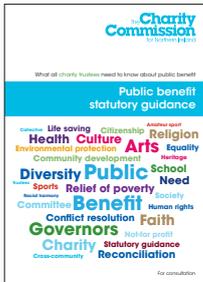


Supporting guidance for charity trustees

# Glossary

Collective Life saving **Citizenship**  
Health **Culture** Amateur sport **Religion**  
Environmental protection **Arts** Equality  
**Community development** Heritage  
**Diversity Religion** School  
Trustees **Sports** **Need**  
Racial harmony **Animal welfare** Equality  
Committee **Improvement** Trustees  
Conflict resolution **Faith** Society  
**Governors** Not-for profit  
**Charity** Relief of poverty **Human rights**  
Cross-community **Reconciliation** Advancement



This supporting guidance must be read alongside the Commission's statutory guidance on public benefit.

## Online or in print

If you are viewing this guidance online, you will be able to navigate your way around by clicking on links either within the text, at the top of each page, or in the chart.

If you choose to read this document in a printed format, you can still use the section headings and page numbers to assist you in moving around the guidance.

We have produced a glossary which provides further information, definitions and descriptions of some key terms. The words in **green type** indicate words that are found in the glossary. You can find these definitions either by downloading the glossary as a separate document or, if you are reading the guidance online, by clicking on the green words which link to the glossary.

## Glossary of terms

| Glossary                  | Definition   |
|---------------------------|--|
| <b>Activities</b>         | We use this term when talking about what organisations do in order to carry out their purposes.  |
| <b>Beneficiaries</b>      | 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.  |
| <b>Benevolent fund</b>    | <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 benefits on employees of a particular company or employer cannot be a charity. This is because the aim is likely to benefit the company or employer by making its package of employment benefits attractive. Such a restriction on a beneficial class would not be reasonable or rational in relation to charitable aims, and the beneficiaries would not be a sufficient section of the public. Similarly, an organisation which conferred a benefit on persons linked by their relationship to an individual are not generally charitable because the shared connection means that they are not a sufficient section of the public. However, charities for the relief of poverty have been treated as a special case.</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 benefits are 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> |
| <b>Charitable company</b> | This is a charity which is formed and registered under the Companies Act 2006, or any companies that were already established under previous legislation. Charitable companies are registered with Companies House. It will usually have memorandum and articles of association as its governing document and it has its own legal identity. It must be established for exclusively charitable purposes.   |

| Glossary                                     | Definition   |
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| <b>Charities</b>                             | <p>Charitable organisations are organisations (whether incorporated or not) that exist exclusively for charitable purposes.</p> <hr/> <p>This is defined by section 2 of the Charities Act (NI) 2008 as one that:</p>  |
| <b>Charitable purpose</b>                    | <ul style="list-style-type: none"><li>• falls under one or more of the list of 12 descriptions of purposes set out in section 2(2) of the Act; and</li><li>• is for the public benefit.</li></ul> <p>To be a charity, an organisation must have purposes which are exclusively charitable in law.</p> <hr/> <p>Throughout this guidance, references to the Act are to the Charities Act (Northern Ireland) 2008. The full content of the Act can be found at <a href="http://www.legislation.gov.uk/nia/2008/12/contents">http://www.legislation.gov.uk/nia/2008/12/contents</a></p>                                 |
| <b>Charities Act (Northern Ireland) 2008</b> | <p>Not all of the sections of the Charities Act are commenced yet. The link below shows the sections of the Act that are currently commenced.</p> <p><a href="http://www.charitycommissionni.org.uk/Library/pdf_documents/CharitiesActNorthernIreland2008LiveMar12version.pdf">http://www.charitycommissionni.org.uk/Library/pdf_documents/CharitiesActNorthernIreland2008LiveMar12version.pdf</a></p> <hr/>   |
| <b>Charity trustees</b>                      | <p>Trustees in the context of a charity means charity trustees. These are the people who are legally responsible for the control and management of the administration of the charity. In 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> <hr/>  |
| <b>Closed religious order</b>                | <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 comprised of an association of strictly cloistered and purely contemplative nuns who devoted themselves entirely to worship, prayers and contemplation and engaged in no activities for the benefit of anyone outside their own association was denied the income of a trust as the court held that having a religious belief or being a religious person does not in itself advance religion for the public benefit.</p> <hr/> |

| Glossary   | Definition  |
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| <p><b>Community Amateur Sports Club (CASC)</b></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 fairly easy to meet. A club must fit in with these in practice as well as having these as requirements in the club rules. A club must:</p> <ul style="list-style-type: none"> <li>• be open to the whole community;</li> <li>• be organised on an amateur basis;</li> <li>• have as its main purpose providing facilities for, and promoting participation in one or more eligible sports;</li> <li>• meet the location requirement; and</li> <li>• meet the management condition.</li> </ul> <p>If a club registers as a CASC, it is not eligible to apply for registration as a charity.</p>  |
| <p><b>Community interest company</b></p>           | <p>A limited company with certain additional features, the activities of which are carried out for the benefit of the community, and which has certain restrictions on the use of its assets.</p>   |
| <p><b>Connected person</b></p>                     | <p>The meaning of connected persons is set out in schedule 5 of the Charities Act for the purposes of section 57(2) (the disposal of charity land) which includes:</p> <ul style="list-style-type: none"> <li>• a charity trustee or trustee for the charity;</li> <li>• a person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity);</li> <li>• a child, parent, grandchild, grandparent, brother or sister of any such trustee or donor;</li> <li>• an officer, agent or employee of the charity;</li> <li>• the spouse or civil partner of any person above;</li> <li>• a person carrying on business in partnership with anyone falling into the above categories;</li> <li>• an institution which is controlled by any of the above persons; and</li> <li>• a body corporate which any of the above persons have a substantial interest in (which means that they hold more than one fifth of its share capital or control more than one fifth of the voting power at any general meeting of the body).</li> </ul> |

| Glossary   | Definition  |
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| <b>Control and direction of governance and resources</b> | <p>Governance is primarily about leadership and describes the way organisations are steered and controlled. Governance is the establishment of systems, policies and processes in which decisions are made and continually monitored to ensure their proper implementation by the members of the governing body of an organisation.</p> <p>Resources are anything and everything that help organisations operate and do business. The three most basic resources are land, labour and capital.</p>  |
| <b>Curative</b>  | <p>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 and a cast for a broken limb are examples of curative care.</p>  |
| <b>Detriment or Harm or</b>                              | <p>Something that causes damage, injury or loss. Harm can be physical or mental.</p>  |
| <b>Devotional act</b>                                    | <p>An act of religious observance or prayer, especially when private.</p>   |
| <b>Established</b>                                       | <p>Founded, instituted, built or brought into being on a firm or stable basis.</p>  |
| <b>Ethical societies</b>                                 | <p>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.</p>   |
| <b>Governing document</b>                                | <p>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.</p>   |
| <b>Incidental</b>  | <p>Happens or likely to happen in an unplanned conjunction with something else.</p> <p>It is likely that there may be incidental benefits that result from a charity achieving their charitable purposes. For example, a charity whose purposes are to relieve poverty may have a number 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> |

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| Glossary                        | Definition  |
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|                                 | <p>If people or organisations benefit from a charity, other than a beneficiary, then these benefits must be incidental, ie a by-product. If private benefits are more than incidental then it may mean that the organisation is set up for a private benefit and therefore may not be charitable.</p>   |
| <b>Irrational</b>               | Without reason, sense, clarity or coherence.  |
| <b>Irrelevant</b>               | Having no probative value; not applicable.  |
| <b>Learned societies</b>        | A learned society is an organisation that exists to promote an academic discipline or profession, or a group of related disciplines or professions.   |
| <b>Modest means</b>             | Modest means describes a person's financial condition. For example, 'he/she is a man/woman of modest means.' Such a statement indicates the person is not wealthy, but rather that their income is quite small, possibly limited.   |
| <b>Newly formed</b>             | Just established, recently constituted.   |
| <b>Objects</b>                  | <p>Objects is the term we use 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 the word purposes is used instead.</p> <p>A charity's objects must be exclusively charitable. They are usually set out in a single clause or paragraph of the charity's governing document. If the objects clause allows the organisation to do something which the law does not recognise as charitable, or the wording used is unclear, the organisation is not considered to be a charity and could not be registered with us.</p> |
| <b>Palliative</b>               | Palliative care is an approach that improves the quality of life of patients and their families facing the problems 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.  |
| <b>Personal characteristics</b> | <p>These are any characteristics which are used to identify or define a person, for example:</p> <ul style="list-style-type: none"> <li>• age;</li> <li>• disability;</li> <li>• gender;</li> <li>• marriage and civil partnership;</li> <li>• having dependants;</li> <li>• race;</li> <li>• political opinion;</li> <li>• religion or belief; and</li> <li>• sexual orientation.</li> </ul>   |

| Glossary | Definition |
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**Philosophical belief**

Philosophical beliefs are what people believe in. Peoples’ 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.

**Political purposes**

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.

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 trustees to want to engage in campaigning and political activity.

**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.

Examples of campaigning might include:

- a children’s charity, drawing attention to the dangers of domestic violence and child abuse;
- a health charity promoting the benefits 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; or
- 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.

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| Glossary                          | Definition  |
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|                                   | <p><b>Political activity:</b> Political activity, as defined in this guidance, 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><b>Private benefit</b></p>     | <p>There is private benefit where an individual or an organisation personally gains from their involvement with a charity. In some cases it may be proper for a charity to provide the benefit; in some cases not.</p> <p>Charities can provide private benefits so long as those benefits directly contribute towards achieving the charity's purposes and/or are a necessary result or by-product of carrying out those purposes.</p> <p>Examples of private benefits that are a necessary result or by-product of carrying out those purposes include paying reasonable salaries to a charity's staff (but not to a trustee for carrying out trustee duties) or where there are limited profits to businesses as a result of charitable regeneration projects.</p> |
| <p><b>Professional sport</b></p>  | <p>This is where individuals are engaged in a specified activity as a paid occupation rather than as an amateur.</p>  |
| <p><b>Purposes</b></p>            | <p>The purposes of a charity will usually be set out in governing document.</p> <p>The purposes must fall under one or more of the 12 descriptions of purposes in the Act.</p>  |
| <p><b>Restorative justice</b></p> | <p>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.</p>  |

| Glossary                        | Definition   |
|---------------------------------|--|
| <b>Restrictions to benefits</b> | <p>Restrictions confine or limit the extent to which a benefit can be experienced.</p> <p>The maintenance or improvement of the 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.</p> |

**Rural and urban regeneration**

Regeneration organisations might do some, or all, of the following:

- provide financial or other assistance to people who are poor;
- 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;
- provide, maintain and improve recreational facilities;
- preserve buildings in the area which are of historic or architectural importance;
- provide public amenities.

They may, of course, undertake other activities as well.

In order to be charitable a regeneration organisation will normally need to demonstrate that:

- it has effective criteria to determine whether or not an area is in need of regeneration;
- it will undertake at least 3 or 4 of the activities listed above, and that these activities cover a broad spectrum of regeneration work;
- the public benefit from its activities outweighs any private benefit which might be conferred on individuals or companies. This means it must have clear criteria by which to determine this; and
- its purposes are exclusively charitable.

| Glossary                  | Definition  |
|---------------------------|---|
| <b>Social enterprise</b>  | <p>A social enterprise is a business with primarily social purposes whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.</p>   |
| <b>Social welfare</b>     | <p>According to the Recreational Charities Act (Northern Ireland) 1958 as amended by the Charities Act (Northern Ireland) 2008, social welfare is benefited where facilities are provided. It also states:</p> <ul style="list-style-type: none"> <li>(a) The facilities are provided with the object of improving the conditions of life for the persons for whom the facilities are primarily intended; and</li> <li>(b) That either <ul style="list-style-type: none"> <li>i. 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</li> <li>ii. The facilities are to be available to the members or the female members of the public at large.</li> </ul> </li> </ul> |
| <b>Sufficient section</b> | <p>An appreciably important class of the community. In other words, the possible beneficiaries of a charity must not be numerically negligible and usually must not be connected by a relationship to a particular individual or individuals, or organisation.</p> <p>Within the class the specific persons to benefit from the charities purposes must be indefinite.</p> <p>A 'trust for the benefit of the orphans of American veterans of the Vietnam conflict' is charitable. The orphans of such veterans constitute a definite class. The indefinite persons within the class are the ones who are ultimately chosen by the trustees to receive the benefits. The class is large enough so that the community is interested in the enforcement of the trust.</p>               |
| <b>Superstitions</b>      | <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>   |
| <b>Temperance</b>         | <p>That is a social movement aimed at the total abstinence of alcohol.</p>  |
| <b>Therapeutic</b>        | <p>Therapeutic refers to healing, such as a medicine or therapy that has healing or curative capability for treatment of disease or disability.</p>   |

## Useful publications

Statutory guidance on public benefit

The 'public' and 'benefit' elements supporting guidance

The prevention or relief of poverty supporting guidance

The advancement of education supporting guidance

The advancement of religion supporting guidance

The advancement of health or the saving of lives supporting guidance

The advancement of citizenship or community development supporting guidance

The advancement of the arts, culture, heritage or science supporting guidance

The advancement of amateur sport supporting guidance

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

The advancement of environmental protection or improvement supporting guidance

The relief of those in need supporting guidance

The advancement of animal welfare supporting guidance

Any other purposes supporting guidance

Frequently asked questions (FAQs)



For more information on all of our work  
please see the Charity Commission website:  
**[www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)**

Our preferred method of contact is email:  
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The Charity Commission for Northern Ireland (CCNI) is the new regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Social Development.

Our aims

- the Commission aims to develop a regulatory framework in which the public have confidence and in which charities can grow and flourish, clear in the knowledge of their rights and responsibilities;

And

- manage the establishment of the organisation to a statutory non-departmental public body following the full implementation of the **Charities Act (Northern Ireland) 2008**.

Further information about our activities is available from:

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