

## Payments to Other Charities

In a letter to the Treasurer 20/10/04 the Charity Commission stated that there is no specific guidance made available by the Commission on the conditions under which charities may make payments to other charities. When making a payment to another charity it is for the trustees of the donating charity to consider if this payment would be in furtherance of their objects would be a reasonable and proper exercise of their powers. Also the trustees have the legal responsibility for the general control of the management and administration of the charity. As such it is for the trustees to take the decisions about how the charity's purposes will be achieved and how its funds will be applied, acting in what they regard as the best interests of the charity. In response to the examples in the Treasurer's original letter the Commission's advice is in the table below.

Example	Response
An invited speaker asks for their fee, or a donation, to be paid directly to another nominated charity.	The trustees may donate the invited speaker's fee to the speaker's nominated charity if such a donation, as suggested above, would be in furtherance of the charity's objects. If this is not the case then the speaker's fee should be paid directly to the speaker who can then pay the money to the charity of his choice.
In payment for goods or services provided by another charity.	If the purchased goods and services are to be used in furtherance of the charity's objects then we would agree with your view.
An event is advertised as raising funds for another charity. In this instance, the amount paid could be based on either:- i) the ticket price (in this case the organising charity could make a loss if ticket sales were poor) or ii) the proceeds from the event (in this case there would be no payment if there was a loss on the event).	The trustees may hold a fund raising event or purchase a ticket to a fund raising event for another charity if it is in furtherance of the charity's objects and the proceeds raised from the event are to be used in furtherance of that charity's objects. Also the trustees would need to be satisfied that this would be a reasonable and proper exercise of their powers.