

**Charities  
Regulatory  
Authority**

**An tÚdarás  
Rialála  
Carthanas**

# Charities Regulatory Authority

## Charity Regulation in the Arts Sector

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Chief Executive

Presentation to Arts Council Compliance and Governance Conference

29 June 2015

# Charity Regulation in the Arts Sector

- Charities Act 2009 - What are the main changes?
  - Registration with the CRA
  - Compliance with requirements of 2009 Charities Act
  - Reporting to the CRA (and the public)

# Registration of Charities

## 1. Registration of charities that were tax exempt before 16 October 2014

- automatically registered with the CRA
- deemed to be charities within the meaning of the 2009 Charities Act
- subject to the provisions of the Act
- within the regulatory remit of the CRA
- register published at [www.charitiesregulatoryauthority.ie](http://www.charitiesregulatoryauthority.ie)

What do these charities need to do?

- Complete your entry on the Register of Charities
- Know your first annual filing date with the CRA

## 2. Registration of charities established before 16 October 2014 but without a tax exemption on that date

- Must apply to the CRA to register – deadline 16 April 2016
- Cannot continue to operate legally as a charity after that date if no application made

## 3. Registration of charities established after 16 October 2014

- Must apply to the CRA to register as soon as possible

Online registration process through CRA website

# Registration of Charities...contd.

In order to grant an application for registration, the CRA must be satisfied that the applicant organisation is a charity within the meaning of the 2009 Act:

Has the organisation been established for a charitable purpose only?

*“the advancement of the arts, culture, heritage or sciences”*

Does its constitution require it to apply all of its property to the advancement of that purpose?

- Except for money spent on the operation or maintenance of the organisation
- Charity property is not payable to trustees in respect of their trusteeship

Is the organisation providing (or going to provide) public benefit?

- Are the activities of the charity intended to benefit the public or a section of the public?
- Where private benefit also occurs, is it reasonable in all of the circumstances; is it ancillary to the furtherance of the public benefit; and is it necessary to the furtherance of the public benefit?
- Are there any limitations imposed on the class of persons who may benefit from the activities of the charity and if so, are these limitations justified and reasonable, having regard to the charitable purpose of the charity?
- Is there a charge payable for any service provided by the charity as part of its activities in furtherance of its purpose, and if so, is the amount of the charge likely to limit the number of persons or classes of persons who will benefit?

Is it an excluded body?



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# Reporting by charities to the CRA

## Annual filing with CRA – 10 months after financial year end

- Know your charity's filing date
- CRA will notify charities in advance *where we have received contact details on online system*

## Online reporting system in development

- Simple online reporting template – will include some narrative on activities in furtherance of charitable purpose
- Upload accounts (where applicable)

## More detailed standards will be set in regulations

- Regulations in development for consultation later this year
- Pending the coming into force of regulations, to comply with this requirement, it is sufficient for an unincorporated charity to provide the CRA with the charity's annual financial statement in whatever form the charity currently prepares it
- Existing condition of charitable tax exemption from Revenue is that any charity with an income greater than €100,000 will have audited accounts
- For charities preparing accounts on an accruals basis, the charity SORP is best practice

# Charities that are companies

- Must file annually with CRA – via online reporting template
- Are not required to append their accounts (CRA will receive these from CRO)
- Under the new Companies Act, charities that are companies can apply to the CRA for an exemption from filing accounts with the CRO
- This facility will not be up and running before 1 October 2015
- Conditions for granting exemption orders are being developed
- To avail of an exemption from filing with the CRO, a charity will need to agree to file with the CRA and in accordance with CRA accounting and reporting standards when in force
- Changes in audit exemption rules will not impact on tax exempt registered charities with annual incomes over €100,000 as their tax exemption is conditional on having their accounts audited each year.
- For the CRA accounting standard, the audit threshold cannot be set above €500,000.



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# Compliance with 2009 Charities Act

- Requirement to register
  - Duty to inform CRA of changes to registration information
- Annual filing requirements
- Other requirements include:
  - Duty to keep proper books of account
  - Need to ensure that no trustees of the charity are disqualified under s.55
  - New disclosure obligations (and protections)

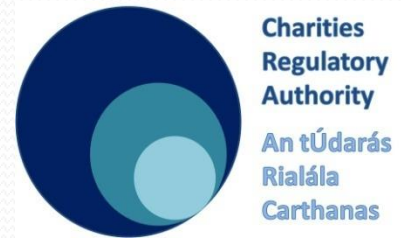


# What do charities need to do now?

- If your charity is already registered...
  - Complete your entry on the Register of Charities via your online charity account with the CRA
  - Know your annual return date (financial year end + 10 months)
  - Make sure you have supplied an email contact so CRA can notify you of your charity's reporting requirements
  - If your charity is a company, consider whether to apply for an exemption from CRO filing (after 1 October)
- If your charity is not yet registered...
  - Apply for registration via CRA website
  - Charities established before 16 October 2014 must apply by 16 April 2016

## Contacting the CRA

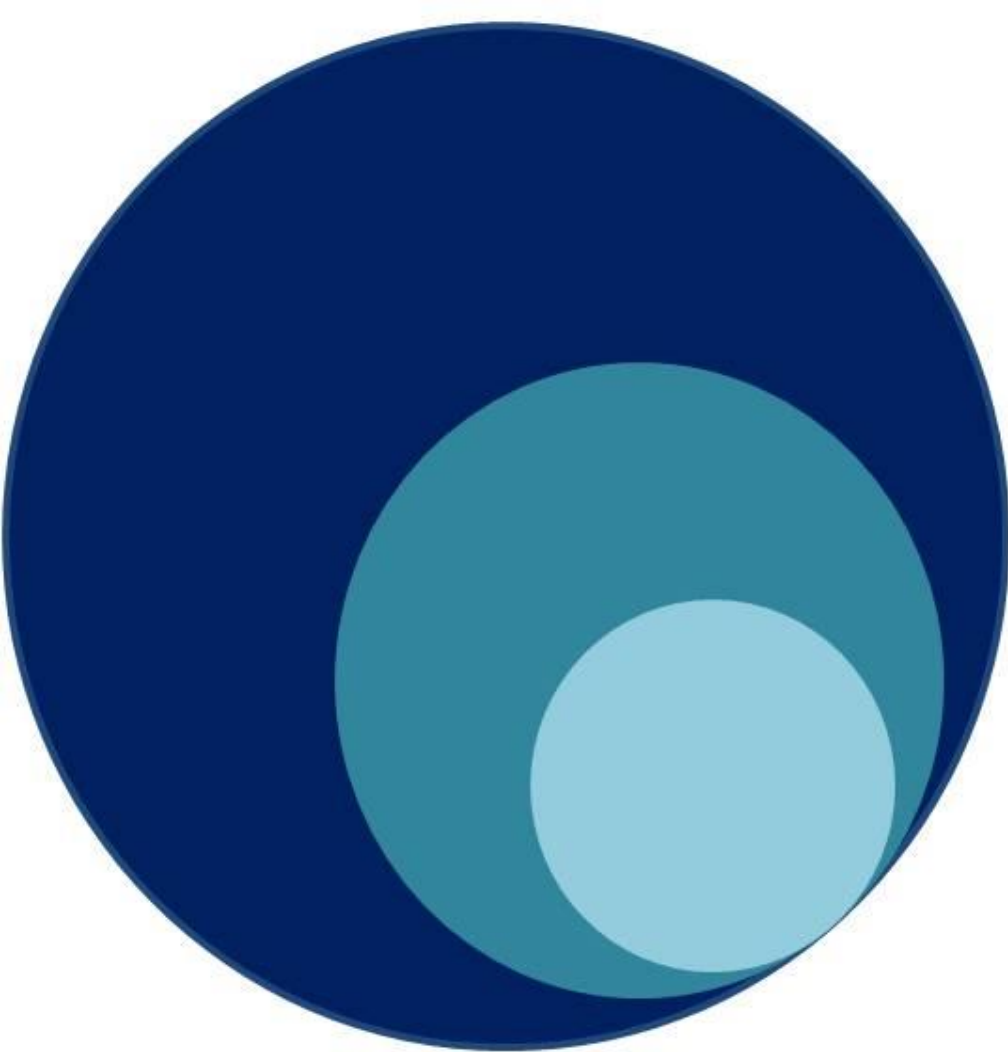
- Online query system at [www.charitiesregulatoryauthority.ie](http://www.charitiesregulatoryauthority.ie)
- Email [info@charitiesregulatoryauthority.ie](mailto:info@charitiesregulatoryauthority.ie)
- Phone 01-633-1500
- Address: St. Martin's House, Waterloo Road, Dublin 4



**Thank You**

**Questions?**

**[www.charitiesregulatoryauthority.ie](http://www.charitiesregulatoryauthority.ie)**



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