



Online Accounting Software

CHARITIES ACT IRELAND GUIDE

Charities Act 2009

The Charities Act was enacted in Ireland in 2009. The act was passed into legislation to reform the law relating to Irish charities and to bring about a greater degree of transparency and accountability to the charity sector in Ireland, a sector that had been self-regulating and had no legislative changes in over 30 years.

A key part of the act was the establishment of a new independent regulator and a Charities Regulatory Authority. It was envisaged that the establishment of the Charities Regulatory Authority would ensure compliance by the registered charities of their legal obligations under the Charities Act and also provide transparency to the wider public.

The Charities Act itself is a detailed 86 page document that covers many facets of establishing, registering and running of a charity in Ireland. For the purposes of this short guide we will focus, in the main, our attentions on Sections 47 to 54 of the Charities Act which covers the financial reporting requirements of registered charities in Ireland.

Key Requirements of the Charities Act

1. The establishment of the Charities Regulatory Authority

Though the Charities Act was passed in 2009, the Charities Regulatory Authority was only formally established on 16 October, 2014.

The Charities Act tasked the Charities Regulatory Authority with maintaining a publically accessible register of charitable organisations showing:

- Name of charity
- Principal place of business
- Address of each premises in the State at which the charity operates
- Names of charity trustees
- Charity registration number
- Objectives of the charity

2. Introduction of a Registration fee for charities

Gross Annual Income	Annual Registration Fee
Less than €1,000	Token fee, e.g. €10
Between €1,000 and €50,000	€75
Between €50,000 and €100,000	€100
Between €100,000 and €500,000	€200
Over €500,000	€500

3. Charities to provide annual reports to the Charities Regulatory Authority

Sections 47 to 54 of the Charities Act relate to the financial reporting responsibilities of the charities sector in Ireland and as such has come under much scrutiny. In a survey by The Wheel, it reported that a key issue for its members was in relation to the adoption of the UK SORP for financial reporting for charities in Ireland and how ‘the level of fees that could potentially be applied by accounting professionals if instructed to prepare accounts to a new SORP-based standard.’

At a minimum, all registered charities will be required to provide annual reports to the Charities Regulatory Authority. In addition, some registered charities will be required to provide annual accounts.

The accounts to be filed are based on the gross income or total expenditure as shown in the table below.

Gross income or total expenditure	€10,000 or less	Between €10,000 and €100,000	Above €100,000
Type of accounts	Proper books of account	Proper books of account	Proper books of account
Requirement for annual statement of accounts	None	Annual statement of accounts Income and expenditure accounts and Statement of assets and liabilities	Annual statement of accounts

External scrutiny	None	Audited Examined	Audited
Reporting to Charities Regulatory Authority	No annual reporting	Accounts plus external report	Accounts plus auditor's report

In Section 52, the Charities Act states that ‘The charity trustees of a charitable organisation shall, not later than 10 months or such longer period as the Authority may specify, after the end of each financial year, prepare and submit to the Authority a report...in respect of its activities in that financial year...’

Not every charity will have to submit the same level of reporting detail but those charities that accept donations from the public will have their annual reports made visible to the public.

Unquestionably, the Charities Act has brought much needed guidance to the sector. For those charities that have always held themselves accountable to their patrons and the public at large, the act in itself is nothing new but it does bring a whole host of new and additional reporting responsibilities, particularly to those that handle cash. Check out our Handling Cash Guide, it takes a look at best practice cash handling procedures for small businesses. Alternatively, check out our Small Business guides section on the Big Red Cloud website.

References

The Charities Act 2009 can [be downloaded here](#).

The Charities Regulatory Authority website can [be accessed here](#).

The Wheel website can [be accessed here](#).

The Governance Code can [be accessed here](#).

Charities Act Ireland checklist

Have you downloaded a copy of the Charities Act?

Have you assessed what charity category you fall into?

Are you registered with the Charities Regulatory Authority?

Have you assessed your systems and processes to see if you are in line with new the regulations?

Is your Board of Management aware of its reporting duties under the Charities Act?

Have you a policy in place in instances where you handle cash be it in cash donations or via commercial activities?

Have you determined if you are required to provide annual accounts?

Have you discussed you financial reporting obligations with your accountant?



Online Accounting Software

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