

FOR LEGAL

Learning without limits

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Working constructively with charities



Information

These slides contain general information based on English law and whilst every effort is made to ensure that the contents are accurate and up to date, nothing in these slides should be construed as, relied upon or used as a substitute for advice on how to act in a particular case.

All and any liability which might arise from these slides is hereby excluded to the fullest extent permitted by law.

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Refer to James Beresford's session "Charities as Beneficiaries" released on the 7th February 2022.

Will Drafting

When taking instructions for drafting a Will:

- › Do you have the correct charity?
- › Does the client have a connection with the charity?
- › Charity Website.
- › <https://register-of-charities.charitycommission.gov.uk/>
- › Specific wish for how the monies are spent/utilised?
- › Is the gift conditional?
- › Unexpected future events.
- › Burden of Inheritance Tax.
- › Receipt clause.



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Charity as a Personal Representative (PR) – Consider a **Power of Attorney**

Estate Administration

Charity as a beneficiary.

- › When to notify?
- › Obtain details of the legacy team and who will be dealing with the matter.
- › Agree with them **one lead contact**.
- › Documents to send:
 - › Summary of Work and Fee Proposal/Fee Quote
 - › Will and any Codicil
 - › Schedule of assets and liabilities
 - › The IHT account
 - › Contents valuations
 - › Investment Portfolio valuation
 - › Property valuation



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Property

- › Surveyors Valuation – S117-S121 Charities Act 2011
- › Not a valuation – 9 advice points required to be commented on:
<https://www.legislation.gov.uk/ukxi/1992/2980/schedule/made>
- › Keep the charities up to date.
- › Send the **sale particulars** to the charities.
- › Estate Agent **Letter of Recommendation**



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Appropriation

- > Does the sale price exceed the date of death valuation?
- > Consider the costs of appropriating.
- > Before Exchange.
- > Not just property.
- > Memorandum of Appropriation.



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Personal Possessions

- > Practically how to deal with these.
- > Inventory.
- > Sale/auction/charity shop?
- > Items of emotional value.
- > Preferential commission agreement in place?



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TAX

Inheritance Tax

- > Grossing and Double Grossing
- > Clearance
- > Re Benham or Re Ratcliffe
- > HMRC Calculations

Income Tax

- > Inclusion in the Estate Accounts
- > R185



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During the administration

- › Update your beneficiary regularly.
- › Invoices.
- › Costs update.
- › Update the charities on a time frame.
- › Estate Accounts.



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Summary

- › **Communicate.**
- › Correspond with one lead charity.
- › Update the charitable beneficiaries.
- › Communicate by email.
- › Be familiar with the documents that will be requested and provide them as soon as possible.
- › Appropriate.
- › Co-operation – work **with** the charities.

