

SCFDG News

a newsletter of the Scottish Charity Finance Directors' Group



As we move swiftly into the summer season, we have an exciting schedule of events lined up for the coming months and I hope you will continue to participate and gain value through your attendance. Our network lunches are now a firm favourite with members and we are keen to continue to hold these on a regular basis. If you'd like to host an event please contact Irene at icameron@a-m-s-online.com.

We will continue to hold afternoon seminars during the year and details of September and February initiatives will be available shortly. However, in a change to the programme for 2011, we plan to bring members and guests together at a ONE DAY CONFERENCE in Glasgow in December, at which we'll also hold our annual general meeting. Our working theme for the day's event is "Practical Issues for Charity Finance Professionals" and we plan to offer a full array of interesting 'hot' topics to our delegates. Fuller details in terms of programme content will emerge over the coming months but at this time I am delighted to confirm former SCFDG Convener Gillian Donald has agreed to chair the event and I know Gillian's expertise in all areas of charity finance will prove invaluable in ensuring we deliver a quality conference to our members.

*Discounted **and** early bird rates will be available to all SCFDG members and we will be actively encouraging guests to attend and see for themselves the benefits networking with SCFDG offers. Please diarise the date now and pass on the information to others whom you think may find such an event of interest.*

If you haven't already subscribed to the Group for 2011 now is the ideal time to renew membership and take advantage of reduced conference rates as well as the opportunity to participate at network lunches. Simply complete the form at the back of this e-newsletter.

Paul Bannon, Convener



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Registered Scottish Charity No.
SC022533

We welcome suggestions for seminar themes, topics and speakers from all our members. Simply contact

Irene Cameron

**icameron@a-m-s-online.com
T/F: 0141560 4092**

Or any member of the Executive Committee

For all the latest news and information on SCFDG, including full details of seminars and network lunches, visit our website at:

www.scfdg.org.uk

Executive Committee 2011/12

Paul Bannon, Finance Director, Chest Heart & Stroke Scotland (Convener)

Mike Crerar, CA, Geoghegans (Treasurer)

Tim Hencher, Director of Finance, SCVO

Fiona Mackersie, Finance Manager, Children 1st

Simon Maclaren

Lorraine Nichol, Finance & IT Team Leader, Central Scotland Forest Trust

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Advance Notice

ONE DAY CONFERENCE

Thursday 1st December 2011

Practical Issues for Charity Finance Professionals

Teacher Building, St Enoch Square, Glasgow

Conference Chair: Gillian Donald (Scott-Moncrieff, CA)

Network Lunches

Thursday 16 June 2011

Host: **John O'Connor, Sense Scotland**
Venue: Touchbase, 43 Middlesex Street,
Glasgow, G41 1EE

Wednesday 5th October 2011

Host: **Simon Maclaren**
Venue: The Broomhouse Centre,
79/89 Broomhouse Crescent,
Edinburgh, EH11 3RH

Thursday 3rd November 2011

Host: **Douglas Gray, SAMH**
Venue: Brunswick House,
51 Wilson Street, Glasgow, G1 1UZ

Network lunches are open to members only with a maximum of 12 attending any event. Places are allocated on a first come first served basis. To book your place at an upcoming event
e-mail: icameron@a-m-s-online.com

PLUS

Watch this space for
further details of
seminars scheduled for

September 2011 and
February 2012

ABOLITION OF DEFAULT RETIREMENT

In July 2010 the Government announced the forthcoming abolition of the default retirement age, subject to transitional arrangements. Unless transitional arrangements apply, any dismissal for retirement after 6 April 2011 will be age discriminatory (unless objectively justified) and amount to unfair dismissal (unless the employer can show that a fair SOSR dismissal existed). Compensation could be considerable in such cases.

Going forward employers have two options - to remove the compulsory retirement age in its entirety or to introduce an Employer Justified Retirement Age.

The first option will mean that indefinite contracts become truly open ended until either

- 1) the employee chooses to retire or resign or
- 2) the employer dismisses the individual on the grounds of performance, conduct, ill-health, redundancy or some other substantial reason.

Where contracts include provision for automatic termination on reaching DRA, employers will have to notify employees that retirement clauses will no longer apply and of other practical consequences such as the impact on benefits and share schemes, etc.

Under the second option the employer must be able to show that the Employer Justified Retirement Age is a proportionate means of achieving a legitimate business aim.

It is anticipated that this will not be easy to demonstrate, but possible examples may be:

- ◆ Promoting recruitment and retention by ensuring there is a clearly defined career path caused by the compulsory retirement of older workers;
- ◆ Limiting the need to dismiss employees based on diminishing performance and allowing people to retire with dignity;
- ◆ Facilitating long-term employment planning;
- ◆ The extra cost of employing older workers.

Employers should carefully consider the risks involved in imposing a compulsory retirement age.

One exception to the Retirement Repeal Regulations is group related insurance benefits (such as life cover, private healthcare, income protection, etc), so it will not be age discriminatory to refuse to offer such benefits to employees who are 65 or over. The age at which these benefits can be withdrawn will rise in line with the state pensionable age. Furthermore the abolition of the default retirement age does not affect occupational pension schemes and the right to set 'normal retirement age' for the purposes of the occupational pension scheme.

Val Tesdale
HR Manager SCVO

SCOTTISH CHARITABLE INCORPORATED ORGANISATIONS

Scottish Charitable Incorporated Organisation (SCIO) is a brand new form of corporate body, created under Scottish charity legislation, exclusively for Scottish charities. The SCIO will, therefore, help charities enjoy the benefits of incorporation, such as limited liability and a separate legal personality, without being subjected to the complicated company law and dual regulation currently faced by charitable companies. It offers an alternative option to the existing legal forms that charities may adopt, such as a company limited by guarantee, unincorporated association, trust or industrial and provident society. The SCIOs will be registered with, and regulated by, the Office of the Scottish Charity Regulator (OSCR) and will appear on the Scottish Charity Register.

The charitable status of a SCIO means that it will be governed by the Charities and Trustee Investment (Scotland) Act 2005. A SCIO will be also governed by a constitution which will be similar to the Articles of Association of a charitable company. The constitution will contain provisions relating to the objects, the appointment and removal of members and charity trustees, administration and meetings, etc.

The general view is that for many charities, especially small and medium sized ones, the SCIO would be the most appropriate way of incorporating. It is unlikely, however, that a charity already in the legal form of a company limited by guarantee would wish to change to a SCIO as any benefits would likely be outweighed by the costs involved in the transfer of the legal entity.

More information can be obtained from OSCR who have published a SCIO Guidance. This can be found on their website at:

<http://www.oscr.org.uk/scottishcharitableincorporatedorganisations.stm>

Mike Crerar
Head of Charities Unit—Geoghegans, Chartered Accountants

Alert:

Charity Commission warns charities of bogus suppliers

The Charity Commission has been notified of a number of frauds and attempted frauds involving faked documentation purporting to change suppliers' bank account details. A number of the frauds have involved construction companies, possibly as payments to such suppliers tend to be substantial. All cases have been investigated by the police. As a result, the Charity Commission is alerting trustees and members of the public of scams or fraudulent activity carried out within the charitable sector.

Many charities, particularly those using suppliers of significant services, could be vulnerable to this type of fraud. The Commission is advising such charities to be alert and to:-

- ◆ ensure they have appropriate controls over proposed changes to supplier details, such as independently verifying with the supplier the change to supplier details before it is actioned (eg. by speaking to the supplier's credit control department (or equivalent) and/or writing to confirm the change of account details with the supplier.
- ◆ scrutinise the documentation which purports to make these changes (eg check if the contact details, and the customer or contract numbers are correct).
- ◆ ensure that making changes to supplier details cannot be carried out by one individual unchecked, particularly where large ongoing contracts are concerned; and that such changes are properly authorised by an individual at an appropriate and agreed level in the charity and the supplier.
- ◆ review their existing controls.

Scottish charities should also be aware of such fraudulent activity and if a charity suspects or becomes aware they should consider contacting the police and notifying OSCR.



Scottish Council for Voluntary Organisations
Stronger Together



Office, meeting and training space

exclusively available for charities and social enterprises within this unique heritage venue in the heart of central Edinburgh.

Inside this hidden gem is a spacious and modern office environment.

Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh, EH3 6BB

Contact **Gordon Nelson** to enquire about the services and managed desk space available.

T: 0131 474 6176 E: gordon.nelson@scvo.org.uk

The Scottish Council for Voluntary Organisations (SCVO) is a Charity registered in Scotland, No. SC003558.
SCVO is a charitable company limited by guarantee registered in Scotland No. SC024591.
Registered office Mansfield Traquair Centre, 15 Mansfield Place, Edinburgh EH3 6BB.

Would you like to advertise in our
e-newsletter?

For more information contact

Irene Cameron
t: 0141 560 4092
e: icameron@a-m-s-online.com

This newsletter is sent out for information only and no liability shall be held for any incorrect information contained within.
SCFDG members should consult professional advisers at all times before acting upon any information.

MEMBERSHIP APPLICATION/RENEWAL FORM

Please complete the form below and return it, together with your payment, to SCFDG Administrator, PO Box 2781, Glasgow, G61 3YL Tel/Fax: 0141 560 4092 E-mail: lcameron@a-m-s-online.com

Name:		
Organisation:		
Address:		
Postcode:		
Telephone:		
Fax:		
E-mail:		
Scottish Charity No:		
Type of Membership:	Full Membership* <input type="checkbox"/> <small>Please tick ✓</small>	Associate Membership** <input type="checkbox"/> <small>Please tick ✓</small>
Membership Rate:	£110 <input type="checkbox"/> (includes CFDG yearbook) <small>Please tick ✓</small>	£75 <input type="checkbox"/> (excludes CFDG yearbook) <small>Please tick ✓</small>

The membership year runs from 1 April to 31 March.

* **Full Membership** is open to one named representative of any charitable or voluntary organisation in Scotland (including the Scottish branches of charities registered elsewhere in the United Kingdom) who is active in the financial management of that charity or voluntary organisation as its Financial Director, employee, trustee or adviser.

** **Associate Membership** is open to any individual active in the field of charity finance. Associate members are entitled to all the benefits of full membership with the exception of the rights to vote at general meetings of the Group or seek election to the Executive Committee.

Data Protection

Members find it helpful to have informal contact with each other throughout the year and from time to time ask SCFDG for contact details for other members.

Please tick ✓ this box if you do not wish us to give out your contact details.

Payment

- Cheques should be made payable to the Scottish Charity Finance Directors' Group and forwarded to the SCFDG Administrator, PO Box 2781, Glasgow, G61 3YL

Please tick ✓ this box if you are paying by cheque.

- BACS payments should be directed to Sort Code: 80-11-20 Account 00514864 quoting reference "SCFDG subscriptions".

Please tick ✓ this box if you are paying by BACS.