

Charitable Status: Five Tips for an Effective Charity*

September 2010



1. Be Clear about the Charity's Purposes and Direction

An effective charity is clear about its aims and purposes, and uses them to direct all aspects of its work.

2. Establish a Strong Board

An effective charity is run by a clearly identifiable board or trustee body that has a good balance of skills, knowledge and experience; which acts in the best interests of the charity and its beneficiaries; understands its responsibilities and also the limitations of its powers; and has systems in place to exercise those powers/make decisions properly.

On-going training/up-dating of knowledge is also important.

3. Strive to Continually Learn and Improve

An effective charity is always looking to improve its performance and to learn new ways of delivering its purposes. It will assess its performance and the impact and outcomes of its work, which will then also feed into its forward planning processes and will influence its future direction.

4. Be Financially Sound and Prudent

An effective charity has the financial and other resources needed to deliver its purposes; and controls and uses them so as to achieve its full potential. Good financial controls and processes are therefore also important.

5. Commit to principles of Good Governance

An effective charity subscribes to principles of Good Governance, and puts into place Best Practice in so far as it is applicable. As a key part of this, an effective charity ensures that it remains accountable to the public and others with an interest in the charity in a way that is transparent and understandable.

*This publication is a guide of general nature. Any examples are provided by way of illustration only. This publication is not intended as legal advice and it should not be relied on in place of informed legal advice tailored to your specific circumstances.



(For more information please see the Charity Commission's publication, "*The Hallmarks of an Effective Charity*", (CC10))