

Glossary



Public benefit supporting document

The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Communities.

Our vision

To deliver in partnership with other key stakeholders in the charitable sector “a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission’s effective delivery of its regulatory role”.

Further information about our aims and activities is available on our website www.charitycommissionni.org.uk

Equality

The Charity Commission for Northern Ireland is committed to equality and diversity in all that we do.

Accessibility

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This glossary provides further information, definitions and descriptions of some key terms used in the Public benefit statutory guidance and supporting documents on the 12 descriptions of charitable purposes set out in the Charities Act (Northern Ireland) 2008.

Term	Definition
Activities	We use this term when talking about what organisations do in order to carry out their purposes.
Beneficiaries	A legal term for a person, group of people or an entity (like a charity) eligible to benefit or receive assets from a charity's work. The beneficiary group of a charity will be defined in the charity's governing document. Beneficiaries may sometimes be called clients or service users.
Benevolent fund	<p>This is a charity or trust for the relief of poverty with a restricted group of beneficiaries defined by a relationship to an individual, profession, organisation or a company. Generally, an organisation that confers benefit on employees of a particular company or employer cannot be a charity. This is because its beneficiaries are a private class, not a section of the public. Similarly, an organisation which confers a benefit on persons linked by their relationship to an individual is not generally charitable because the shared connection means that they are not a section of the public. However, charities for the relief of poverty have been treated as a special case (poverty exception).</p> <p>Bodies such as company benevolent funds, set up to assist individuals who fall on hard times and do not have the material resources to cope, have been considered charitable by the courts, even though the benefit is specifically limited to employees/former employees of a particular company.</p> <p>Some benevolent funds are set up with the beneficial class limited to an occupation or profession rather than employment with a particular company or employer. More rarely, they are set up to relieve poverty among the relations of an individual.</p>

Term	Definition
Charities	Charities are organisations (whether incorporated or not) that are established for charitable purposes only and are subject to the jurisdiction of the courts in respect of charities.
Charitable purpose	<p>This is defined by section 2 of the Charities Act (Northern Ireland) 2008 (as amended) as one that:</p> <ul style="list-style-type: none"> • falls under one or more of the list of 12 descriptions of purposes set out in section 2(2) of the Charities Act and • is for the public benefit. <p>To be a charity, an organisation must have purposes which are exclusively charitable in law.</p>
Charities Act (Northern Ireland) 2008	<p>References to 'the Charities Act' are to the Charities Act (Northern Ireland) 2008, as amended. The full content of the 2008 Charities Act can be found at www.legislation.gov.uk</p> <p>Not all of the sections of the Charities Act are in force yet. Details of the sections that are in force are available on the Commission's website www.charitycommissionni.org.uk</p>
Charities Act (Northern Ireland) 2013	<p>The Charities Act (Northern Ireland) 2008 is the main piece of legislation establishing the Charity Commission for Northern Ireland and setting out its functions and powers.</p> <p>The Charities Act (Northern Ireland) 2013 is a much shorter Act and was primarily brought in to amend the definition of a charity in the Charities Act (Northern Ireland) 2008.</p> <p>The full content of the 2013 Act can be found at www.legislation.gov.uk</p>
Charity trustees	These are the people who are legally responsible for the control and management of the administration of a charity. In

Term	Definition
	<p>the charity’s governing document they may be called trustees, managing trustees, committee members, governors or directors or they may be referred to by some other title.</p> <p>Some people are disqualified by law from acting as charity trustees. These disqualifications are set out in the Charities Act and broadly include but are not limited to anyone who:</p> <ul style="list-style-type: none"> • has been convicted of an offence involving deception or dishonesty, unless the conviction is a spent conviction under the Rehabilitation of Offenders (NI) Order 1978 • is an undischarged bankrupt or has made an arrangement with creditors • has previously been removed as a trustee by the Commission or by the Courts • is subject to disqualification under company legislation.
<p>Closed religious orders</p>	<p>Closed religious orders that do not give the wider community the opportunity to benefit in a demonstrable way have been held by the courts not to be charitable.</p> <p>A convent of strictly cloistered and purely contemplative nuns who devoted themselves entirely to worship, prayers and contemplation and engaged in no activities outside their own association was not charitable as the court held that the benefit to the public of their prayer within the convent could not be demonstrated.</p>
<p>Commercial organisation</p>	<p>A commercial organisation is a company, a firm or other organisation, which may or may not be incorporated, carrying on a business for profit.</p>
<p>Community Amateur Sports Club (CASC)</p>	<p>The Community Amateur Sports Club Scheme (CASC) was introduced by HM Revenue and Customs (HMRC) in April 2002. This has enabled many local amateur sports clubs to register with HMRC and benefit from a range of tax reliefs, including Gift Aid.</p> <p>The conditions for becoming a CASC are outlined below. A club</p>

Term	Definition
	<p>must fit in with these in practice as well as having these as requirements in the club rules:</p> <ul style="list-style-type: none"> • be open to the whole community • be organised on an amateur basis • have as its main purpose providing facilities for, and promoting participation in one or more eligible sports <ul style="list-style-type: none"> • meet the location requirement and • meet the management condition. <p>If a club registers as a CASC, it is not eligible to apply for registration as a charity.</p>
<p>Community Interest Company (CIC)</p>	<p>A Community Interest Company (CIC) is a limited company, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage.</p>
<p>Control and direction</p>	<p>Those who have control and direction of an organisation are the people who are ultimately responsible for its management and governance.</p> <p>Their responsibilities include but are not limited to:</p> <ul style="list-style-type: none"> • Setting the strategic direction to guide the organisation in its future endeavours. • Developing the organisation’s internal and external policies. • Ensuring the efficient use of the organisation’s resources. Resources can include capital , equipment, land, machinery and people. • Monitoring the success of the organisation’s activities and programmes. • Ensuring the operation of the organisation is in keeping with its purposes and values. • Ensuring effective communication between members and the organisation’s stakeholders. • Ensuring compliance with all relevant law.

Term	Definition
Co-operative society	These are societies which are run by and for the benefit of their members, not for the benefit of the public.
Curative	Curative care refers to treatment and therapies provided to a patient with intent to improve symptoms and cure the patient's medical problem. Antibiotics, chemotherapy, a cast for a broken limb are examples of curative care.
Devotional act	An act of religious observance or prayer.
Established	Founded, instituted, built or brought into being on a firm or stable basis.
Ethical societies	Ethical societies are typically organisations in which members study what are believed to be ethical principles and cultivate a rational and humane way of life.
Governing document	A charity's governing document is any document which sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, conveyance, Will, Royal Charter, Scheme of the Commission or other formal document.
Harm	Something that causes damage, injury or loss – physical, mental, environmental or social.
Incidental	<p>This is something that happens or is likely to happen in an unplanned conjunction with something else.</p> <p>It is likely that there may be incidental benefit that results from a charity achieving its charitable purposes. For example, a charity with purposes to relieve poverty may have a number</p>

Term	Definition
	<p>of volunteers. The volunteers may find their lives enriched by the activities they are carrying out. This is a benefit not directly related to the charitable purposes and while worthwhile, will not be taken into account when assessing the charity’s public benefit.</p> <p>If people or organisations benefit from a charity, other than a beneficiary, then the benefit must be incidental, i.e. it directly contributes towards achieving the charity’s purposes and/or it is a necessary result or by-product of carrying out those purposes. Examples of a private benefit that is incidental include paying reasonable salaries to a charity’s staff, which is an example of a benefit that contributes directly to achieving the charity’s purpose, or where there is an increase in profits to local businesses as a result of charitable regeneration projects, which is an example of a necessary by-product of those projects being carried out.</p> <p>If private benefit is more than incidental then it may mean that the organisation is set up for a private benefit and therefore may not be charitable.</p>
Irrational	Without reason, sense, clarity or coherence.
Learned societies	A learned society is an organisation that exists to promote an academic discipline or profession, or a group of related disciplines or professions.
Modest means	Modest means describes a person's financial condition. For example, the phrase ‘he/she is a man/woman of modest means’ indicates the person is not wealthy, but rather that their income is limited, possibly quite small.
Objects	This term is sometimes used to describe and identify the purpose for which the charity has been set up. They do not say what the organisation will do on a daily basis. Sometimes

Term	Definition
	<p>the word purpose is used instead.</p> <p>A charity’s purposes must be exclusively charitable. They are usually set out in a clause or paragraph of the charity’s governing document. If the purposes allow the organisation to do something which the law does not recognise as charitable the organisation is not a charity and could not be registered with us.</p>
<p>Palliative</p>	<p>Palliative care is an approach that improves the quality of life of patients and their families facing issues associated with life-threatening illness, through the prevention and relief of suffering by means of early identification and assessment and treatment of pain and other problems, physical, psychosocial and spiritual.</p>
<p>Philosophical belief</p>	<p>Philosophical beliefs are what people believe in. People’s beliefs are affected by their traits, experiences, moods, and emotions. Each person has slightly different beliefs because they have different traits, experiences, moods, and emotions.</p>
<p>Political purposes</p>	<p>A political purpose means any purpose directed at furthering the interests of any political party. This includes securing, or opposing, any change in the law or in the policy or decisions of central government, local authorities or other public bodies, whether in this country or abroad. A charity cannot have a political purpose. Nor can a charity undertake political activity that is not relevant to, and does not have a reasonable likelihood of, supporting the charity’s charitable purposes.</p> <p>Whilst a charity cannot have political activity as a purpose, the range of charitable purposes under which an organisation can register as a charity means that, inevitably, there are some purposes (such as the promotion of human rights) which are more likely than others to lead charity trustees to want to engage in campaigning and political activity.</p>

Term	Definition
	<p>Campaigning: We use this word to refer to awareness-raising and to efforts to educate or involve the public by mobilising their support on a particular issue, or to influence or change public attitudes. We also use it to refer to campaigning activity which aims to ensure that existing laws are observed. We distinguish this from an activity which involves trying to secure support for, or oppose, a change in the law or in the policy or decisions of central government, local authorities or other public bodies, whether in this country or abroad.</p> <p>Examples of campaigning might include:</p> <ul style="list-style-type: none"> • a children's charity, drawing attention to the dangers of domestic violence and child abuse • a health charity promoting the benefit of a balanced diet in reducing heart problems • a human rights charity calling on a government to observe certain fundamental human rights, and for the practice of torture to be abolished • a disability charity calling for existing legislation to be adhered to in order to ensure that all children with special educational needs receive the support they are entitled to in order to access learning. <p>Political activity: Political activity must only be undertaken by a charity in the context of supporting the delivery of its charitable purposes. We use this term to refer to activity by a charity which is aimed at securing, or opposing, any change in the law or in the policy or decisions of government or other elected or public bodies, whether in this country or abroad. It includes activity to preserve an existing piece of legislation, where a charity opposes it being repealed or amended. This differs from activity aimed at ensuring that an existing law is observed.</p>
<p>Poverty exception</p>	<p>In general, the beneficiaries of a charity cannot be defined by reference to their relationship to an individual or company. For example, an organisation which had the purpose of making grants for the education of the children of employees of a particular company would not be a charity. The benefit in such a case is being conferred on a private class, not a section of the public. However, in charities for the relief or prevention</p>

Term	Definition
	<p>of poverty there is an exception to this rule and the class can be defined by reference to an individual or company. A company might therefore set up a charity to relieve poverty among its former employees, their families and dependants. However, this does not mean that that the class of beneficiaries can be restricted to the point where it loses its public character. Strictly this will apply to charities for the prevention of poverty, at least where the purpose is similar to a purpose for the relief of poverty. Given that a charity must be of a public character, generally one would expect a charity for the prevention of poverty to have a wide class of beneficiaries.</p>
<p>Private benefit</p>	<p>There is private benefit where an individual or an organisation gains from their involvement with a charity. In some cases it may be proper for such a benefit to arise; in some cases not.</p> <p>Charities can provide private benefit so long as the benefit is incidental, ie it directly contributes towards achieving the charity’s purposes and/or is a necessary result or by-product of carrying out those purposes.</p> <p>An example of a private benefit that is incidental is paying reasonable salaries to a charity’s staff; this benefit contributes directly to achieving the charity’s purpose. Another example would be where there is an increase in profits to local businesses as a result of charitable regeneration projects, which is a necessary by-product of those projects being carried out.</p>
<p>Professional</p>	<p>This is where individuals are engaged in a specified activity as a paid occupation rather than as an amateur.</p>
<p>Purposes</p>	<p>The purposes of a charity will usually be defined by what its governing document says that it is set up to do.</p> <p>According to the Charities Act, all the organisation’s purposes must:</p> <ul style="list-style-type: none"> • fall under one or more of the list of 12 descriptions of

Term	Definition
	charitable purposes in the Charities Act and <ul style="list-style-type: none"> • be for the public benefit.
Resources	Resources are anything and everything that helps an organisation operate and carry out its purposes. This will include its land, labour, capital and income.
Restorative justice	A process where all stakeholders affected by an injustice have an opportunity to discuss how they have been affected by the injustice and to decide what should be done to repair the harm. With crime, restorative justice is about the idea that because crime hurts, justice should heal. It follows that conversations with those who have been hurt and with those who have afflicted the harm must be central to the process.
Rural and urban regeneration	The maintenance or improvement of physical, social and economic infrastructure in areas of social and economic deprivation and by assisting people who are at a disadvantage because of their social and economic circumstances. Regeneration organisations might do some, or all, of the following, for example: <ul style="list-style-type: none"> • provide housing for those in need and help to improve housing standards generally in those parts of an area of deprivation where poor housing is a problem • help unemployed people find employment • provide education, training and re-training opportunities and work experience, especially for unemployed people • provide financial or technical assistance or advice to new businesses or existing businesses where it would lead to training and employment opportunities for unemployed people • provide land and buildings on favourable terms to businesses in order to create training and employment opportunities for unemployed people • provide, maintain and improve roads and accessibility to main transport routes

Term	Definition
	<ul style="list-style-type: none"> • provide, maintain and improve recreational facilities • preserve buildings in the area which are of historic or architectural importance • provide public amenities.
<p>Social enterprise</p>	<p>A social enterprise is a business with primarily social purposes whose surpluses are principally reinvested for that purpose, rather than being driven by the need to maximise profit for shareholders and owners.</p>
<p>Social welfare</p>	<p>According to the Recreational Charities Act (Northern Ireland) 1958, as amended by the Charities Act (Northern Ireland) 2008, it is charitable to provide facilities for recreation or leisure-time occupation if they are provided in the interests of social welfare. The requirement that they are provided in the interests of social welfare is not satisfied unless the following conditions are met.</p> <p>(a) The facilities are provided with the object of improving the conditions of life for the people for whom the facilities are primarily intended; and</p> <p>(b) That either</p> <p style="padding-left: 40px;">those persons have need of such facilities as aforesaid by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances; or</p> <p style="padding-left: 40px;">the facilities are to be available to the members the public, to male and to female members of the public at large.</p>
<p>Section of public</p>	<p>Where benefit is not to the public generally, it can be to a 'section of the public'. Who constitutes a 'section of the public' is not a simple matter of numbers. Where the benefit is to a section of the public the opportunity to benefit must not be</p>

Term	Definition
	<p>unreasonably restricted.</p> <p>For example, a charity set up to support sufferers of a very rare illness may only benefit a few people, however this is fine provided that anyone who suffers from the illness can potentially benefit.</p>
Superstitions	<p>Superstition is often a belief in supernatural causality: that one event leads to the cause of another without any physical process linking the two events, such as astrology, omens or witchcraft.</p> <p>Superstition may be defined generally as the propagation of the rites of a religion not tolerated by the law.</p>
Sustainable development	<p>Sustainable development is often understood to mean "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."</p>
Temperance	<p>A social movement aimed at the total abstinence of alcohol.</p>
Therapeutic	<p>Therapeutic refers to healing, such as a medicine or therapy that has healing or curative capability for treatment of disease or disability.</p>
Trading arm	<p>Some charities establish subsidiaries or associated organisations which are used to carry on a trade, usually to generate income for the charity, which the charity cannot carry out itself consistently with its charitable purposes. These trading arms often covenant to pay their profits to the charity. Some charities can legitimately trade on their own account in furtherance of their charitable purposes. For example, an educational charity might run a fee-charging school or a</p>

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Term	Definition
	health charity providing a nursing home.
Undischarged bankrupt	This is someone who has been declared bankrupt, and is not yet discharged from bankruptcy.

Useful supporting documents

The public benefit requirement PBR1

The prevention or relief of poverty PBSD01

The advancement of education PBSD02

The advancement of religion PBSD03

The advancement of health or the saving of lives PBSD04

The advancement of citizenship or community development PBSD05

The advancement of the arts, culture, heritage or science PBSD06

The advancement of amateur sport PBSD07

The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity PBSD08

The advancement of environmental protection or improvement PBSD09

The relief of those in need PBSD10

The advancement of animal welfare PBSD11

Any other purposes PBSD12

Public benefit glossary PBG

Registering your charity in Northern Ireland

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For more information on all of our work please see the Charity Commission website:

www.charitycommissionni.org.uk

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