

Supporting Small Charities in Preparing their Accounts

Understanding small charities' experience of accounting regulation and guidance

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 charity's experience of preparing annual accounts, and how the rules and guidance might be improved to better serve small charities (up to £500,000 income).

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 are asking you to complete this short survey, which should take no more than 20 minutes. This survey should be completed by the individual (staff or volunteer) from within your charity who is most involved in gathering the information that goes into your year-end accounts (even if the detailed work is done by an external accountant).

We are offering 30 donations of £100 to charities completing the survey, drawn at random, to say thank you for the time spent.

We will ask for your charity number, and also for contact details if you would like to participate further in the project. This will be processed in accordance with the General Data Protection Regulation (GDPR). Under GDPR the legal basis for processing your personal data will be legitimate interest. Your responses are completely confidential, and no charities will 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. Any personal details you provide will be used only to contact you in connection with the research, and will be destroyed following the

project completion.

The survey is being conducted by Braw Data Ltd, on behalf of Power to Change, the Charities Aid Foundation and the Lloyds Bank Foundation. If you have any questions, or would like more information about the commissioning of this research project, you can contact [Power to Change](mailto:institute@powertochange.org.uk) at institute@powertochange.org.uk

Thank you for helping with our research.

Your Organisation

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

1. Please tell us about your role in the charity.

- ☐ Staff member
- ☐ Trustee
- ☐ Other volunteer
- ☐ Other

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

2. Which of the following categories best describes your charity?

- ☐ Grant-making charity
- ☐ Religious organisation
- ☐ Village hall or community centre
- ☐ Service-providing charity with paid staff
- ☐ Service-providing charity run entirely by volunteers
- ☐ Campaigning charity
- ☐ Umbrella body for other organisations
- ☐ Fundraising group supporting another charity
- ☐ Dormant charity
- ☐ Other

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

Preparing your charity's accounts

In this section we are going to ask about how your charity prepares its accounts.

3. On what basis did your charity prepare its accounts for the last year? * *Required*

- ☐ Accruals basis – following the Charities Statement of Recommended Practice (SORP)
- ☐ Receipts & Payments basis (R&P)
- ☐ No accounts prepared last year
- ☐ Not sure
- ☐ Other

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

4. Who do you see as the primary users who will read your charity's report and accounts? (Select all that apply):

- ☐ Your own trustees
- ☐ Staff of your charity
- ☐ Service users/beneficiaries
- ☐ Donors/individual supporters
- ☐ Funders
- ☐ Charity Commission or OSCR
- ☐ Tax authorities
- ☐ Journalists/media
- ☐ Other charities

- ☐ Wider public
- ☐ Other

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

5. How familiar would you say you are with current charity accounting requirements?

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

6. How familiar would you say you are with the following accounting terms and concepts?

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"/>

7. What are the biggest challenges or barriers for your charity in engaging with current charity accounting requirements in relation to the final accounts?

Reasons for preparing SORP accounts

8. What would you say are the main reasons why your charity decided to prepare its accounts using SORP (rather than on the receipts and payments basis)?

Considering preparing SORP accounts

9. Did your charity consider preparing your charity's accounts on the accruals basis, in the SORP format (rather than on the receipts and payment basis)?

☐ Yes

☐ No

10. If you have considered SORP, what were your reasons for deciding against using it?

External Advisors

In this section we will ask you about your use of external accountants or independent examiners for the preparation of your charity's accounts.

11. Which of the following advisors do you routinely consult in the preparation of your charity's accounts?

- ☐ External Accountant
- ☐ Internal Accountant
- ☐ Independent Examiner
- ☐ Lawyer
- ☐ Other

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

12. Who would you say does most of the work in preparing the final layout of your annual accounts?

- ☐ Our external accountant or examiner prepares everything
- ☐ Our external accountant or examiner does most of the preparation with some input from myself or others in the charity
- ☐ It's shared about equally between the charity and our external accountant or examiner
- ☐ We do most of the preparation with some input from our external accountant or examiner
- ☐ We do all the preparation work and just use an independent examiner or auditor for the statutory review

13. If you consult an external accountant or independent examiner, how satisfied are you with the support they provide for preparing your charity's accounts?

- ☐ Not at all satisfied
- ☐ Somewhat satisfied
- ☐ Quite satisfied
- ☐ Very satisfied
- ☐ Totally satisfied

14. How might the support you receive from an external accountant or independent examiner be improved?

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.

15. What guidance, if any, do you use to support the preparation of your charity's annual accounts?

16. How helpful is the guidance for preparing annual accounts and the SoFA?

- ☐ Not at all helpful
- ☐ Somewhat helpful
- ☐ Quite helpful
- ☐ Very helpful

17. How might the guidance be improved to make it more accessible or helpful in preparing annual accounts for your charity?

18. If you currently use, or have considered using, the SORP, are there any aspects of the SORP requirements that you find particularly difficult to deal with?



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 your accounts (rather than separate non-statutory reports that some charities produce).

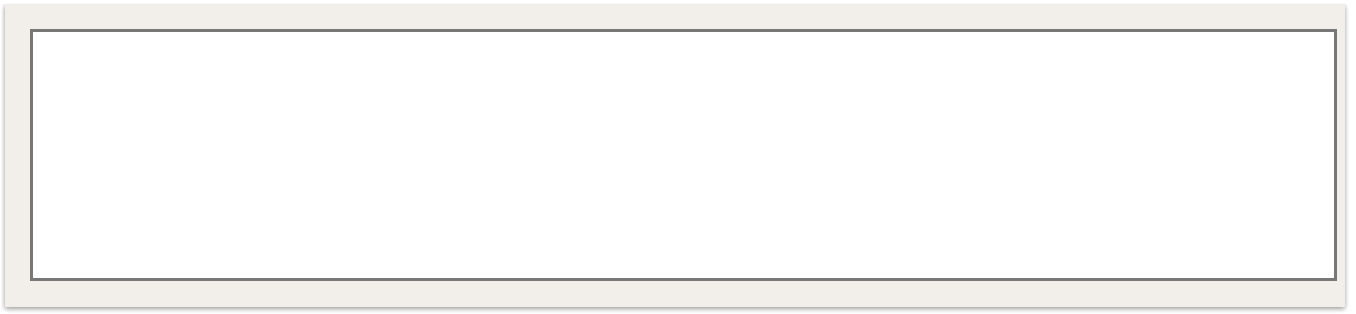
19. How important is the Trustees' Annual Report for providing accountability and transparency to your charity's external stakeholders?

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

20. How accessible are the requirements for the TAR to your charity?

- ☐ Not at all accessible
- ☐ Somewhat accessible
- ☐ Quite accessible
- ☐ Very accessible
- ☐ Totally accessible

21. Is there anything about the requirements for the TAR which are particularly difficult for your charity, or additional information you would like to include 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.

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

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

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Thank you for helping with this research

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.

24. Please tell us your charity number. We will use this in analysing the survey results to be able to break them down by charity size, field of work etc. Your charity will not be identified in the analysis or reporting.

25. Do you hold an accounting qualification?

- ☐ Yes
- ☐ No

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

26. As part of this project we will also be running small online focus group sessions with small charities to understand their experience of engaging with charity accounting and reporting requirements. Would you be happy for us to contact you about participating in a focus group?

- ☐ Yes
- ☐ No

26.a. Please enter your name.

26.b. Please enter your email address.

We would like to say thank you to the charities taking part in this research by making a donation of £100 to 30 charities drawn randomly from those who complete the survey. If you would like your charity to be entered into this draw, please provide the email address of a charity contact who we would be able to contact about receiving a charity donation.

27. Would you like your charity to be entered into the draw for one of the £100 donations?

- ☐ Yes
- ☐ No

27.a. Email contact

Thank you for completing our survey

Thank you again for your help with our research. Your participation will help us understand how small charities experience accounting regulation and guidance, and how the rules and guidance might be improved to better serve small charities.
