

Dear SORP

I am writing this submission to the SORP consultation as the director of CharityComms and a trustee of a small grant-making trust called Calypso Browning Trust.

Q6 and Q7. I think we do need an additional level of reporting for the largest charities. I would start this tier at £10 million. I would suggest that this could include the 'key facts' section referred to in the Trustees report section, perhaps as a pilot before rolling out to smaller charities. I also think the clearer definition of reserves could apply to larger charities.

Q8. I agree with all four points included here.

Q9. In theory it would be good to have clearer definitions of 'support' and 'fundraising' costs as donors are very keen on knowing how their money is spent. The devil is in the detail here. I write this when the new Fundraising Regulator has just admitted defeat in being able to define a fundraising communication. I don't see how we can expect individual charities to try and decide which of their costs are support and which fundraising if the Regulator can't. In practice this suggestion would cause severe administrative/financial difficulties.

Q10 and Q11. Of the six themes our response are as follows:

- **Making a difference for the public benefit.** While I agree that it's important for charities to be able to articulate and explain who their beneficiaries are, I have some concerns that this could end up being rather woolly and inconsistently interpreted.
- **Going concern.** I think its completely impractical to imagine that any charity will ever admit they aren't a going concern. They know it would be the kiss of death.
- **Enhanced analysis of expenditure.** We know the public want more information about how money is spent. I would like to see the definitions of administration and fundraising before I could agree with any proposal to try and define them in accounts. I would also caution against the implication that spending on admin and fundraising is somehow not contributing to the fulfilment of the charity's objectives. You state that the IPSOS-MORI research 'indicated that the public may see these costs as a proxy measure of a charity's impact': this is not something that should be reinforced. As we all know, a charity with too low a level of admin/fundraising spend can be equally as inefficient (or more so) than one with high levels.

In terms of exec pay, research suggests that most members of the public see a CEO as administration. More detail on executive pay could be good but already charities provide more information on salary than any other type of organisation.

- **Who funds a charity.** Donors: in practical terms its very easy to make an anonymous donation that a charity won't know about even if they wanted to. So I don't see how this could be done.
- **Who is the charity acting for?** Where there is a contract this would be useful but the detail needed to disclose all contracts could be huge.
- **Disclosure of key facts.** This has my full support and is the one that could be most easily added to SORP with the least additional work for charities. As Calypso Browning Trust is a grant-maker with no paid staff we want to know the information about a charity easily and quickly and key facts would help that. At CharityComms we are continually trying to encourage charities to communicate their key information better. However, the key facts section would need a consultation to establish which 'key facts' are the most appropriate (and agree common definitions, particularly with regards to my concerns above re enhanced analysis of expenditure above). But the idea is a viable way of improving the accessibility of charity information to a wider audience.

Yours sincerely

Vicky Browning

Vicky Browning, director
T 020 7426 8877
M 07979 464108
www.charitycomms.org.uk

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Registered Office: 2-6 Tenter Ground, Spitalfields, London, E1 7NH.

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