

# Supporting Small Charities in Preparing their Accounts

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## Your experience of advising small charities on their accounts

**Power to Change, the Charities Aid Foundation and the Lloyds Bank Foundation have commissioned research to understand how small charities experience accounting regulation and guidance. We want to understand your experience of advising small charities on their accounts and/or preparing and independently examining their annual accounts. We also want to understand how the rules and guidance might be improved to better serve small charities.**

We are asking you to complete this short survey, which should take no more than 15 minutes. In doing so, please think about your work specifically with small charities i.e. of income less than £500,000 per annum.

**The findings from this research will be used to inform the development of the next version of the accounting standards and practices for charities in the UK and the Republic of Ireland (i.e. the Charities SORP). You can learn more about this process [here](#).**

We do not collect any personal data. Your responses are completely confidential, and you will not be identified in either the analysis or reporting of the survey results. Where questions allow you to give a narrative answer, we may use the wording from some answers in the final report, but without any identifying information.

By continuing, you agree to take part in this study. You are free to withdraw at any time during the study without giving a reason.

If you have any questions, or would like more information about the commissioning of this research project, you can contact [Power to Change](#) at [institute@powertochange.org.uk](mailto:institute@powertochange.org.uk)

# Your Organisation

In this first section we are asking for a little bit of information about you and your role.

1. Please indicate which of the following most closely reflects your role.

- ☐ Accountant in a firm where your own work is at least 50% with charities
- ☐ Accountant in a firm where your own work is less than 50% with charities
- ☐ Sole practitioner accountant where your work is at least 50% with charities
- ☐ Sole practitioner accountant where your work is less than 50% with charities
- ☐ Accountant working internally in a charity
- ☐ Accountant working for a non-charitable organisation
- ☐ Accountant working for a community accountancy service
- ☐ Retired accountant
- ☐ Finance worker/bookkeeper
- ☐ Other finance professional
- ☐ Charity adviser/independent examiner (but not a professional accountant)
- ☐ Voluntary independent examiner
- ☐ Charity trustee/treasurer
- ☐ Other

1.a. If you selected Other, please specify:

2. Do you hold an accounting qualification?

- ☐ Yes
- ☐ No

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2.a. If yes, please could you briefly describe your accounting qualification(s)?

# Preparing charity accounts

In this section we are going to ask about your experience of helping to prepare charity accounts.

3. On what bases have you advised charities in preparing their accounts? (tick all that apply) *Optional*

- ☐ Accruals basis – following the Charities Statement of Recommended Practice (SORP) in full
- ☐ Accruals basis – following the Charities SORP but using simplifications permitted for smaller charities
- ☐ Receipts & Payments basis (R&P)
- ☐ Other

3.a. If you selected Other, please specify:

4. Thinking about your recent work with small charities, what would your typical responsibility be for helping to prepare their annual accounts? (If your role varies greatly between charities, please think about the most recent small charity you worked with.)

- ☐ I prepare everything for the charity
- ☐ I do most of the preparation with some input from the charity
- ☐ It's shared about equally between me and the charity
- ☐ The charity does most of the preparation with some input from me
- ☐ The charity does all the preparation work and I am involved only in the statutory review

5. Have you assisted any small charities (ie those with incomes below £250k) to prepare SORP accounts? \* *Required*

☐ Yes

☐ No

## Reasons for preparing SORP accounts

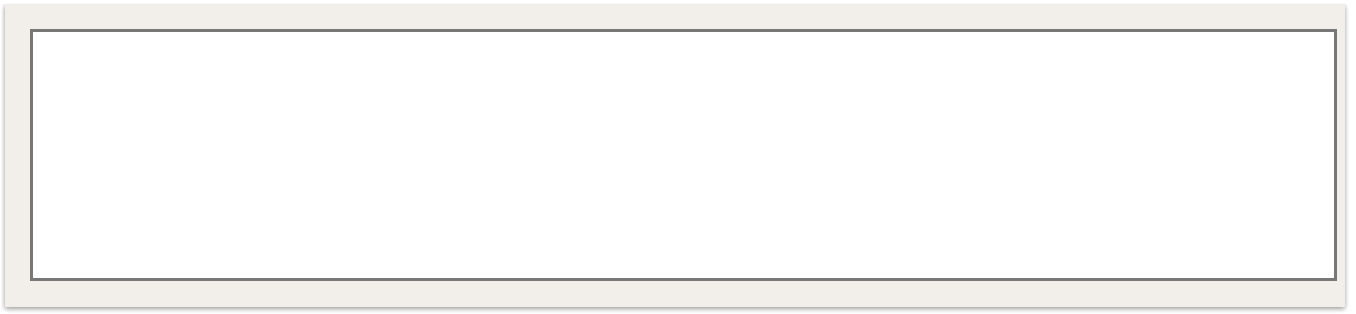
6. On whose advice did the small charities decide to use SORP? *(Tick all that apply)*

- ☐ It was a legal requirement
- ☐ To satisfy funders
- ☐ Their own desire
- ☐ On my advice
- ☐ Advice of other external advisor
- ☐ Concerns that R&P would not give a proper picture
- ☐ Other

6.a. If you selected Other, please specify:

7. What are the main reasons that those small charities chose to use SORP in preparing their accounts?

8. If you have advised any small charities who were considering using SORP, but decided to use R&P, what were the issues that led to their decision NOT to use SORP?



# Charities' familiarity with accounting concepts

In this section we ask about your experience of charities' knowledge of key accounting concepts.

9. Thinking of the typical small charity that you advise, how familiar would you say your main contact is with these accounting concepts, as related to charities?

Please don't select more than 1 answer(s) per row.

	Not at all familiar	Somewhat familiar	Quite familiar	Very familiar	Expert
Accounting for restricted and unrestricted funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recognition of grants or other income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fair value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Presentation of the SoFA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# Guidance on the preparation of annual accounts

In this section we will ask about your experience of using the available guidance on preparing annual accounts, and how this might be improved.

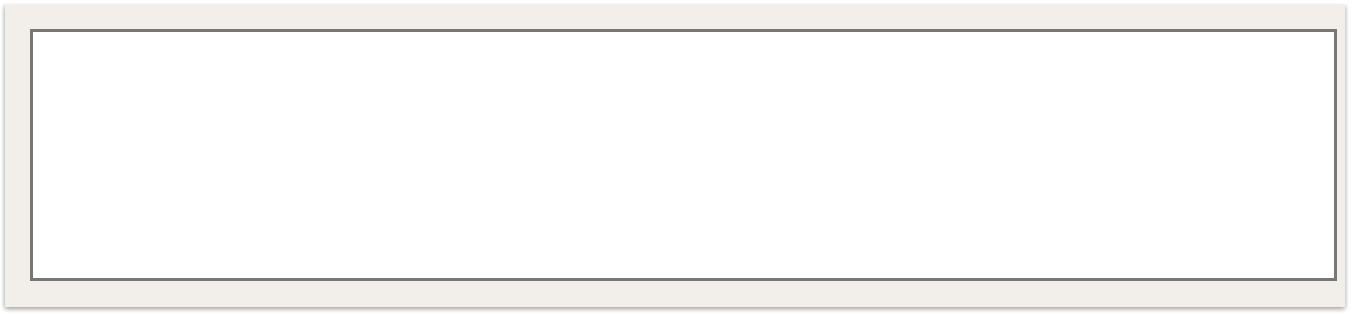
**10.** In your experience, how important are the charity annual accounts for providing accountability and transparency to small charities' external stakeholders?

- ☐ Not at all important
- ☐ Somewhat important
- ☐ Quite important
- ☐ Very important
- ☐ Extremely important

**11.** How familiar are the small charities with which you work with the SORP and other published guidance on preparing charity accounts?

- ☐ Not at all familiar
- ☐ Somewhat familiar
- ☐ Quite familiar
- ☐ Very familiar
- ☐ Expert

**12.** How might the guidance be improved to make it more accessible or helpful in preparing annual accounts for small charities?



# Trustees' Annual Report

In this section we will ask you about your experience of preparing the Trustees' Annual Report (TAR). Please note that this section is about the formal Trustees' Annual Report attached to charity accounts (rather than separate non-statutory reports that some charities produce).

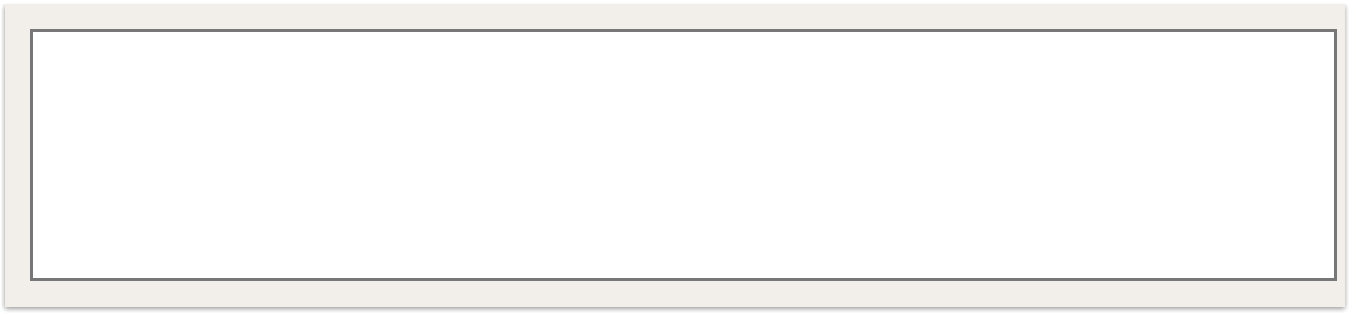
**13.** How important is the Trustees' Annual Report for providing accountability and transparency to external stakeholders?

- ☐ Not at all important
- ☐ Somewhat important
- ☐ Quite important
- ☐ Very important
- ☐ Extremely important

**14.** How familiar are the small charities with which you work with the requirements for preparing a Trustees' Annual Report?

- ☐ Not at all familiar
- ☐ Somewhat familiar
- ☐ Quite familiar
- ☐ Very familiar
- ☐ Expert

**15.** Is there anything about the requirements for the TAR which are particularly difficult for the small charities you work with, or additional information you think should be included in the TAR?



# Supporting Small Charities

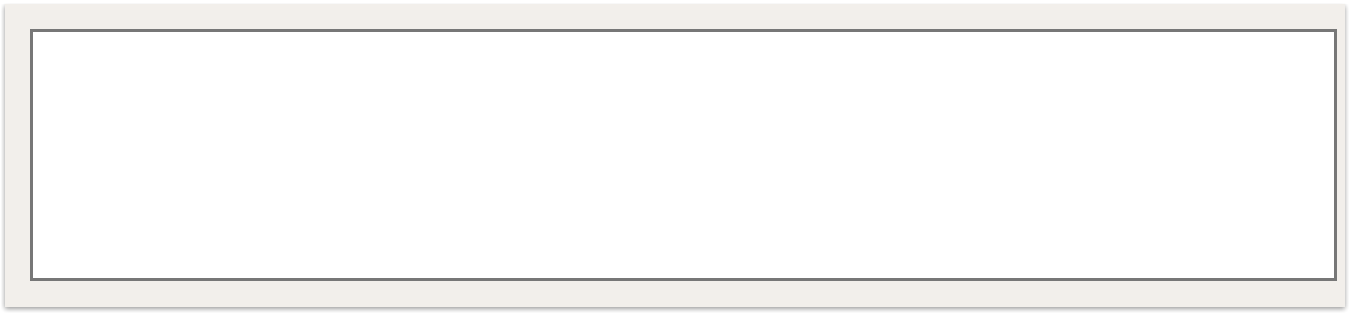
In this section we want to understand how the charity accounting and reporting requirements might be improved to support small charities.

16. In your experience, what are the biggest challenges or barriers for small charities in engaging with current charity accounting and reporting requirements at year end?

17. Do you encourage small charities following the SORP to make use of any of the following simplifications that the SORP allows? (*tick all that apply*)

- ☐ Use of natural headings (rather than functional breakdown) for expenditure on the SoFA
- ☐ Omission of a cash flow statement
- ☐ Omission of elements in the Trustees Annual Report that are not mandatory for smaller charities

18. What changes would you like to see to the charity accounting and reporting requirements that would make them more effective or more appropriate for small charities?



# Thank you for completing our survey

Thank you very much for completing our survey. Your input is critical to helping us understand how small charities engage with accounting regulations, and will help to shape improvements in regulations and guidance in the future.

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