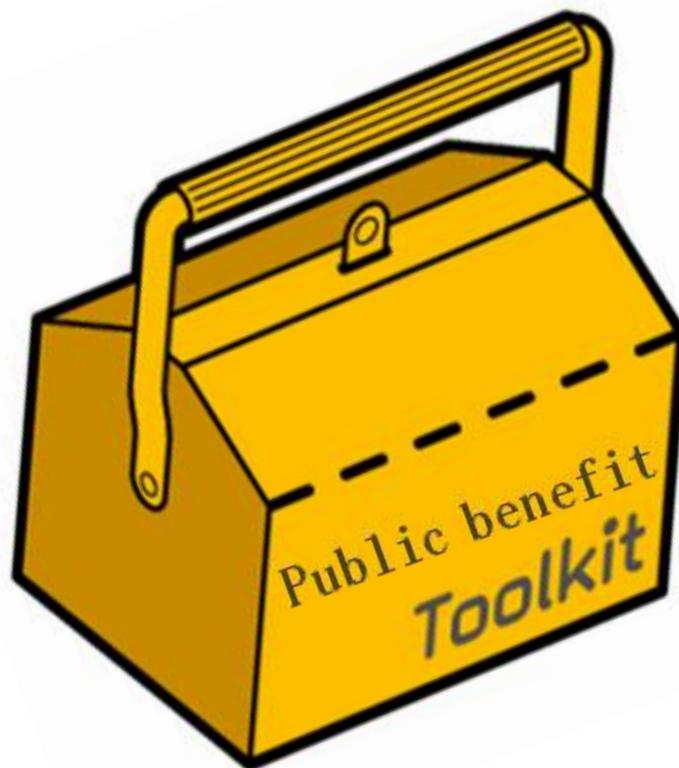


Purposes and public benefit toolkit



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Overview

The Charities Act (Northern Ireland) 2008 (the Charities Act) introduced compulsory registration of charities to Northern Ireland. All organisations that may be charities must apply to register with the Charity Commission for Northern Ireland (the Commission) when called forward to do so. Once registered charities must comply with annual reporting requirements.

To be a charity in Northern Ireland an organisation must:

- have exclusively charitable purposes which adequately express what it was set up to achieve
- be governed by the law of Northern Ireland
- have control and direction over its governance and resources.

All of the organisation's purposes must:

- fall under one or more of the 12 descriptions of charitable purpose in the Charities Act (Northern Ireland) 2008 and
- be for the public benefit.

Registration is an online process, explained in the Commission's guidance [Registering as a charity in Northern Ireland](#). The application requires organisations to set out their purposes and demonstrate how those purposes are for the public benefit. They must also include a statement that the charity trustees have had regard to the Commission's Public benefit requirement statutory guidance.

The Commission has also published supporting documents on the twelve charitable purposes. The supporting documents are designed to help charity trustees identify which description of charitable purpose from the Charities Act their purposes fall under. Charity trustees must have regard to the *Public benefit requirement* statutory guidance when setting up, registering, running and reporting on their charity. These and other support materials are available on the [Registration support](#) page of the Commission's website.

What is the purpose of this toolkit?

This toolkit is designed to assist charity trustees who are applying for registration with the Commission. Charity trustees can use this toolkit to:

- identify or review the purposes of the organisation
- ensure the charity's purposes adequately express what the organisation was set up to achieve
- identify or review the public benefit flowing from each charitable purpose

- prepare answers to the questions which create a public benefit statement on the online charity registration application form
- identify and account for private benefit within the public benefit statement
- consider whether any harm may arise from the charity's purposes.

The Commission has also produced a short toolkit to assist charity trustees to report on the public benefit their charity provides. Reporting on your public benefit within the Trustees annual report is an essential part of the annual reporting process. The *Reporting on the public benefit toolkit* is available on the Commission website at:

www.charitycommissionni.org.uk.

Who is this toolkit for?

The toolkit is designed to assist charity trustees, management committees, boards or anyone involved in the running of and decision making within a charity. The toolkit may also be used by those acting on behalf of a charity, for example, a member of the charity's staff, a solicitor, accountant, agent or adviser.

Using this toolkit

This toolkit is divided into five sections.

- Section one: [identifying or reviewing your organisation's purposes](#)
- Section two: [creating or reviewing your public benefit statement](#)
- Section three: [identifying private benefit within the purposes](#)
- Section four: [example of a completed application with questions creating a public benefit statement](#)
- Section five: [examples of public benefit statements from the register of charities](#)

What are legal requirements and best practice?

In this guidance, where we use the word 'must' we are referring to a specific legal or regulatory requirement. We use the word 'should' for what we regard as best practice, but where there is no specific legal requirement. Charity trustees should follow the good practice guidance unless there is good reason not to do so.

You should not rely on this guidance to provide a full description of legal matters affecting your organisation, nor is the guidance a substitute for advice from your own professional advisers.

Getting help

When preparing an application for charity registration you may find the following helpful:

- [Registering as a charity in Northern Ireland](#) which sets out and explains the process for online registration
- The [12 charitable purposes](#) supporting documents
- Online tutorial of the application process
- Screenshots of the questions on the registration application online form.

A list of [helper groups](#) that may be able to help you complete your application or annual report are available on the Commission's website.

The Commission publishes a wide range of guidance and support tools on its website www.charitycommissionni.org.uk. We recommend you visit the website regularly for developments and to access further support and guidance. You can also follow us on Twitter: @CharityCommNI

Section 1: Identifying or reviewing your organisation's purposes

1.1 Guidance on reviewing or drafting charitable purposes

The purposes of a charity are usually set out in the statement of purpose or objects clause of its governing document.

This clause sets out what an organisation has been set up to achieve. The purposes will help to determine whether or not an organisation is a charity. To be a charity, each purpose must be exclusively charitable. If one purpose fails to be charitable, registration cannot proceed.

It is essential a charity's purposes are clear to its trustees, beneficiaries, funders and donors, as well as the general public. If your organisation is registered, your purposes will be published on the online *register of charities* along with your charity information. If the purposes submitted with your application are not clear, your application may be delayed or rejected.

In addition, if the purposes are not clear your organisation may find it is unintentionally straying from them. For example, if charity trustees are not clear about the charity's purposes, they may apply for funding for projects that are inconsistent with those purposes. Charity trustees who allow their charity to do this will be in breach of trust.

1.1.2 What if you intend to set up a new charity?

If you intend to set up a new charity, this toolkit will help you understand the key elements of charitable purposes. It will help you to draft purposes which adequately express what your organisation is set up to achieve. You will also find helpful information in the Commission's *Starting a new charity* guidance. You may also wish to secure legal or other professional advice.

1.1.3 What should you consider when drafting or reviewing your organisation's purposes?

When drafting or reviewing your organisations' purposes, you should consider **what** the organisation is set up to achieve, **who** it is intended to benefit, and **where** the organisation will be operating. This will help you to ensure that the purposes are not vague or uncertain. There is further information on each of these elements below:

- **What is your organisation set up to achieve?**

In a governing document the purposes state what a charity was set up to achieve. Therefore they must be described clearly and unambiguously, using words with a commonly accepted meaning. Adopting one of the 'descriptions of purpose' from the Charities Act without further detail, is unlikely to provide enough information to adequately express what your organisation seeks to achieve. For example, an organisation states as their purpose: to advance education. This purpose is very vague. It is not clear **what** the organisation is set up to achieve. It does not tell us **who** is intended to benefit or **where** it will operate. If an organisation's purposes are unclear or poorly worded it may result in its application being delayed or rejected.

The descriptions of charitable purposes set out in Section 2 of the Charities Act include: any other purposes within subsection (4). It is important to remember that this wording has a specific legal meaning. It is not designed as a 'catch-all' purpose or to cover general charitable purposes. This description must not be used for any purpose that would fit within one of the other descriptions of purpose. There is more information in the Commission's [Public benefit statutory guidance](#).

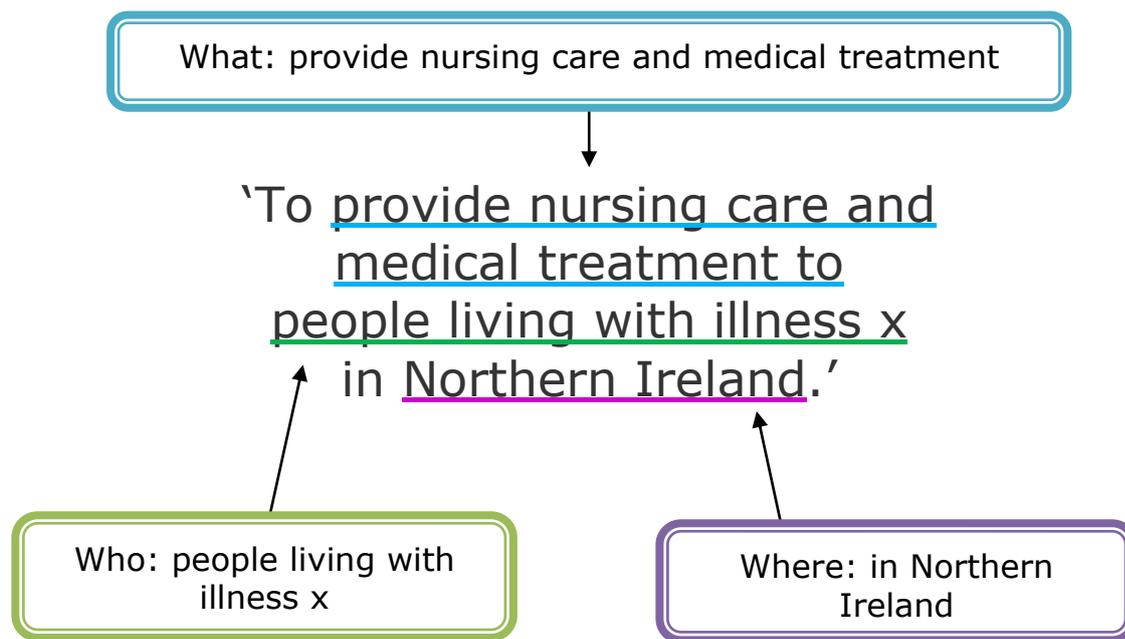
- **Who is it intended to benefit?**

If an organisation is set up to benefit a particular section of the public rather than the public as a whole, this should be made clear in the purpose. For example, an organisation is established to: advance the education of pre-school age children to facilitate a successful transition into primary school learning.

- **Where does our organisation operate?**

If the benefits of the organisation are to be defined by a particular geographical area, this should be made clear in the purpose. For example, an organisation is established to: advance the education of pre-school age children in the Belfast area, to facilitate a successful transition into primary school learning.

The diagram below provides an example of a purpose under the 'advancement of health.' The example illustrates what the organisation was set up to achieve, who the beneficiaries are and the charity's area of benefit.



1.1.4 Separating purposes from powers

It is important that the purposes of the charity are not confused with its powers. Common powers include the ability to raise funds, purchase property and equipment or employ staff.

The powers are usually set out in a separate clause or paragraph immediately following the purposes in an organisation's governing document. However, this is not always the case and there may be no clear separation. It is, however, best practice to ensure that powers are kept separate from the purposes of the organisation.

The governing document should make it clear that the powers can only be used to advance the charitable purposes of the organisation. The powers clause must not be drafted so widely that it could be used to further a non-charitable purpose or be inconsistent with charitable status. Charity trustees must remember to read the governing document as a whole.

1.1.5 Construction of your purposes top language tips

The Commission recognises that most charity trustees are not legally trained. However, it is important that they remember that the language used in a charity's governing document carries legal weight.

Words and phrases may appear to be there to aid the fluency of the document but these can be the words and phrases that create difficulties. For example, an organisation may set out its purpose as the relief of poverty among older people in rural Fermanagh and other similar worthy

causes. In this example the word 'worthy' can be interpreted in ways that are not exclusively charitable. This lack of clarity would leave this whole purpose open to interpretation in a way that would mean it was not exclusively charitable. You may still be able to use these words and phrases, provided you are mindful of how you use them.

We have listed some top tips to help you check that the wording of your purposes is clear and unambiguous. You should remember: at registration a governing document will be considered as a whole and on a case-by-case basis. A form of words used in the context of one governing document might not have the same effect when used in another.

Language top tips		
	Word	Legal
1	<p>Worthy, benevolent, philanthropy</p> <p>For example:</p> <p><i>'for worthy causes'</i></p> <p><i>'promoting philanthropy by helping the deserving'</i></p> <p><i>'for charitable and benevolent purposes'</i></p>	<p>Some purposes use words such as worthy, benevolent and philanthropy.</p> <p>These words are open to being interpreted in ways that are not exclusively charitable.</p>
2	<p>or</p> <p>For example:</p> <p><i>'these funds are to be used for charitable or public benevolent purposes.'</i></p>	<p>The law tends to interpret 'or' as introducing an alternative to what has gone before. If what follows the 'or' is not also charitable then not all purposes are charitable. 'Or' can also be interpreted as meaning 'otherwise called' but for this meaning to apply the words or phrases it joins must be interchangeable with one another. '<i>Charitable</i>' or '<i>benevolent</i>' are not interchangeable in legal terms, whereas sickness or disease are interchangeable.</p>
3	<p>and</p> <p>For example:</p> <p><i>'charitable and pious uses'</i></p> <p><i>'benevolent, charitable and religious'</i></p>	<p>In the first example below (charitable and pious), when two characteristics are joined like this then both characteristics must be met. In other words, the use must be both charitable and pious.</p> <p>In the second example (benevolent, charitable and religious) , while the 'and' is commonly used to connect all that is listed before and what follows, in legal terms the word 'and' at the end of a list can mean that all the items before it that are separated by a comma are treated as separate from what follows. In other words, charitable and religious are</p>

Language top tips		
	Word	Legal
		connected, but benevolent and charitable are not. In this example, a purpose could be benevolent without being charitable, so this purpose would not be exclusively charitable.
4	<p>furtherance</p> <p>For example: <i>'in furtherance of the said purposes, but not otherwise, the charity trustees may...'</i></p>	<p>The use of this word suggests that the governing document is about to set out powers – the things that are permitted to be done to further the purposes – rather than the purposes themselves. For example, the power to raise funds, purchase property and equipment or employ staff. It should be clear that the powers may only be used to further the purposes of the charity.</p>
5	<p>and in particular</p> <p>Used appropriately: <i>'to advance health for the public benefit in Northern Ireland and in particular to provide palliative care to people in Northern Ireland suffering from cancer'</i></p>	<p>When the phrase 'and in particular' is used to construct purposes, what follows after the phrase must be directly related to what went before.</p> <p>The following example would not be appropriate: <i>'to advance health for the public benefit in Northern Ireland and in particular to provide sanctuaries for injured animals'</i>.</p>
6	<p>Benefit of the community</p> <p>Where this may be used: <i>'To advance culture and heritage and in particular to preserve local historical sites or buildings for the benefit of the community'</i></p>	<p>The community can be benefitted in ways that are not necessarily charitable and so an organisation set up 'to benefit the community' but whose purposes do not fall within one of 12 descriptions of purposes would not be a charity.</p> <p>For example: <i>'To provide cosmetic surgery enhancements for the benefit of the community'</i></p>
7	<p>any other purposes</p> <p>Used correctly: <i>'any other charitable purpose according to the law of Northern Ireland'</i> makes clear that only charitable purposes are permissible.</p>	<p>This phrase, if it is not clearly confined to charitable purposes recognised in law, would mean that the organisation did not have exclusively charitable purposes. For example: <i>'...any other purpose as the charity trustees see fit.'</i></p>

Language top tips		
	Word	Legal
8	Etc	Using the term 'etc' which means 'and other things' or 'and so on' could introduce a purpose or activity that is not exclusively charitable. A purpose must be clear and unambiguous. Using this term could lead to confusion or uncertainty. For example: <i>'The association is established to provide information and signposting to the wider community on issues such as alcohol etc'</i>

1.1.6 Completing the purposes checklist

The checklist on the following page will help you to assess whether your charity's purposes adequately express what your organisation was set up to achieve and whether this is clear to stakeholders. If you cannot answer yes to these questions, you may need to revise your purposes. If you do need to revise your purposes, refer to the Commission's guidance on:

- [Consents for charitable companies](#)
- [Powers for unincorporated charities, or](#)
- [Requesting a scheme](#)

It is also advisable to read other guidance produced by the Commission, for example, the supporting documents on each of the 12 descriptions of charitable purposes.

If you have started preparing your registration application we recommend you continue without amending the purposes. Make a note in the 'special circumstances' box on the online application form if you anticipate a change may be required and what that change might be.

1.2. Charitable purposes checklist

The checklist below provides a space for you to insert your purpose, so you can consider each of the questions in turn. We recommend you complete the checklist for each of the purposes of the organisation.

Write your charity's purpose here:

Question	Help note	Yes	No
Is it clear from your purpose what your organisation is set up to achieve?	Each purpose must be described clearly and unambiguously, using words with a commonly accepted meaning so it is clear to your charity trustees, beneficiaries and members of the general public. You may wish to ask a critical friend to read your purposes and answer this question.		
Is this purpose exclusively charitable?	Each purpose must fit within at least one of the 12 descriptions of charitable purposes in the Charities Act and be for the public benefit.		
Is this a purpose rather than a power?	It is important the purposes of the charity are not confused with its powers, as powers are not charitable in themselves. Powers set out how you can go about achieving your purposes.		
Have you reviewed this purpose against the 'top tips'?	Particular words and phrases may appear to be there to aid the fluency of the document but these can be the words and phrases that create difficulties for organisations. Refer to the language 'top tips' which begin on page 9.		
Is it clear from your purposes who the intended beneficiaries are?	If your organisation is set up to benefit a particular section of the public rather than the public as a whole, we suggest you make it clear in the purpose. This is best practice, and not a legal requirement. For example, your purpose may specify you are providing benefits for school children or people with a particular illness.		
Is it clear from your purpose what the area of benefit is?	If the benefits of the organisation are to be defined by a particular geographical area, we suggest that this is made clear in the purpose. This is best practice, and not a legal requirement. Your area of benefit may range from the global population to a particular district or village.		

You must be able to answer yes to each of the first three questions and, for best practice, you should be able to answer yes to all questions. Once you have completed this section of the toolkit for each of your charity's purposes, progress to the next section, identifying and reviewing the public benefit that flows from each of your purposes.

Section 2: Creating or reviewing your public benefit statement

2.1 Guidance on the public benefit requirement

2.1.1 What is the public benefit requirement?

The public benefit requirement is defined in the Charities Act and states, to be charitable, purposes must be for the public benefit. The public benefit will differ from charity to charity. The charity trustees of well governed charities should not find it difficult to identify the public benefit their organisation seeks to provide through its charitable purposes. When dealing with applications for charity registration the Commission always considers public benefit on a case-by-case basis.

Charity trustees must have regard to the *Public benefit requirement statutory guidance* which provides further information. This is a requirement in law.

2.1.2 Demonstrating that your charity meets the public benefit requirement

The online registration application asks a series of five questions. The answers to these questions create a paragraph which forms your public benefit statement on the online *register of charities*. This statement is designed to demonstrate to the Commission and the public that the charity's purposes meet the statutory public benefit requirement.

The public benefit statement is an opportunity to highlight the benefit that your charity is set up to achieve, and the people for whom this benefit is intended. It is important therefore that the statement is clear and concise, and can be easily understood by beneficiaries, potential donors and members of the public.

If your answers do not include sufficient information about how your organisation's purposes satisfy the public benefit requirement then you will be required to revise and resubmit the statement. This may add significant time to the application process.

2.1.3 Answering the questions to create the public benefit statement

A charity's public benefit statement is created from the answers to the following five questions:

1. What are the direct benefits flowing from your organisations purposes? (2,000 character limit).
2. How can these benefits be demonstrated? (1,000 character limit).
3. Is there any harm arising from any of the purposes? (1,000 character limit).
4. Who are the charity's beneficiaries? (1,000 character limit).
5. Is there any private benefit flowing from any of the purposes? Is it incidental and necessary? (1,000 character limit).

The character limit at each question includes spaces, commas and full stops. The public benefit statement will appear as a single paragraph on the public [Register of charities](#).

A framework for drafting responses to these questions is set out in section 2.2 of this toolkit. It contains the five questions with help notes and a space for the answer to each question. The framework provides:

- information on how to answer each question
- suggested sources of information to help answer these questions
- practical examples of how these questions could be answered.

As the public benefit that flows from each of your purposes may be different, you should complete the framework for each of your purposes.

Consider preparing in advance using a programme such as Microsoft Word which has spell check and word and character count functions. Then copy and paste the responses into the online registration form.

2.2 Framework to help create a public benefit statement

Benefit element
Purpose
Use a separate template for each purpose
What benefit flows from this purpose?
Benefit must flow from your purpose and any benefit not related to your purpose should not be recorded here. It is not correct to list activities carried out by the organisation, rather, the benefit is the outcome the purposes will achieve. It may be helpful to think of benefit not as services provided to beneficiaries but more as the impact these activities have on the beneficiaries. For example: <i>'The benefits which flow from purpose x include improved health outcomes and reduced levels of stress and anxiety.'</i> Refer to the Public benefit statutory guidance section 4.2.1
The direct benefits which flow from purpose x include ...
Can you demonstrate this?
The benefit must be capable of being demonstrated by being recognisable or identifiable or definable or capable of description, for instance, you may be able to provide evidence through a survey, feedback from beneficiaries or government statistics. You may find this information in a service evaluation form or annual report. If your organisation is recently established, you may provide information on how you intend to demonstrate the benefit flowing from the purpose. How the benefit will be demonstrated must be meaningful to the purpose and may be followed up by the Commission. For example: <i>'These benefits will be evidenced through feedback from patients and regular independent evaluation of our services.'</i> Refer to the Public benefit statutory guidance section 4.2.3
These benefits are (will be) demonstrated through...
Is any harm or possibility of harm outweighed by the benefit?
Purposes must be beneficial, not harmful. It is likely that there will be no harm flowing from your purposes. If there is, you must be able to show that the benefit outweighs the harm. If there is no harm, then you should state this clearly. You may find this information in a risk register, for instance. For example: <i>'In providing medical treatment for patients with illness x there is a risk of unintended side effects from the drugs however this is rare and the benefit outweighs the harm.'</i> Refer to Public benefit statutory guidance section 4.2.4
The purposes of our charity may lead to the following harm.....We can show that this harm is outweighed by the benefits through...

Public element

Who is the benefit for?

The charity's intended beneficiaries are the people who can benefit from its charitable purposes. Anyone who could benefit is a potential beneficiary. It must be clear in your statement who the intended beneficiaries of your purpose are. You may be set up to benefit the general public, or to benefit a section of the public. If your benefits are to a section of the public, your statement should explain how this section is defined, for example by a common characteristic such as a disability, particular need, profession or geographical area. You may find this information in your purpose, your mission statement or an annual report. For example: *'The charity's benefits are provided to those diagnosed with illness x and to their families and carers.'* Refer to the [Public benefit statutory guidance](#) section 4.3

The charity's beneficiaries are ...

Is there any private benefit? Is it incidental or necessary?

For a charity's purposes to satisfy the public element, benefit to people who are not the intended beneficiaries must be no more than incidental. In many cases, there will be no private benefit flowing from your purposes. 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. Charities can provide private benefit so long as the benefit is incidental, i.e. it directly contributes towards achieving the charity's purposes and/or is a necessary result or by-product of carrying out those purposes. For example: *'A private benefit flowing from this purpose is that gained by an organisation that owns a facility that is renovated by the charity to be used in the provision of respite. The facility is necessary to the achievement of the purpose and the investment is reasonable and the lease on the facility is long term therefore the private benefit is incidental and necessary.'* Refer to the [Public benefit supporting documents](#)

The only private benefit flowing from this purpose is.....and this is incidental and necessary because ...

Section 3: Identifying private benefit within purposes

The Commission has found that the concept of 'private benefit' within purposes can be confusing to applicants for charity registration. This section of the toolkit explains what private benefit is, provides some practical examples, and may help you to identify whether there is any private benefit flowing from the purposes of your organisation.

It is important to note that private benefit does not necessarily prevent an organisation from being a charity. It is expected that many charities will provide some form of private benefit. However, this private benefit must be incidental and necessary to advance the charity's purposes.

3.1 What is private benefit?

There is private benefit when an individual or an organisation that is not an intended beneficiary gains from the purposes of the organisation. In some cases it may be proper for such a benefit to arise. In other cases, private benefit may not be incidental or necessary to the advancement of the charity's purposes and thereby prevent an organisation from being a charity. Private benefit could prevent an organisation from being a charity where:

- it is a purpose of the organisation to provide a private benefit
- the organisation's beneficiaries are a private class rather than the public or a section of the public
- the private benefit is not incidental or necessary to the advancement of the charity's purposes.

If an organisation is established to benefit an individual then it cannot be a charity. For example, an organisation was established to raise funds for medical treatment for a named individual who had a rare medical condition. When the course of medical treatment was completed, the organisation was to be closed. The private benefit which arises here is for one person, which is not a wide enough section of the public. This private benefit is not incidental but the purpose of the organisation. This organisation cannot be a charity. Individuals and organisations can still raise money to fund the medical treatment for a specific person but will do this without being a charity.

An organisation cannot be a charity if its beneficiaries are a private class rather than the public or a section of the public. For example, a trust established to provide for the education of children within a particular family could not be a charity. There is one exception – the poverty exception – which allows charities for the relief of poverty to define their

beneficiaries by reference to a relationship with an individual, employment by a commercial company or membership of an unincorporated association. For example, a company might set up a charity to relieve poverty among its former employees, their families and dependents.

Operational costs such as employees' salaries are not generally considered a private benefit for the purposes of the public benefit statement. However, if operational costs are excessive or disproportionate then charity trustees may be in breach of trust. This will be identified through charity annual reporting mechanisms. It is important that the payment of salaries to employees is incidental in helping the charity to achieve the purposes for which it is established.

Private benefit is acceptable if it:

- is not a purpose in its own right
- results from an action which furthers the purposes of the charity
- is necessary or incidental
- is desirable or justifiable
- is reasonable.

3.2 Examples of private benefit

Below are some examples of private benefit highlighting instances where the private benefit is likely to be acceptable and instances where it is not. It is important to remember that all assessments are made on a case-by-case basis and will depend on the situation of the individual charity.

Examples of private benefit that are likely to be acceptable:

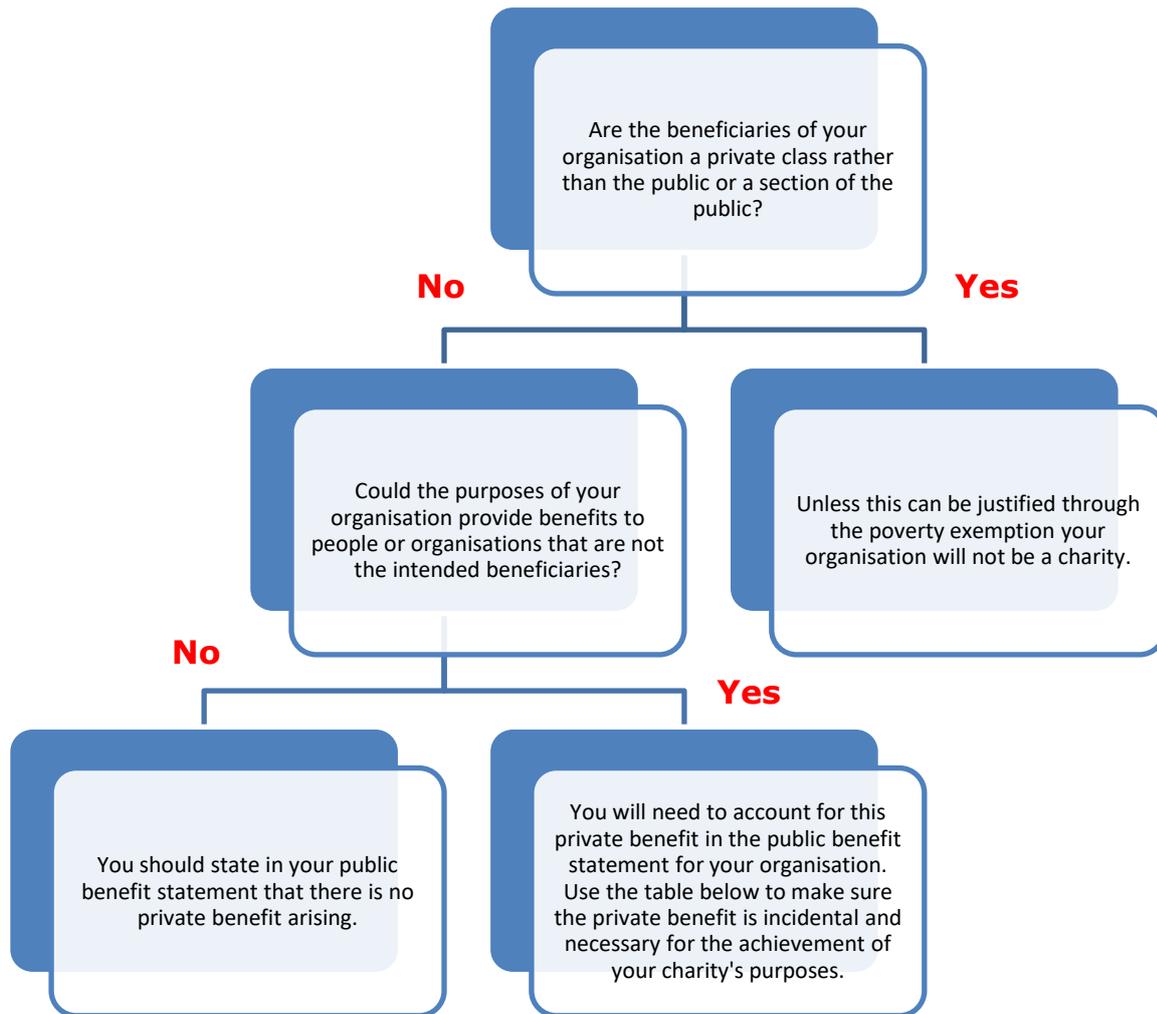
- A charity is established to advance the appreciation of cultural heritage in the local town. It plans to regenerate local rundown buildings of historical interest and open them to the public for educational purposes. This may lead to an increase in tourism in the area which would benefit local hospitality providers. This benefit is an incidental by-product of a charitable purpose and is not a purpose in itself. Therefore it is a private benefit that is likely to be acceptable.
- A charity established to advance appreciation of culture and the arts through music, plans a series of concerts featuring local musicians. The musicians benefit from their exposure to a wider audience which may result in their gaining a higher profile. This is incidental to the achievement of the purpose and, while a private benefit, is necessary to help the charity achieve its charitable purpose.

Examples of private benefit that may result in an organisation not being a charity:

- A Will established a trust fund to provide for the education of the descendants of three named individuals. This was found not to be charitable because the beneficiaries were defined by their connection to named individuals so were not the public or a section of the public. The poverty exception did not apply because the purpose was to advance education.
- An organisation had a purpose of promoting trade, commerce and enterprise. It argued that there was a benefit to the public in the increase in profitability of businesses and their contribution to the reduction in unemployment. The organisation was found not to be charitable because its purpose provided for private benefit to individuals engaged in trade, commerce or enterprise and the potential benefit to the public was too remote. It should be noted, however, that the promotion of industry and commerce is capable of being charitable but public benefit is key and any private benefit must be incidental and necessary to the advancement of the charity's purposes.

3.3 Identifying private benefit within your organisation

Answering the questions in the flowchart below will help identify whether there is any private benefit or potential benefit associated with your organisation.



If you identify any private benefit this will have to be explained in the organisations application for registration. The table on the following page will help you to identify whether the private benefit you have identified is lawful. To be lawful any private benefit must be incidental and necessary for the achievement of a charity’s purposes.

Question	Help note	Yes	No
Does it flow from a purpose of the charity without being a purpose in its own right?	<i>Identify the nature and effect of the benefit and the purpose being furthered. Ensure the private benefit is not a main purpose in its own right. For example, it would not be a charitable purpose to advance the profits of local businesses. However, a charitable purpose to regenerate an area that is socially deprived may lead to benefits to local businesses.</i>		
Does it result from activity which furthers the purposes of the charity?	<i>Ensure that the achievement of the charitable purposes is not too remote a consequence of the private benefit. Activity that results in a private benefit will not be acceptable if the activity is not aimed at furthering the charitable purposes of the organisation.</i>		
Is it necessary or incidental?	<i>Ensure the private benefit is either an incidental consequence of the charitable purposes of the organisation or is a necessary step in the achievement of the charitable purposes. For example, a charity advancing the education of the public in the arts holds an event showcasing the work of local artists. The charitable purpose could not be achieved without benefiting the local artists therefore this is necessary and incidental.</i>		
Is it desirable or justifiable?	<i>Ensure the private benefit can be justified and is desirable in the circumstances, bearing in mind the duty of charity trustees to act in the best interests of the charity only. For example, if activity by the charity would result in a private benefit that, while helping to achieving its purposes, had the potential to bring reputational damage to the charity, the charity trustees may not be able to justify the private benefit.</i>		
Is it reasonable?	<i>Ensure the private benefit is reasonable in the circumstances, bearing in mind the duty of charity trustees to act in the best interests of the charity only. For example, a charity with a purpose to help unemployed people into employment offers financial incentives to local companies to give work experience to those individuals. The companies gain a private benefit through having an additional resource. It may be reasonable to offer this incentive to small companies who would otherwise be unable to assist but it may not be reasonable to offer the benefit to larger companies that have the capacity to assist without the financial incentive.</i>		

Section 4: Example of completed application questions creating a public benefit statement

This section of the toolkit provides an example of how an organisation might use the purposes and public benefit toolkit to answer the application questions on public benefit. These answers will create the organisation's public benefit statement on the online *register of charities*.

The information has been completed and drafted by the Commission, and may provide a useful and practical worked example. It is based on an organisation with the example purposes set out below.

Example purposes

1. To provide nursing care and medical treatment to people living with illness x in Northern Ireland.
2. To preserve and protect the health of those caring for people with illness x in Northern Ireland by offering respite.

Complete the checklist below for each of your charity's purposes

Write your charity's first purpose here:

To provide nursing care and medical treatment to people living with illness x in Northern Ireland.

Question	Help note	Yes	No
Is it clear from your purpose what your organisation is set up to achieve?	Each purpose must be described clearly and unambiguously, using words with a commonly accepted meaning so it is clear to your charity trustees, beneficiaries and members of the general public. You may wish to ask a critical friend to read your purposes and answer this question.	X	
Is this purpose exclusively charitable?	Each purpose must fit within at least one of the 12 descriptions of charitable purposes in the Charities Act and be for the public benefit.	X	
Is this a purpose rather than a power?	It is important the purposes of the charity are not confused with its powers, as powers are not charitable in themselves. Powers set out how you can go about achieving your purposes.	X	
Have you reviewed this purpose against the 'top tips'?	Particular words and phrases may appear to be there to aid the fluency of the document but these can be the words and phrases that create difficulties for organisations. Refer to 'top tips' which begin on page 9.	X	
Is it clear from your purposes who the intended beneficiaries are?	If your organisation is set up to benefit a particular section of the public rather than the public as a whole, we suggest you make it clear in the purpose. This is best practice, and not a legal requirement. For example your purpose may specify that you are providing benefits for school children or people with a particular illness.	X	
Is it clear from your purpose what the area of benefit is?	If the benefits of the organisation are to be defined by a particular geographical area, we suggest that this is made clear in the purpose. This is best practice, and not a legal requirement. Your area of benefit may range from the global population to a particular district or village.	X	

You must be able to answer yes to each of the first three questions and, for best practice, you should be able to answer yes to all questions. Once you have completed this section of the toolkit for each of your charity's purposes, progress to the next section, identifying and reviewing the public benefit that flows from each of your purposes.

Benefit element
Purpose
Use a separate template for each purpose
To provide nursing care and medical treatment to people living with illness x in Northern Ireland.
What benefit flows from this purpose?
Benefit must flow from your purpose and any benefit not related to your purpose should not be recorded here. It is not correct to list activities carried out by the organisation, rather, the benefit is the outcome the purposes will achieve. It may be helpful to think of benefit not as services provided to beneficiaries but more as the impact these activities have on the beneficiaries. For example: <i>'The benefits which flow from purpose x include improved health outcomes and reduced levels of stress and anxiety.'</i> Refer to the Public benefit statutory guidance section 4.2.1
The direct benefits which flow from this purpose include improved health outcomes and reduced levels of stress and anxiety amongst people living with illness x in Northern Ireland.
Can you demonstrate this?
The benefit must be capable of being demonstrated by being recognisable or identifiable or definable or capable of description, for instance you may be able to provide evidence through a survey, feedback from beneficiaries or government statistics. You may find this information in a service evaluation form or annual report. If your organisation is recently established, you may provide information on how you intend to demonstrate benefit flowing from the purpose. How the benefit will be demonstrated must be meaningful to the purpose and may be followed up by the Commission. For example: <i>'These benefits will be evidenced through feedback from patients and regular independent evaluation of our services.'</i> Refer to the Public benefit statutory guidance section 4.2.3
These benefits are evidenced through feedback from patients and regular independent evaluation of our services by healthcare professionals in several health trusts.
Is any harm or possibility of harm outweighed by the benefit?
Purposes must be beneficial, not harmful. It is likely that there will be no harm flowing from your purposes. If there is, you must be able to show that the benefit outweighs the harm. If there is no harm, then you should state this clearly. You may find this information in a risk register, for instance. For example: <i>'In providing medical treatment for patients with illness x there is a risk of unintended side effects from the drugs however this is rare and the benefit outweighs the harm.'</i> Refer to Public benefit statutory guidance section 4.2.4

In providing medical treatment for patients with illness x there is a risk of unintended side effects from the drugs however this is rare and the benefit outweighs the harm.

Public element

Who is the benefit for?

The charity's intended beneficiaries are the people who can benefit from its charitable purposes. Anyone who could benefit is a potential beneficiary. It must be clear in your statement who the intended beneficiaries of your purpose are. You may be set up to benefit the general public, or to benefit a section of the public. If your benefits are to a section of the public, your statement should explain how this section is defined, for example by a common characteristic such as a disability, particular need, profession or geographical area. You may find this information in your purpose, your mission statement or an annual report. For example: *'The charity's benefits are provided to those diagnosed with illness x and to their families and carers.'* Refer to the [Public benefit statutory guidance](#) section 4.3

The charity's beneficiaries are people living in Northern Ireland who have been diagnosed with illness x.

Is there any private benefit? Is it incidental or necessary?

For a charity's purposes to satisfy the public element, benefit to people who are not the intended beneficiaries must be no more than incidental. In many cases, there will be no private benefit flowing from your purposes. 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. Charities can provide private benefit so long as the benefit is incidental, i.e. it directly contributes towards achieving the charity's purposes and/or is a necessary result or by-product of carrying out those purposes. For example: *'A private benefit flowing from this purpose is that gained by an organisation owns a facility that is renovated by the charity to be used in the provision of respite. The facility is necessary to the achievement of the purpose and the investment is reasonable and the lease on the facility is long term therefore the private benefit is incidental and necessary for the achievement of the charity's purposes.'* Refer to the [Public benefit supporting documents](#)

There is no private benefit flowing from this purpose.

Complete the checklist below for each of your charity's purposes

Write your charity's second purpose here:

To preserve and protect the health of those caring for people with illness x in Northern Ireland by offering respite.

Question	Help note	Yes	No
Is it clear from your purpose what your organisation is set up to achieve?	Each purpose must be described clearly and unambiguously, using words with a commonly accepted meaning so it is clear to your charity trustees, beneficiaries and members of the general public. You may wish to ask a critical friend to read your purposes and answer this question.	X	
Is this purpose exclusively charitable?	Each purpose must fit within at least one of the 12 descriptions of charitable purposes in the Charities Act and be for the public benefit.	X	
Is this a purpose rather than a power?	It is important the purposes of the charity are not confused with its powers, as powers are not charitable in themselves. Powers set out how you can go about achieving your purposes.	X	
Have you reviewed this purpose against the 'top tips'?	Particular words and phrases may appear to be there to aid the fluency of the document but these can be the words and phrases that create difficulties for organisations. Refer to 'top tips' which begin on page 9.	X	
Is it clear from your purposes who the intended beneficiaries are?	If your organisation is set up to benefit a particular section of the public rather than the public as a whole, we suggest you make it clear in the purpose. This is best practice, and not a legal requirement. For example your purpose may specify that you are providing benefits for school children or people with a particular illness.	X	
Is it clear from your purpose what the area of benefit is?	If the benefits of the organisation are to be defined by a particular geographical area, we suggest that this is made clear in the purpose. This is best practice, and not a legal requirement. Your area of benefit may range from the global population to a particular district or village.	X	

You must be able to answer yes to each of the first three questions and, for best practice, you should be able to answer yes to all questions. Once you have completed this section of the toolkit for each of your charity's purposes, progress to the next section, identifying and reviewing the public benefit that flows from each of your purposes.

Benefit element
Purpose
Use a separate template for each purpose
To preserve and protect the health of those caring for people with illness x in Northern Ireland by offering respite.
What benefit flows from this purpose?
Benefit must flow from your purpose and any benefit not related to your purpose should not be recorded here. It is not correct to list activities carried out by the organisation, rather, the benefit is the outcome the purposes will achieve. It may be helpful to think of benefit not as services provided to beneficiaries but more as the impact these activities have on the beneficiaries. For example: <i>'The benefits which flow from purpose x include improved health outcomes and reduced levels of stress and anxiety.'</i> Refer to the Public benefit statutory guidance section 4.2.1
The direct benefits which flow from this purpose include the reduction of stress and anxiety among carers of people with illness x in Northern Ireland and increased protection and preservation of their health.
Can you demonstrate this?
The benefit must be capable of being demonstrated by being recognisable or identifiable or definable or capable of description, for instance you may be able to provide evidence through a survey, feedback from beneficiaries or government statistics. You may find this information in a service evaluation form or annual report. If your organisation is recently established, you may provide information on how you intend to demonstrate the benefit flowing from the purpose. How the benefit will be demonstrated must be meaningful to the purpose and may be followed up by the Commission. For example: <i>'These benefits are evidenced through feedback from patients and regular independent evaluation of our services.'</i> Refer to the Public benefit statutory guidance section 4.2.3
These benefits are evidenced through feedback from families of patients and regular independent evaluation of our services through patient surveys and interviews.
Is any harm or possibility of harm outweighed by the benefit?
Purposes must be beneficial, not harmful. It is likely that there will be no harm flowing from your purposes. If there is, you must be able to show that the benefit outweighs the harm. If there is no harm, then you should state this clearly. You may find this information in a risk register, for instance. For example: <i>'In providing medical treatment for patients with illness x there is a risk of unintended side effects from the drugs however this is rare and the benefit outweighs the harm.'</i> Refer to Public benefit statutory guidance section 4.2.4
This purpose does not lead to harm.

Public element

Who is the benefit for?

The charity's intended beneficiaries are the people who can benefit from its charitable purposes. Anyone who could benefit is a potential beneficiary. It must be clear in your statement who the intended beneficiaries of your purpose are. You may be set up to benefit the general public, or to benefit a section of the public. If your benefits are to a section of the public, your statement should explain how this section is defined, for example by a common characteristic such as a disability, particular need, profession or geographical area. You may find this information in your purpose, your mission statement or an annual report. For example: *'The charity's benefits are provided to those diagnosed with illness x and to their families and carers.'* Refer to the [Public benefit statutory guidance](#) section 4.3

The beneficiaries of this purpose are people living in Northern Ireland who have been diagnosed with illness x. They also include family members and carers of those who are diagnosed with illness x.

Is there any private benefit? Is it incidental or necessary?

For a charity's purposes to satisfy the public element, benefit to people who are not the intended beneficiaries must be no more than incidental. In many cases, there will be no private benefit flowing from your purposes. 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. Charities can provide private benefit so long as the benefit is incidental, i.e. it directly contributes towards achieving the charity's purposes and/or is a necessary result or by-product of carrying out those purposes. For example: *'A private benefit flowing from this purpose is that gained by an organisation that owns a facility that is renovated by the charity to be used in the provision of respite. The facility is necessary to the achievement of the purpose and the investment is reasonable and the lease on the facility is long term therefore the private benefit is incidental and necessary for the achievement of the charity's purposes.'* Refer to the [Public benefit supporting documents](#)

A private benefit flowing from this purpose is that gained by an organisation that owns a facility that is renovated by the charity to be used in the provision of respite. The facility is necessary to the achievement of the purpose and the investment is reasonable and the lease on the facility is long term therefore the private benefit is incidental and necessary for the achievement of the charity's purposes.

Example purposes

1. To provide nursing care and medical treatment to people living with illness x in Northern Ireland.
2. To preserve and protect the health of those caring for people with illness x in Northern Ireland by offering respite.

Example: Completed public benefit statement as it appears on the register of charities

The charity trustees believe that both our purposes satisfy both elements of the public benefit requirement.

The direct benefits which flow from purpose one include improved health outcomes and reduced levels of stress and anxiety amongst people with illness x in Northern Ireland. These benefits are evidenced through feedback from patients and regular independent evaluation of our services by healthcare professionals in several health trusts. In providing medical treatment for patients with illness x there is a risk of unintended side effects from the drugs however this is rare and the benefit outweighs the harm. The beneficiaries of this purpose are people living in Northern Ireland who have been diagnosed with illness x. There is no private benefit flowing from this purpose.

The direct benefits which flow from purpose two include the reduction of stress and anxiety among carers of people with illness x in Northern Ireland and increased protection and preservation of their health. These benefits are evidenced through feedback from patients and regular independent evaluation of our services through patient surveys and interviews. This purpose does not give rise to any harm. The beneficiaries of this purpose are people living in Northern Ireland who have been diagnosed with illness x. They also include family members and carers of those who are diagnosed with illness x. A private benefit flowing from this purpose is that gained by an organisation that owns a facility that is renovated by the charity to be used in the provision of respite. The facility is necessary to deliver the respite service to the beneficiaries. The charity has a long-term lease on the facility and the investment is reasonable when compared to other available facilities. Therefore the private benefit is incidental and necessary for the achievement of the charity's purposes.

An example of how charity trustees would report on this public benefit as part of their Trustees' annual report is available in the [Reporting on the public benefit toolkit](#), which is available on the Commission website at: www.charitycommissionni.org.uk.

Section 5: Examples of public benefit statements from the register of charities

This section of the toolkit provides two real examples of how an organisation has used the purposes and public benefit toolkit to draft their published public benefit statement. It also provides an example of the section of a trustees' annual report which reports on the public benefit requirement.

Purpose	Public benefit statement	Commission comments
<p>Shopmobility Newry</p> <p>The purpose of Shopmobility Newry is to relieve the needs of people with disabilities and mobility issues in the Greater Newry area.</p>	<p>The direct benefits that flow from this purpose are the breaking down of isolation, enhancing the independence and improving the quality of life of people with limited mobility.</p> <p>These benefits are evidenced through the increasing numbers of people using our service and the feedback received from patrons.</p> <p>Our service involves the provision of powered mobility scooters and wheelchairs. We provide training to patrons in the safe operation of equipment, ensuring patrons are capable of using the equipment safely and ensuring equipment is fit for purpose. Accidents are extremely rare and the benefits of our service outweigh any risks.</p> <p>There is no private benefit flowing from the purpose of our organisation. Beneficiaries of Shopmobility Newry are people with limited mobility and their carers, living in or visiting the Greater Newry area.</p>	<p>This public benefit statement covers each of the key elements succinctly. It identifies benefits that flow directly from the purpose and provides a reasonable account of how these benefits can be demonstrated. It is clear who the beneficiaries are. The organisation has identified that there is no private benefit and has accounted for potential harm through accidents by those using the equipment.</p>

Purpose	Public benefit statement	Commission comments
<p>Omagh Forum for Rural Associations</p> <p>The objects of the company are:</p> <p>a) to improve the efficiency of the administration of charities in rural Omagh and Fermanagh (hereinafter called "the area of benefit") in direct pursuance of their objects, in particular by the provision of advice, management and technical support, training facilities and services to charitable organisations within rural Omagh and Fermanagh.</p> <p>b) To promote the benefit of people living in socially and economically disadvantaged areas of rural Omagh and Fermanagh by developing their capacity and skills in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.</p> <p>c) The advancement of any other exclusively charitable purpose as the trustees may decide in accordance with the law of charity in Northern Ireland</p>	<p>The direct benefits which flow from this purpose include improved governance in community groups; increased capability in the management of community projects and facilities; increased access to funding for groups to develop projects; better informed group representatives about the sector and opportunities; enhanced ability to participate in decision making on policies which affect rural areas; more access to equipment as and when groups require it; strengthened ability of groups and individuals to avail of programmes which will improve their circumstances and opportunities.</p> <p>These benefits are evidenced through feedback from attendees at our events using evaluation forms; from surveys conducted with member groups; from records of loaning/using equipment; from verbal feedback of services provided and independent evaluation of our services by our funders.</p> <p>There is no harm anticipated from this purpose. The charity's beneficiaries are people living in rural Omagh and Fermanagh.</p> <p>A private benefit to trustees may arise from our ongoing programme of training, good practice visits, direct support to groups and financial support through grants or information provision. Through this trustees gain skills, experience or grant aid which are transferable to other settings and which may benefit their own community group. Our own trustees receive information in the same way as other beneficiaries and are assigned support and/or apply for grant aid the same as other beneficiaries.</p> <p>These benefits are incidental and necessary to ensure the benefit is provided to our beneficiaries.</p>	<p>This public benefit statement clearly identifies the benefits that flow directly from the purposes and provides a reasonable account of how these benefits can be demonstrated. It is clear who the beneficiaries are. The organisation has identified private benefit and explained how this is incidental and necessary to the provision of services to its beneficiaries. They have identified no harm arising from the activities of the organisation.</p>

Further information on our activities is available from:

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