

The Accountant's Angle

Grit is required on the road to the Big Society, says Richard Hill

In this new dawn of the 'Big Society' you'll want your accountant to have as much moral fibre as your own organisation and a higher level of accounting expertise, so you are well positioned to take advantage of this mood, and hopefully of greater giving.

I know the coalition government may not be to everybody's taste, but bringing together the right coalition of commercial and charitable imperatives, within the right financial framework is best accounting practice. It ensures cohesion and that the income you generate works harder for your charity and not the Government.

However at a time of austerity, with individuals and organisations further feeling the pinch, with recent increases in VAT and cut backs in grant funding, generating income and tangible support for your objectives is not easy.

In the Government's Green Paper on Giving, the notion put forward to encourage social action, is that the Big Society must be built from the bottom up, on the efforts of volunteers, rather than the Government compelling people to take part.

While we, and our peers, work hard to ensure such initiatives to encourage social action are as beneficial to all stakeholders as they can be, we feel government can play more of a part to help to propagate a culture of giving.

donation tax effective and awareness is increasing amongst potential donors. Whilst we're sure charities remain grateful for the 25% increase in the value of gift-aided donations that will accrue after 6 April 2011, we consider that a trick has been missed by not extending transitional relief of a further 3% beyond this date.

Live and Cicing?

Recent years have seen a new organisational vehicle appear on the NFP scene. A Community Interest Company allows for the key decision makers to be paid for their efforts, as opposed to leaving unpaid trustees carrying the responsibility. At present this type of entity is subject to corporation tax and doesn't benefit from Gift Aid top-ups. However a softening of stance in one of these areas, would help to promote more interest in this structure which in many other ways is ideally equipped to enable the Big Society dream to be realised.

Whether we tire of 'Big Society' or not, the concept of coalition, cohesion, community and co-operation is here to stay and so there are areas within the current accounting and tax regime for not-for-profit organisations that with a little more grit and determination could facilitate change to ensure your charity can get on the road for greater giving. Now that's a new year's resolution!

Gift Aid Waived?

Gift Aid is one of the easiest ways to make a

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