



Trustee Academy #8: building resilience

Description

Trustees Learning and Development Programme

Always striving to find a better way through lifelong learning



Introduction

Each bulletin brings a new learning experience for each trustee. Previous experience in other roles informs some – but not all – of our learning opportunities. There's always something new to learn. My oft repeated illustration is of the eminent professor who, standing in a large library, said, 'There is so much I will never know.'

From school days to retirement years, we find ourselves in a number of apprenticeship roles – being placed in a new situation where we bring our life experience which is re-interpreted in an unfamiliar context. Thus it is with every new recruit to the MMHS board.

Learning and innovation go hand in hand. The truth is, before anyone can innovate anything, learning must take place. Learning is how we convert ideas into action. It's the only process where we improve and advance. Innovation is trying to figure out a way to do something better than it's ever been done before. But learning comes first, says *The Elegant Solution* by Matthew May.

Among this bulletin's material, I'm drawn to these words on building resilience to stress – 'Accepting that you genuinely can't control or influence something is not a sign that you're ineffective, passive, or apathetic. It's a sign of confidence, maturity, and intelligence! It shows that you have a proactive way of coping'.

Alan

Legal and governance

The role of the company secretary

It's easy for any board to not notice – or, even if they have noticed, underestimate – the importance of the company secretary's role in holding everything together. Much has been written about this. But of course, context is everything. Are we talking about a FTSE 100 company or a charity?

It's common in medium and large charities for the company secretary position to be incorporated into the role of a senior management team member – most usually the CEO. The role carries many onerous responsibilities.

The [CGI Guidance Note on the charity secretary](#) is an excellent document. As you work your way through it, you might find it useful to focus on how much MMHS relies on the function.



Guidance note

Specimen role description for the charity secretary of the board of trustees

April 2021

Finance

How the tax system works for charities

Charities enjoy a range of tax reliefs and exemptions in recognition of their benefit to society. They have done so since the early days of tax legislation. A charity doesn't need to be registered with the Charity Commission to qualify. However, before it can take advantage of tax reliefs and exemptions and make tax repayment claims, the organisation needs to be formally recognised by HMRC as charitable.



Board L&D

Charity Tax Exemptions and Reliefs

If your organisation is recognised as a charity it may qualify for a number of tax exemptions and reliefs on income and gains, and on profits for some activities. This doesn't mean that charities never pay tax. If your charity receives taxable (non-exempt) income or gains you need to let HMRC know and complete a tax return - either Self-Assessment or Company Tax Return depending on whether you're set up as a charitable trust or company.

If your charity has business activities the VAT rules will apply to you just as they do for any other business. You may, however, qualify for certain VAT reliefs and exemptions.

Please see below for a brief outline of each type of tax and the potential reliefs available:

Income Tax and Corporation Tax exemptions and reliefs for Charities

Most of the income and gains received by charities are exempt from Income Tax and Corporation Tax provided that the money is used for charitable purposes only. The main types of exemption and relief are summarised below with links to more detail.

Tax relief on donations received through the Gift Aid scheme

Your charity can claim exemption from tax, and claim basic rate tax back from HMRC on income received from individuals through Gift Aid donations, as long as the income is used for charitable purposes only.

Your charity can claim exemption from tax on donations received from companies, as long as the income is used for charitable purposes only. Donations from companies don't have tax deducted from them so there is nothing to claim back from HMRC. Find out more about how Gift Aid works and how to claim tax back

Tax relief on investment income

Your charity is exempt from UK tax on most types of investment income, including income from investments made overseas, as long as the income is used for charitable purposes only.

Tax relief on regular sources of income

You can arrange to receive bank or building society interest without tax deducted ('gross').

If you've already received interest with tax deducted in the current tax year you should let your bank or building society know. As long as no Income Tax deduction certificates have been issued they will correct their mistake by re-crediting your account with any tax deducted in error. If you've received interest with Income Tax deducted for an earlier tax year, when you were a charity for tax purposes, you can reclaim the tax back by making a tax repayment claim to HMRC.

Many leaders in the charity sector believe the rules and regulations for the tax reliefs on offer aren't fit for purpose – including the tax reliefs themselves. We need a system fit for the digital age.

By way of example, VAT for charities needs a systemic review. To better understand the tax seascape that MMHS has to navigate, you should find the advice note on [Charity Tax Exemptions And Reliefs](#) helpful.

Personal development

As trustees, we come from a variety of backgrounds – some employed, some retired. Common to each of us is our susceptibility to stress from time to time. The [Stress Busters skillbook](#) takes a multi-pronged approach to build resilience to stress over the short and longer term. Three strategies are suggested:

- *Action-oriented*: you take action that, in time, will help you take more control over your life. Essentially, you do whatever you sensibly can to control and eliminate the sources of stress.
- *Emotionally oriented*: these strategies help you to intercept destructive negative thinking, and they allow you to think more positively about your situation.
- *Acceptance-oriented*: these strategies temporarily relieve stress symptoms when you can't regain control.

Skillbook Stress Busters



Category

1. Bulletins

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