

STARTER KIT FOR REGISTERED CHARITIES



PUBLISHED BY:
OFFICE OF THE COMMISSIONER OF CHARITIES

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Welcome

Welcome to the charity sector in Singapore!

You are now a registered charity. To aid you in being a well-governed charity, we have developed a starter kit which serves as a quick reference guide on some of the key areas to note. Please read this kit in conjunction with the information published on the Charity Portal, which includes, amongst others, the Charities Act and Code of Governance for Charities and IPCs.

*“Not only must we be good but
we must also be good for something.”*

Henry David Thoreau

Office of the Commissioner of Charities
[“the COC’s Office”]

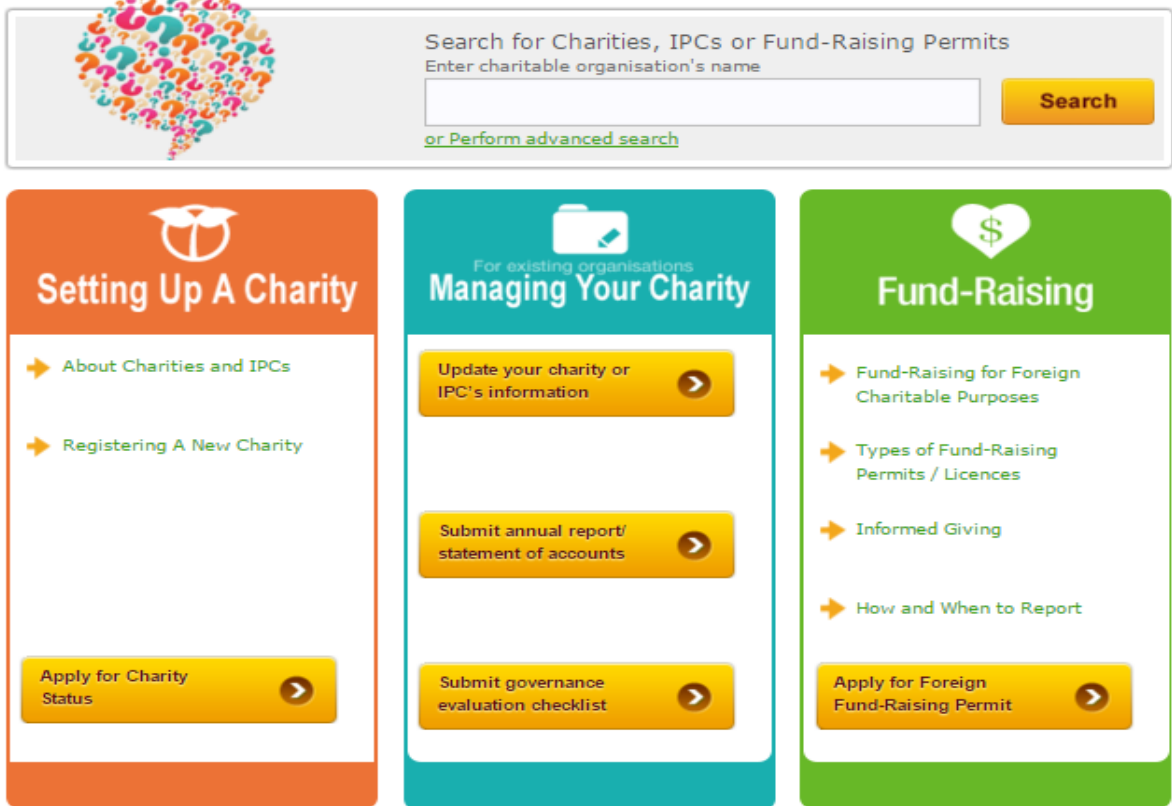


CHARITY PORTAL

The Charity Portal (www.charities.gov.sg) is a one-stop portal for your charity/IPC to submit annual regulatory submissions and updates conveniently to the COC's Office.

In addition, you can utilise the Charity Portal to search for information ranging from your legislative obligations to grants which you can tap on to build up your governance capabilities.

The Charity Portal also serves as a platform for members of the public to understand your charity better. Since December 2015, all charities' Annual Reports, Financial Statements and Governance Evaluation Checklists (GEC)¹ are published on the Charity Portal for public viewing.



The screenshot shows the Charity Portal interface. At the top left is a colorful logo of a brain made of dots. To its right is a search bar with the text "Search for Charities, IPCs or Fund-Raising Permits" and "Enter charitable organisation's name". Below the search bar is a text input field and a yellow "Search" button. A link "or Perform advanced search" is located below the input field. Below the search bar are three main service categories, each with a header, icon, and a list of actions:

- Setting Up A Charity** (orange header, leaf icon):
 - About Charities and IPCs
 - Registering A New Charity
 - Apply for Charity Status
- Managing Your Charity** (teal header, folder icon, "For existing organisations"):
 - Update your charity or IPC's information
 - Submit annual report/ statement of accounts
 - Submit governance evaluation checklist
- Fund-Raising** (green header, heart with dollar sign icon):
 - Fund-Raising for Foreign Charitable Purposes
 - Types of Fund-Raising Permits / Licences
 - Informed Giving
 - How and When to Report
 - Apply for Foreign Fund-Raising Permit

¹ To whom the Code applies.

TIMELINES TO NOTE



For charities and IPCs:

Timeline:	You need to:
Within 6 months from financial year end	Submit your annual submission via the Charity Portal. The required documents include: <ul style="list-style-type: none"> - Annual Report - Statement of Accounts/Financial Statements - GEC
For more information: Charity Portal → 'Managing Your Charity' → 'Annual Submissions'	

Additional Requirement for IPCs only:

Timeline:	You need to:
By 31 January of each year	i. Submit your annual return of Tax Deductible Donations (TDD) to the COC's Office or respective Sector Administrators (SAs), via email or fax; and ii. Details of every TDD received, to be submitted to the Inland Revenue Authority of Singapore (IRAS).
For more information: Charity Portal → 'Managing Your Charity' → 'Fund-Raising And Related Matters' → 'Donations and Tax Deductions'	

*Charities and IPCs are also to abide by other requirements or submissions as required by the respective SAs/regulators.

*To download a copy of the user guide, please visit Charity Portal, under 'Home' → 'Get information & advice' → 'User Guide' → 'Charity Portal User Guide (For Charities, IPCs & Fundraisers)'

TIMELINES TO NOTE



Please notify the COC's Office or your respective SAs when your charity/IPC makes the following changes:

Changes:	Timeline:	For more information:
Change in governing board member(s)	Within 2 weeks	- Charity Portal → 'Managing Your Charity' → 'Day-to-Day Operations of Your Charity' → 'Updating Your Charity or IPC Profile'
Change in the governing instrument	Within 7 days	- Charity Portal → 'Managing Your Charity' → 'Day-to-Day Operations of Your Charity' → 'Amending Your Governing Instrument'
Dissolution or cessation of charity operations	Within 7 days	- Charity Portal → 'Managing Your Charity' → 'Day-to-Day Operations of Your Charity' → 'Deregistering Your Charity or IPC'

*Charities and IPCs are also to abide by other requirements or submissions as required by the respective SAs/regulators.

*To download a copy of the user guide for Charity Portal, please visit Charity Portal, under 'Home' → 'Get information & advice' → 'User Guide' → 'Charity Portal User Guide (For Charities, IPCs & Fundraisers)'

CHARITIES ACT AND REGULATIONS

Your charity/IPC is to abide by the Charities Act and its Regulations, which outline the requirements and rules regarding:

- Registration
- Deregistration
- Submission of accounts, reports and other returns
- Fund-raising
- IPC status and related matters



Listed below are some key legislations governing charities and IPCs.

- [Charities Act](#)
- [Charities \(Fund-Raising Appeals for Local and Foreign Charitable Purposes\) Regulations 2012](#)
- [Charities \(Institutions of A Public Character\) Regulations](#)
- [Charities \(Accounts and Annual Report\) Regulations](#)
- [Charities \(Registration of Charities\) Regulations](#)

Charities and IPCs are also required to comply with other legislations which govern the organization's activities such as the Companies Act and Societies Act, where applicable.

To download a copy of the Act and regulations, please visit Charity Portal, under 'Setting Up A Charity' → 'Registering A New Charity or IPC Status' → 'Legislation Governing Charities and IPC'

INSTITUTIONS OF A PUBLIC CHARACTER (IPCS)



What are IPCs?

IPCs are exempt or registered charities which are able to issue tax deductible receipts to donors.

Therefore, IPCs are held to a higher standard, both in terms of regulatory compliance as well as governance.

How to qualify for IPC status?

1. Activities of your charity must be:
 - i. Beneficial to the community in Singapore as a whole and not confined to sectional interests or groups of persons based on race, belief or religion;
 - ii. Meet your charity's objectives under the governing instrument and the objectives of your SA;
2. At least half of your charity's governing board members are independent and citizens of Singapore.

For more information on IPCs, please visit Charity Portal, under 'Setting Up a Charity' → 'Registering a New Charity or IPC Status'

DUTIES AND RESPONSIBILITIES OF GOVERNING BOARD MEMBERS

Duty of Care and Prudence

Governing board members must:

- Ensure that they are not disqualified under the Charities Act¹ from being board members;
- Act in the best interest of the charity and be actively involved in the management and decision making process, and jointly make decisions as a Board on policy matters;
- Establish good governance practices that increases transparency and accountability and exercise strict control over financial matters of the charity;
- Stay true to the charitable purposes and objects, be clear about the charity's ethical values and abide by the rules set out in the charity's governing instrument;
- Carry out proper due diligence procedures on beneficiaries, partners and donors;
- Ensure that the charity complies with the Charities Act and its Regulations, and any other requirements that the COC's Office or SAs may impose;
- Comply with other legislations which govern the charity's activities such as the CDSA², TSOFA³, Trustees Act, Companies Act and Societies Act, where applicable.

¹ Refer to Section 27 of the Charities Act

² Corruption Drug Trafficking and Other Serious Crimes (Confiscation of Benefits), Chapter 65A

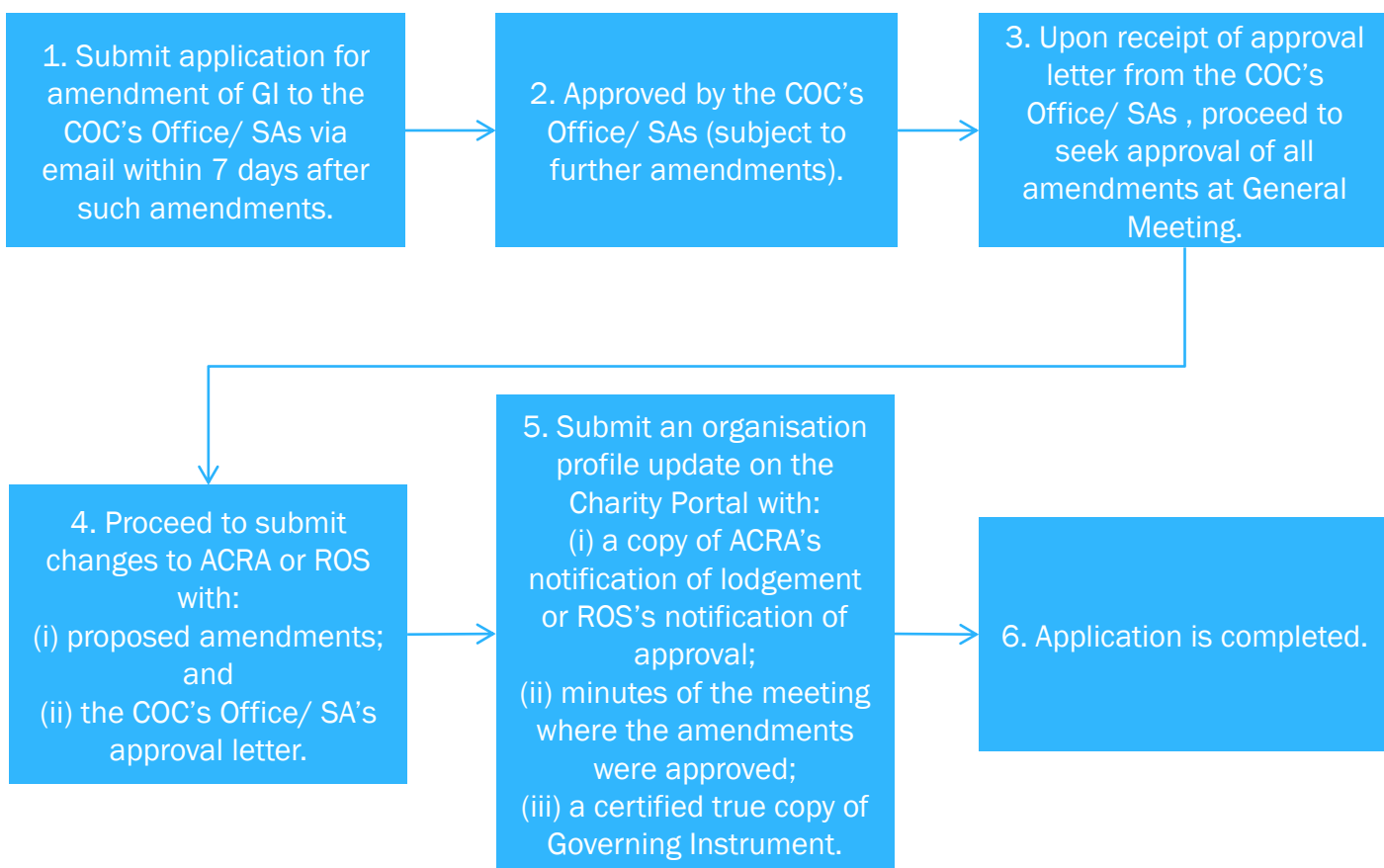
³ Terrorism (Suppression of Financing Act), Chapter 325

For more information on the governing board members' duties and responsibilities, please visit Charity Portal, under 'Managing Your Charity' → 'Governing Board's Duties and Responsibilities'

AMENDMENT OF GOVERNING INSTRUMENT (GI)

Your charity/IPC should regularly review and update your GI to ensure that it remains relevant. Amendments need to be approved by the following agencies:

- The COC's Office or SAs and/ or the relevant agencies; and
- Accounting and Corporate Regulatory Authority of Company (ACRA); or
- Registry of Societies (ROS)



For more information, please visit Charity Portal, under 'Managing Your Charity' → 'Day-to-Day Operations Of Your Charity' → 'Amending Your Governing Instrument'

UNDERSTANDING FUND-RAISING

➤ **Duty to Donors**

- Information provided to the donors/ members of the public is accurate and not misleading.
- To disclose the name of beneficiary, intended use of funds and whether any commercial fund-raiser has been engaged.
- Information relating to donors is kept confidential.
- Arrangement to solicit donations must have adequate control measures and safeguards to ensure proper accountability.

➤ **Use of Donations**

- Donations may be used to fund any activity carried out by the charity or IPC; and that meets its objectives under its governing instrument.
- Donation must be used in accordance with IPC regulations and Fund-Raising Appeals for Local and Foreign Charitable Purposes regulations.



For more information, please visit Charity Portal, under 'Fund-Raising'.

UNDERSTANDING FUND-RAISING

Fund-Raising Matters

➤ Maintenance of Accounting Records

- All accounting records relating to the fund-raising activities must be maintained for a minimum period of 5 years from the end of the financial year.

➤ Disclosure Of Information After Fund-Raising

- Your charity/IPC must disclose the consolidated amount of donations received from fund-raising appeals during the financial year in your Financial Statements.
- If your charity/IPC receives \$1 million or more in receipts from public fund-raising appeals, you must disclose the following information online at the end of the financial year:
 - ❖ Total funds raised;
 - ❖ Fund-raising expenses incurred; and
 - ❖ Planned use of the funds raised.



➤ 30/70 Fund-Raising Efficiency Ratio [30/70 Rule]

- Charities and IPCs are expected to ensure that their fund-raising efficiency ratio does not exceed 30%.
- Fund-raising efficiency ratio = the total fund-raising expenses (E) to the *total receipts from fund-raising (R) and sponsorships (S) of the charity or IPC for that **financial year**.

$$\frac{(E + S)}{(R + S)} \times 100\% < 30\%$$

For more information, please visit Charity Portal, under 'Managing Your Charity' → 'Fund-Raising And Related Matters' → 'Fund-Raising Matters'

UNDERSTANDING FUND-RAISING

Fund-Raising for Foreign Charitable Purposes

Should your charity/IPC wish to conduct fund-raising appeal for foreign charitable purposes, you must apply for a permit from the COC's Office at least 30 days before the commencement of the fund-raising appeal.

➤ 80/20 Fund- Raising Rule

- For funds raised from the members of the public for foreign charitable purposes, the applicant has to apply at least 80% of the net proceeds of the funds raised within Singapore.
- The 80/20 rule will be waived for private donations or for appeals conducted in aid of providing immediate disaster relief.
- A copy of the 'Guidelines On Public and Private Fund-Raising' can be downloaded from the Charity Portal.

Other Fund-Raising Licenses

Under the House To House And Street Collections (HHSC) Act, a HHSC permit is required if one promotes a collection by way of appealing to the members of the public, made by means of visits from house to house or of soliciting in streets.

The application can be done through the following websites:

- Singapore Police Force: www.police.gov.sg/ (For Non-NCSS members)
- National Council of Social Service: www.ncssapp.org.sg/ (For Community Chest and NCSS full or associate members only)

For more information, please visit Charity Portal, under 'Fund-Raising' → 'Types Of Fund-Raising Permits Or Licenses'

For information on public and private fund-raising, please visit Charity Portal, under 'Resources' → Publications → 'Regulatory Guidance Issued by COC's Office' → 'Guidelines on Public and Private Fund-Raising'

OTHER GUIDANCE ISSUED BY THE COC'S OFFICE

<p>Engaging in Business Activities</p>	<p>It is important that the business activities engaged by the charities do not undermine the charities' focus and distract the charities from its exclusively charitable purpose. Charity boards should also be prudent and must not expose their charitable assets to significant risk.</p>
	<p>To download a copy of the guidance note which sets out the main principles applying to business activities , please visit Charity Portal, under 'Managing Your Charity' → 'Consideration As Your Charity Expands' → 'Guidance on Charities Engaging In Business Activities'.</p>
<p>Anti-Money Laundering & Countering the Financing of Terrorism</p>	<p>This guide serves to help your charity/IPC familiarise yourself with how you can protect your organisation from potential abuse related to terrorist activities or money laundering.</p>
	<p>What is Money Laundering? The process by which proceeds from a criminal activity are disguised to conceal their illicit origins, such as drug trafficking or other criminal activities to make it appear legitimate.</p>
	<p>What is Terrorist Financing? Defined as financial support, in any form, of terrorism or of those who encourage, plan, or engage in terrorism.</p>
	<p>To download a copy of the guidance notes, please visit Charity Portal, under 'Resources' → 'Publications' → 'Anti- Money Laundering (AML) / Countering the Financing of Terrorism (CFT)' → 'Protecting your Charity against Money Laundering and Terrorist Financing'.</p>

DISCLOSURE OF OVERSEAS EXPENDITURE & CAPITAL OUTLAY

Online Financial Summary (OFS)

Effective from financial periods beginning on or after 1 January 2016, charities/IPC's will be required to disclose via the Online Financial Summary (OFS) their total expenditure and capital outlay that are spent in, or to benefit, locations outside Singapore.

What to disclose?

- Total expenditure and capital that are spent in/to benefit locations outside Singapore.

What to furnish?

- Geographical details of where these resources are applied outside Singapore during the financial period;
- Corresponding amount for each country that the beneficiaries and partners are located in; and
- Part of the annual regulatory submission when you complete OFS.

For more information, please visit Charity Portal, under 'Resources' → 'Publications' → 'Anti-Money Laundering (AML) / Countering the Financing of Terrorism (CFT)' → 'FAQs on Overseas Expenditure and Capital Outlay Reporting'

CHARITY COUNCIL

The Charity Council was legally appointed on 1 March 2007 after the new Charities Act was brought into operation. The Charity Council aims to fulfil the following roles:

Promoter – promote and encourage the adoption of good governance standards and best practices, to enhance public confidence in the charity sector.

Enabler - help build the governance capabilities of charities to enable them to comply with regulatory requirements and be more accountable to the public.

Advisor - advise the COC's Office on key regulatory issues where there may be broad-ranging impact on the charity sector.



Council's Initiatives

- [Charity Governance Awards](#)
- [Charity Transparency Framework](#)
- [Code of Governance for Charities and IPCs](#)
- [VWOs-Charities Capability Fund](#)
- [Outreach Events](#)
- [Public Education on Informed Giving](#)

For more information, please visit Charity Council @ www.charitycouncil.org.sg

CODE OF GOVERNANCE FOR CHARITIES AND IPCS

Governance in the charity sector refers to the framework and processes concerned with managing the overall direction, effectiveness, supervision and accountability of an organisation.

Charities, as community organisations working for public benefit, are accountable to the public and other stakeholders. The Code of Governance for Charities and IPCs (“the Code”) outlines the best practices of governance and management, which your charity/IPC is strongly encouraged to apply. The Code operates on the principle of ‘comply or explain’.

The nine key areas of good governance are:



For more information, please visit Charity Council → ‘Our Work’ → ‘Code of Governance’

VWOS-CHARITIES FUND

CAPABILITY



The VCF provides the following four grants:

Training – Local training courses in governance and management

Info-Communications Technology (ICT) – Basic infrastructure components; software applications for basic operational capabilities

Consultancy – Consultancy projects by external consultants to improve key governance and management areas

Shared Services – Outsourcing of basic payroll, finance and accounting functions to third-party service provider

Who can apply?

- All exempt, registered charities and IPCs can apply.
- Approval of applications is subject to applicants' submission of their latest Annual Reports, Financial Statements and GECs on the Charity Portal.

How to apply?

- Applications can be submitted online to VCF Secretariat.
- Applications are accepted throughout the year.
- Please go to Charity Council Website for more details on how to apply for VCF.

For more information, please visit Charity Council → 'Resources for You' → 'Funding Support'

CHARITY TRANSPARENCY AND GOVERNANCE AWARDS



Because Excellence Inspires

The Charity Council aims to promote transparency and good governance in the charity sector by acknowledging the excellent work of charities, while inspiring others to emulate their best practices.

Charity Transparency Awards (CTA)

- Introduced in 2016, winners are selected based on the assessment conducted using the Charity Transparency Framework.
- To be eligible for the assessment, the charity must:
 - i. Be a registered charity and/or an IPC which has been in operation in Singapore for at least three years;
 - ii. Have submitted their Annual Reports, Financial Statements and GECs for the two immediate preceding financial years; and
 - iii. Have gross annual receipts of not less than \$50,000 in the immediate preceding financial year.

Charity Governance Awards (CGA)

- First introduced in 2012 and re-launched in 2016, it is now a prerequisite to be a CTA winner to qualify as a pre-finalist for CGA;
- Charities will then undergo an independent CGA assessment.
- A charity from each category based on income size will be recognised as the main category winner;
- Charities with exemplary practices in particular areas of governance will be conferred with the Special Commendation Awards.

For more information, please visit Charity Council → 'Charity Transparency Framework' and 'Charity Governance Awards'

CONTACT US



Name	Contact Details
Charities Unit	<p>Attn: Charities Unit Ministry of Culture, Community and Youth, 140 Hill Street Level 2, Singapore 179369</p> <p>Tel: 6337 6597 Email address: MCCY_Charities@mccy.gov.sg</p>
Charity Council Secretariat	<p>Email address: Charity_Council_Sec@mccy.gov.sg</p>
Charity Portal Support	<p>Email address: CP_Support@mccy.gov.sg</p>
Ministry of Education	<p>Attn: Ms Grace Lee Financial Management Section, Finance & Procurement Division Ministry of Education, 1 North Buona Vista Drive, Singapore 138675</p> <p>Tel: 6879 6743 Email address: grace_ch_lee@moe.gov.sg</p>
Ministry of Health	<p>Attn: IPC Section, Ageing Planning Office Ministry of Health, College of Medicine Building, 16 College Road, Singapore 169854</p> <p>Tel: 6325 9220 Email Address: moh_hef_admin@moh.gov.sg</p>
Sector Licensing and Regulation Division, Ministry of Social and Family Development	<p>Attn: Sector Licensing and Regulation Division Ministry of Social and Family Development, 510 Thomson Road #18-00, SLF Building, Singapore 298135</p> <p>Tel: 6354 8659 / 6354 8940 Email Address: MSF_Charities@msf.gov.sg</p>
People's Association	<p>Attn: Ms Teo Shu Min Finance Division People's Association, 9 King George's Avenue, Singapore 208581</p> <p>Tel: 6340 5141 Email Address: teo_shu_min@pa.gov.sg</p>
Sport Singapore	<p>Attn: Compliance & Apps Admin Department Sport Singapore, 3 Stadium Drive, Singapore 397630</p> <p>Tel: 6500 5099 / 6500 5480 Email Address: SPORT_Charity_Governance@sport.gov.sg</p>