corporation tax refunds.

UPCOMING EVENTS

Quarterly charities update

Wednesday 15 December 2021
15:30 - 17:00
Online

Our quarterly charities update webinar covers financial, compliance, governance and other topical issues for charity and not for profit organisations. Our next session will focus on Equality, Diversity and Inclusion along with ideas on how to improve grant applications.

Grant-making charities update

Wednesday 26 January 2022
16:00 - 17:30
Online

haysmacintyre's grant-making charities update webinar.

Trustee Training: Charity law update

Wednesday 22 February 2022
13:30 - 17:00
Online

This session will look at Charity Commission cases and guidance.

For further details on our not for profit upcoming events and to register, visit www.haysmacintyre.com/events.



Season's Greetings

— AND —
HAPPY NEW YEAR!

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



Winner: Audit Team of the Year



Winner of the Bronze Award for 2016 and 2017



Top adviser to the top 5,000 charities. Charity Financials' league table 2021



Top ten by audit fees in the 2020 Charity Finance Audit Survey