



## ACCOUNTING SERVICES FOR THE VOLUNTARY SECTOR

### FACTSHEET NUMBER 1 - START-UP CHECKLIST

This document is intended as an aide memoire, setting out some of the areas which should be considered during the process of setting up a charitable company.

#### **1 Objects**

- 1.1 Objects to reflect activities
- 1.2 Objects to be for Charitable purposes
- 1.3 Mission - Vision – Values statement to support objects

#### **2 Company limited by guarantee formation**

- 2.1 Subscribers
- 2.2 Memorandum and articles
- 2.3 Membership
- 2.4 AGMs
- 2.5 Trustee appointment method
- 2.6 Trustees to certify their willingness and eligibility to act

#### **3 Charity registration**

- 3.1 £5,000 annual income
- 3.2 Principle 1: There must be an identifiable benefit or benefits
  - Principle 1a: It must be clear what the benefits are
  - Principle 1b: The benefits must be related to the aims
  - Principle 1c: Benefits must be balanced against any detriment or harm
- 3.1 Principle 2: Benefit must be to the public, or section of the public
  - Principle 2a: The beneficiaries must be appropriate to the aims
  - Principle 2b: Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions; or by ability to pay any fees charged
  - Principle 2c: People in poverty must not be excluded from the opportunity to benefit
  - Principle 2d: Any private benefits must be incidental

#### **4 Finance and Accounting**

- 4.1 Business plan
- 4.2 Budget
- 4.3 Recording of bank account movements

- 4.4 Petty cash
- 4.5 Authorisation for expenditure
- 4.6 Recording of grants receivable
- 4.7 Controls over incoming cash

## **5 Banking**

- 5.1 Bank account
- 5.2 Interest on surplus funds
- 5.3 Cheque signatories
- 5.4 Internet banking
- 5.5 Minimise bank charges

## **6 Tax**

- 6.1 Corporation tax registration
- 6.2 VAT
- 6.3 Gift aid

## **7 Website**

- 7.1 Domain
- 7.2 Hosting
- 7.3 Change procedure

## **8 HR**

- 8.1 Contracts with employees
- 8.2 Staff handbook
- 8.3 Job descriptions
- 8.4 Payroll arrangements
- 8.5 Register for PAYE
- 8.6 Pensions

## **9 Insurance**

- 9.1 Employer's liability
- 9.2 Public liability
- 9.3 Trustee indemnity insurance
- 9.4 Property insurance

## **10 Company secretarial and Governance**

- 10.1 See separate checklist

### **Disclaimer**

This checklist is for general information only and is not intended to be advice to any specific charity. Professional advice should be taken in respect of individual circumstances. The checklist represents my understanding of charity and company law practice as at December 2010, which is subject to change.