

STARTER KIT FOR REGISTERED CHARITIES



PUBLISHED BY:
OFFICE OF THE COMMISSIONER OF CHARITIES

© 2021

CONTENT

Welcome Note	03
Charity Portal	04
Timelines to Note	05
Charities Act and Regulations	07
Institutions of a Public Character (IPCs)	08
Duties and Responsibilities of Governing Board Members	09
Amendment of Governing Instrument	11
Understanding Fund-Raising	12
Other Guidance Issued by Office of the Commissioner of Charities	15
Disclosure of Overseas Expenditure and Capital Outlay	16
Charity Council	17
Code of Governance for Charities and IPCs	18
Charities Capability Fund	19
Shared Services Initiative for Charities	20
Charity Transparency and Governance Awards	21
Contact Us	22

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, among 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 or 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. To facilitate informed giving, charities' Annual Reports, Financial Statements and Governance Evaluation Checklists (GEC)¹ are published on the Charity Portal for public viewing.

A Singapore Government Agency Website

CHARITY PORTAL Q ☰

Support for Charities

The Commissioner of Charities (COC) recognises that COVID-19 has presented challenges to our charities. Here are some assistance and tips for charities.

[Find out more →](#)

-  **Extension of Annual Submissions Deadline**
-  **Expansion of VWOs-Charities Capability Fund**

← Support for Charities | Webinars | Charity Transparency Framework →

¹ To whom the Code applies.

TIMELINES TO NOTE



For charities and IPCs:

Timeline:	You need to submit:
Within 6 months from financial year end	Annual submissions via the Charity Portal which include: <ul style="list-style-type: none"> - Annual Report - Financial Statements - GEC
For more information: Charity Portal → 'Charities and IPCs' → 'Managing Your Charity' → 'Annual Submissions'	

Additional Requirement for IPCs only:

Timeline:	You need to submit:
By 31 January of each year	<ol style="list-style-type: none"> i. Details of every tax deductible donation (TDD) received, except for those mentioned in (ii), to the Inland Revenue Authority of Singapore (IRAS) either via ipcLink or Offline Validation Program; and ii. An annual return of TDD to the COC's Office or your Sector Administrator (SA) <u>only if</u> your IPC receives any TDD which are not reported by the IPC to IRAS (e.g. payroll deduction donations).
For more information: Charity Portal → 'Charities and IPCs' → 'Managing Your Charity' → 'Annual Submissions' → 'Returns on Tax Deductible Donations'	

*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 Charity Portal e-Services user guides, please visit Charity Portal, under 'Home' → 'Resource and Training' → 'Guides, Templates and Awards' → 'Guides' → 'Charity Portal e-Services Guide'

TIMELINES TO NOTE



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

Changes:	Timeline:	For more information:
Change in governing board member(s)	Within 2 weeks	- Charity Portal → 'Charities and IPCs' → 'Managing Your Charity' → 'Governing Board's Duties & Responsibilities' → 'Update Your Charity Profile'
Change in the governing instrument	Within 7 days	- Charity Portal → 'Charities and IPCs' → 'Managing Your Charity' → 'Amending Your Governing Instrument'
Dissolution or cessation of charity operations	Within 7 days	- Charity Portal → 'Charities and IPCs' → 'Managing Your Charity' → 'Deregistering Your Charity'

*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 Charity Portal e-Services user guides, please visit Charity Portal, under 'Home' → 'Resource and Training' → 'Guides, Templates and Awards' → 'Guides' → 'Charity Portal e-Services Guide'

CHARITIES ACT AND REGULATIONS

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

- Registration
- Deregistration
- Filing of annual submissions
- Fund-raising
- IPC status and related matters



Listed below are some key legislation governing charities and IPCs.

- [Charities Act 1994](#)
- [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 2011](#)
- [Charities \(Registration of Charities\) Regulations](#)
- [Charities \(Electronic Transactions Service\) Regulations 2019](#)

Charities and IPCs are also required to comply with other legislation which govern the organisation'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 'Charities and IPCs' → 'Managing Your Charity' → 'Legislations Governing Charities and IPCs'

INSTITUTIONS OF A PUBLIC CHARACTER (IPCS)



What are IPCs?

IPC is a status accorded to a registered charity or an exempt charity for a period of time. In addition to the income tax and property tax benefits enjoyed by registered charities, IPCs are authorised to issue tax deduction receipts for qualifying donations received.

How to qualify for IPC status?

Among other criteria, IPCs are required to conduct activities that exclusively benefit the local community and are not confined to sectional interests or groups of persons based on race, belief or religion unless waiver is granted by Minister to allow otherwise. This means that IPCs are not allowed to conduct overseas activities that benefit the overseas community.

For more information on IPCs, please visit Charity Portal, under 'Charities and IPCs' → 'Institutions of a Public Character (IPCs)' → 'Criteria for Application for Approval as an IPC'

DUTIES AND RESPONSIBILITIES OF GOVERNING BOARD MEMBERS

Duty of Care and Prudence

Governing board members must:

- Ensure that the governing board members, key officers or trustees of your charity are not disqualified under the Charities Act¹ from acting in their respective offices;
- Act lawfully, responsibly and reasonably in the best interests of your charity and be actively involved in the management and decision-making process, and jointly make decisions as a governing board on policy matters;
- Establish good governance practices that increase your charity's transparency and accountability;
- Stay true to your charitable purposes and be clear about your charity's ethical values;
- Exercise appropriate due diligence 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;

¹ Refer to Section 28 of the Charities Act

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

DUTIES AND RESPONSIBILITIES OF GOVERNING BOARD MEMBERS

Duty of Care and Prudence

Governing board members must:

- Ensure that the charity only conducts activities in keeping with its governing instrument and for the furtherance of its objects, which must be exclusively charitable. Among other things, a charity should not allow its funds and/or premises to be used for political purposes and should refrain from conducting itself in a way that can be reasonably construed as involving partisan politics;
- Comply with other legislation which govern the charity's activities such as the CDSA², TSOFA³, Trustees Act, Companies Act and Societies Act, where applicable.

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

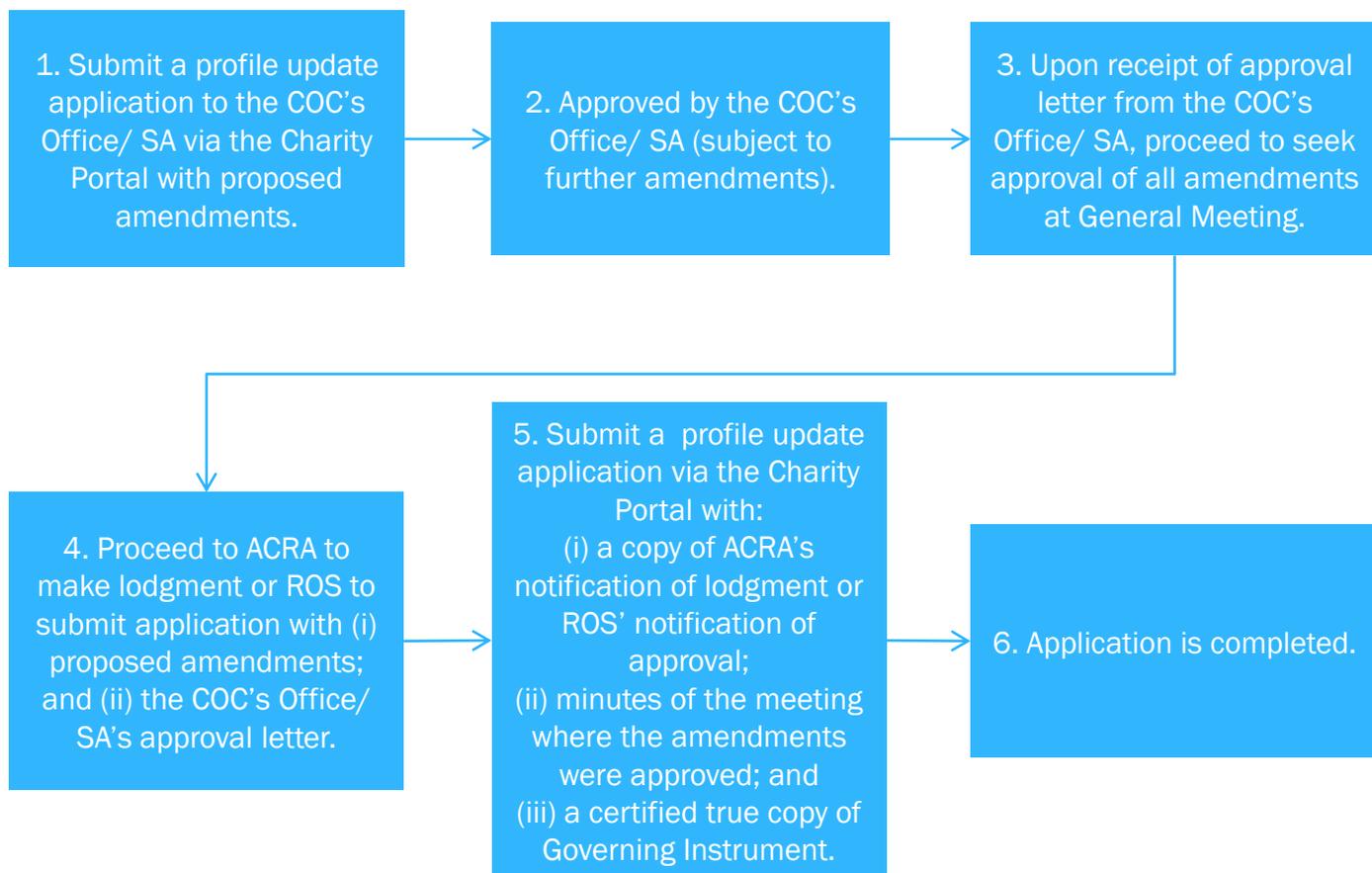
³ Terrorism (Suppression of Financing) Act, Chapter 325

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

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 SA; and
- Accounting and Corporate Regulatory Authority (ACRA); or
- Registry of Societies (ROS)



For more information, please visit Charity Portal, under 'Charities and IPCs' → 'Managing 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 your organisation, intended use of funds raised (includes the cause and/or beneficiaries) and whether any commercial fund-raiser has been engaged in soliciting the donation.
- Information relating to donors is kept confidential.
- Arrangement to solicit donations must have adequate control measures and safeguards to ensure proper accountability and to prevent any loss or theft of donations.

➤ **Use of Donations**

- All donations have to be used according to donors' intentions.
- If such intention is not specified, donation must be used according to the purpose communicated to the donors during solicitation.
- If such intention is not specified **and** no purpose is communicated to the donors during solicitation, the donations may be used to fund any activity carried out by the charity or IPC that meets its objectives under its governing instrument.
- Donations must be used in accordance with the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012 or the IPC regulations (where applicable).

For more information, please visit Charity Portal, under 'Fund-Raising' → 'Fund-Raisers Duties and Obligations' → 'Duty to Donors' and 'Use of Donations'

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.

➤ 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 =

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



Note: (E) is the total fund-raising expenses, (R) is the total receipts from fund-raising, and (S) is the total sponsorships received by the charity or IPC. The ratio is calculated based on the figures for the financial year.

For more information, please visit Charity Portal, under 'Fund-Raising' → 'Fund-Raisers Duties and Obligations' → 'Maintenance and Disclosure of Financial Information' and '30/70 Fund-Raising Efficiency Ratio'

UNDERSTANDING FUND-RAISING

Fund-Raising for Foreign Charitable Purposes

Should your charity/IPC wish to conduct any 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 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 fund-raising appeals or for appeals 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 is collecting money or other property by way of appealing to the public, made by means of visits from house to house or of soliciting in the streets or other places or a combination of such means.

The application can be done through the following websites:

- Singapore Police Force: (for Non-NCSS members) via [GoBusiness Licensing](#);
- National Council of Social Service: e-services.ncss.gov.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' → 'Fund-Raising for Local Charitable Purposes' and 'Fund-Raising for Foreign Charitable Purposes'

For information on public and private fund-raising, please visit Charity Portal, under 'Resource and Training' → 'Guides, Templates and Awards' → '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 that charities may engage in do not undermine the charities' focus and distract the charities from their exclusively charitable purposes. Charity boards should also be prudent and must not expose their charitable assets to significant risk.</p>
<p>Anti-Money Laundering & Countering the Financing of Terrorism</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 'Resource and Training' → 'Guides, Templates and Awards' → 'Guides' → 'Guidance on Charities Engaging in Business Activities'.</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 'Resource and Training' → 'Guidance, Templates and Awards' → 'Guides' → 'Protecting your Charity against Money Laundering and Terrorist Financing (Issued in 05/15)'.</p>

DISCLOSURE OF OVERSEAS EXPENDITURE & CAPITAL OUTLAY

Online Financial Summary (OFS)

Charities/IPC's are 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, capital outlay, as well as remittance of funds received as an agent that are spent in, remitted to or benefitting locations outside Singapore.

What to furnish?

- Geographical details of where these resources are applied outside Singapore during the financial period; and
- Corresponding amount for each country that the beneficiaries and partners are located in.

For more information, please visit Charity Portal, under 'Resource and Training' → 'Guides, Templates and Awards' → 'Guides' → 'FAQs on Reporting Requirements on Overseas Expenditure, Capital Outlay and Remittance of Funds as Agents'

CHARITY COUNCIL

The Charity Council was first established in 2007. The Council aims to fulfil the following roles:

Promoter – promote 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 on key regulatory issues and significant cases, so that the COC can make more informed and robust decisions.



Council's Initiatives

- Charity Transparency and Governance Awards
- Charity Transparency Framework
- Code of Governance for Charities and IPCs
- VWOs-Charities Capability Fund
- Training Events/webinars
- Public Education on Safer Giving

For more information, please visit Charity Portal under 'About Us' → 'About Charity Council'

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.

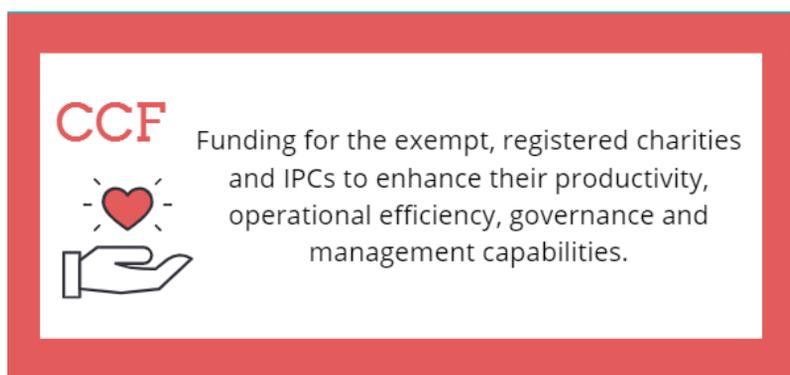
Charities, as community organisations working for public benefit, are accountable to the public and other stakeholders. The Code of Governance for Charities and IPCs (“the Code”) outlines the best practices of governance and management, which your charity/IPC is strongly encouraged to apply. The Code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

The nine key areas of good governance are:



For more information, please visit Charity Portal, under ‘Charities and IPCs’ → ‘Managing Your Charity’ → ‘Code of Governance for Charities and IPCs’

CHARITIES CAPABILITY FUND



The CCF provides the following five grants from 1 April 2022 to 31 March 2027:

Training – Training courses for charities’ board members and staff in key governance and management areas.

Info-Communications Technology (ICT) – Basic infrastructure and digital solutions that enhances productivity and efficiency of charities.

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

Shared Services – Outsourcing of corporate functions to improve backend operations in areas such as Accounting, Human Resource Management, IT management, etc.

Collaboration (For 1 April 2022 to 31 March 2024) – For collaborative projects amongst charities that aim to enhance charities’ governance, management and operational efficiency.

Who can apply?

- All exempt, registered charities and IPCs can apply.

How to apply?

- Applications for CCF Training Grant can be submitted online to NCSS e-services at <https://www.app.ncss.gov.sg>
- Non-training applications can be submitted at <https://oursggrants.gov.sg>

For more information, please visit Charity Portal, under ‘Charities and IPCs’ → ‘Grants and Support for Charities and IPCs’ → ‘Charities Capability Fund’

SHARED SERVICES INITIATIVE FOR CHARITIES

With the aim to professionalise the charity sector, the Commissioner of Charities has partnered organisations to set up shared services to strengthen charities' regulatory compliance and efficiency of their back-end operations. These organisations have come together to provide guidance on various areas such as electronic regulatory submissions, governance-related matters, talent management and digitalisation.

The list of shared services partners are:

1. Centre for Non-Profit Leadership
2. Chartered Secretaries Institute of Singapore
3. Hindu Endowments Board
4. Institute of Singapore Chartered Accountants
5. iShine Cloud Limited
6. Law Society Pro Bono Services
7. Shared Services for Charities
8. Singapore Buddhist Federation
9. Singapore University of Social Sciences
10. Temasek Trust Ltd
11. The Institute of Internal Auditors Singapore



For more information, please visit Charity Portal, under 'Charities and IPCs' → 'Grants and Support for Charities and IPCs' → 'Shared Services Initiative for Charities'

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, it is 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.

The awards took a hiatus and will resume in 2022. For more information, please visit the Charity Portal, under 'Resource and Training' → 'Guides, Templates and Awards' → 'Charity Transparency Framework and Awards'

CONTACT US



Name	Contact Details
Charities Unit/ SA	Please visit Charity Portal, under 'Contact Us'
Charity Council Secretariat	Email address: Charity_Council_Sec@mccy.gov.sg
Charity Portal Support	Email address: CP_Support@mccy.gov.sg