

Q1 Please enter your name (optional)

Answered: 38 Skipped: 6

#	RESPONSES	DATE
1	[REDACTED]	10/28/2021 2:49 PM
2	[REDACTED]	10/28/2021 2:03 PM
3	[REDACTED]	10/27/2021 2:17 PM
4	[REDACTED]	10/27/2021 9:57 AM
5	[REDACTED]	10/26/2021 5:18 PM
6	[REDACTED]	10/26/2021 3:19 PM
7	[REDACTED]	10/26/2021 12:58 PM
8	[REDACTED]	10/26/2021 10:56 AM
9	[REDACTED]	10/26/2021 10:40 AM
10	[REDACTED]	10/26/2021 10:14 AM
11	[REDACTED]	10/26/2021 9:06 AM
12	[REDACTED]	10/25/2021 9:30 PM
13	[REDACTED]	10/25/2021 5:39 PM
14	[REDACTED]	10/25/2021 4:36 PM
15	[REDACTED]	10/25/2021 3:31 PM
16	[REDACTED]	10/25/2021 3:04 PM
17	[REDACTED]	10/25/2021 1:48 PM
18	[REDACTED]	10/25/2021 12:45 PM
19	[REDACTED]	10/25/2021 11:38 AM
20	[REDACTED]	10/25/2021 11:34 AM
21	[REDACTED]	10/25/2021 11:24 AM
22	[REDACTED]	10/25/2021 11:24 AM
23	[REDACTED]	10/25/2021 11:17 AM
24	[REDACTED]	10/25/2021 11:16 AM
25	[REDACTED]	10/25/2021 11:07 AM
26	[REDACTED]	10/25/2021 10:59 AM
27	[REDACTED]	10/25/2021 10:57 AM
28	[REDACTED]	10/25/2021 10:55 AM
29	[REDACTED]	10/25/2021 10:54 AM
30	[REDACTED]	10/25/2021 10:52 AM
31	[REDACTED]	10/25/2021 10:49 AM
32	[REDACTED]	10/25/2021 10:47 AM
33	[REDACTED]	10/25/2021 10:45 AM

Charity Commission accounting guidelines

34	[REDACTED]	10/25/2021 10:45 AM
35	[REDACTED]	10/25/2021 10:39 AM
36	[REDACTED]	10/25/2021 10:34 AM
37	[REDACTED]	10/25/2021 10:34 AM
38	[REDACTED]	10/25/2021 10:33 AM

Q2 Which charity do you work for?

Answered: 42 Skipped: 2

#	RESPONSES	DATE
1	Royal Star & Garter	10/28/2021 4:20 PM
2	MS Society	10/28/2021 2:49 PM
3	British Heart Foundation	10/28/2021 2:03 PM
4	Hospice UK	10/28/2021 1:52 PM
5	World Horse Welfare	10/27/2021 2:17 PM
6	Hospiscare (Exeter Mid & East Devon)	10/27/2021 9:57 AM
7	Macular Society	10/26/2021 5:18 PM
8	RSPB	10/26/2021 3:19 PM
9	Royal College of Music	10/26/2021 12:58 PM
10	The Royal Naval Benevolent Trust	10/26/2021 10:56 AM
11	Demelza Hospice Care for Children	10/26/2021 10:40 AM
12	Church Mission Society	10/26/2021 10:14 AM
13	Royal Horticultural Society	10/26/2021 9:06 AM
14	Keech Hospice Care	10/25/2021 9:30 PM
15	MAF UK	10/25/2021 5:39 PM
16	Shelter	10/25/2021 4:36 PM
17	KCHC	10/25/2021 3:31 PM
18	Royal British Legion	10/25/2021 3:04 PM
19	SSCH	10/25/2021 2:02 PM
20	Blood Cancer UK	10/25/2021 1:48 PM
21	Blue Cross	10/25/2021 12:45 PM
22	Yorkshire Air Ambulance	10/25/2021 11:38 AM
23	RNIB	10/25/2021 11:34 AM
24	Macmillan Cancer Support	10/25/2021 11:25 AM
25	National Trust	10/25/2021 11:24 AM
26	Essex Wildlife Trust	10/25/2021 11:24 AM
27	Barnardo's	10/25/2021 11:17 AM
28	Prostate Cancer UK	10/25/2021 11:16 AM
29	North London Hospice	10/25/2021 11:07 AM
30	The Air Ambulance Service	10/25/2021 10:59 AM
31	SPANNA	10/25/2021 10:57 AM
32	Tearfund	10/25/2021 10:55 AM
33	IFAW	10/25/2021 10:54 AM

Charity Commission accounting guidelines

34	Yorkshire Cancer Research	10/25/2021 10:52 AM
35	Action Medical Research	10/25/2021 10:49 AM
36	CAFOD	10/25/2021 10:47 AM
37	Calibre Audio	10/25/2021 10:45 AM
38	Kidney Research	10/25/2021 10:45 AM
39	WaterAid	10/25/2021 10:39 AM
40	scope	10/25/2021 10:34 AM
41	British Red Cross	10/25/2021 10:34 AM
42	RNID	10/25/2021 10:33 AM

Q3 What is your charity's annual legacy income (if known)?

Answered: 44 Skipped: 0

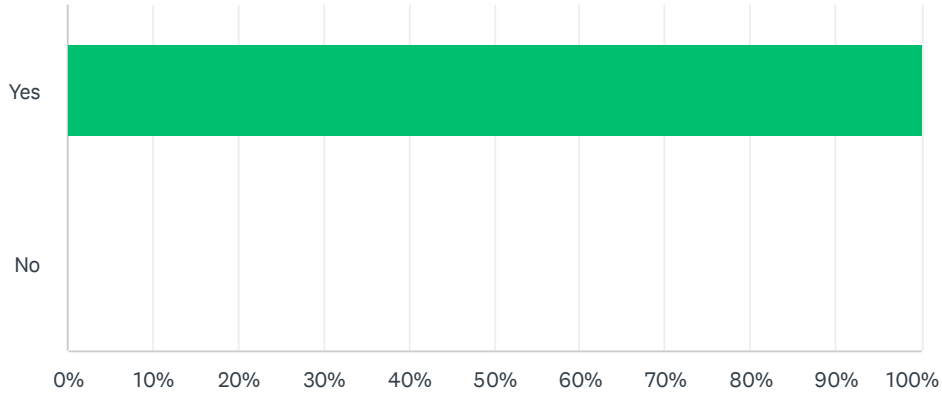
#	RESPONSES	DATE
1	£3.5m - £5.5m	10/28/2021 4:20 PM
2	7m	10/28/2021 2:49 PM
3	£80m	10/28/2021 2:03 PM
4	~£1m	10/28/2021 1:52 PM
5	£5m	10/27/2021 2:17 PM
6	Around £1.5m	10/27/2021 9:57 AM
7	£20million	10/26/2021 5:53 PM
8	£1.5m - £3.5m	10/26/2021 5:18 PM
9	Circa £34mil	10/26/2021 3:19 PM
10	average £1.5m	10/26/2021 12:58 PM
11	400000	10/26/2021 10:56 AM
12	11,000,000	10/26/2021 10:40 AM
13	2000000	10/26/2021 10:14 AM
14	2,000,000	10/26/2021 9:06 AM
15	£1.2M	10/25/2021 9:30 PM
16	£12-13M	10/25/2021 5:39 PM
17	£4-5m	10/25/2021 4:36 PM
18	£0.4m to £1.0m	10/25/2021 3:31 PM
19	£21m	10/25/2021 3:04 PM
20	680,000	10/25/2021 2:02 PM
21	£5m	10/25/2021 1:48 PM
22	c£20m	10/25/2021 12:45 PM
23	£2-4M	10/25/2021 11:38 AM
24	£37million	10/25/2021 11:34 AM
25	Not known	10/25/2021 11:25 AM
26	c£60m	10/25/2021 11:24 AM
27	£1 million approx	10/25/2021 11:24 AM
28	£17-£19m	10/25/2021 11:17 AM
29	£3-4M	10/25/2021 11:16 AM
30	£2,000,000	10/25/2021 11:07 AM
31	46 million	10/25/2021 11:00 AM
32	~£4million	10/25/2021 10:59 AM
33	Approx 9-10m	10/25/2021 10:57 AM

Charity Commission accounting guidelines

34	£5-6m	10/25/2021 10:55 AM
35	£7,000,000 (UK only)	10/25/2021 10:54 AM
36	£3-4 million approx	10/25/2021 10:52 AM
37	300,000	10/25/2021 10:49 AM
38	£10m	10/25/2021 10:47 AM
39	£500,000	10/25/2021 10:45 AM
40	£3m	10/25/2021 10:45 AM
41	£9m for 20/21	10/25/2021 10:39 AM
42	£4.4m	10/25/2021 10:34 AM
43	£30m +	10/25/2021 10:34 AM
44	£8.5M	10/25/2021 10:33 AM

Q4 Do you agree with the statement that a charity's annual report should provide the true indication of the charity's finances at year end?

Answered: 44 Skipped: 0

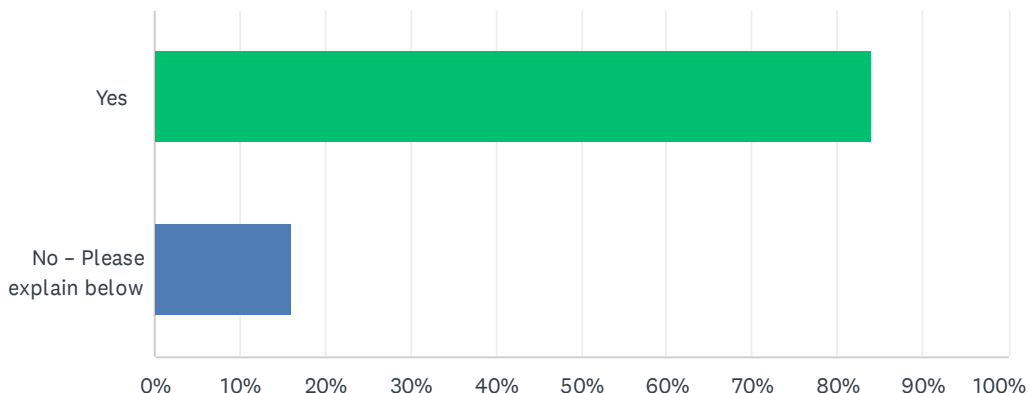


ANSWER CHOICES	RESPONSES	
Yes	100.00%	44
No	0.00%	0
TOTAL		44

#	OTHER (PLEASE SPECIFY)	DATE
1	As true as it can be, it should be transparent as they are a charity.	10/25/2021 11:24 AM

Q5 Do you believe that it would be preferable if charities all accounted for legacies in the same way?

Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	84.09%	37
No - Please explain below	15.91%	7
TOTAL		44

#	PLEASE EXPLAIN YOUR RESPONSE	DATE
1	We would be wary of losing independence of financial management. Our policies and processes are agreed in conjunction with our Finance Department	10/28/2021 4:20 PM
2	Consistency in the way that we log income means that benchmarking is more accurate.	10/28/2021 2:49 PM
3	This enables us to honestly report legacy income to our supporters, and so that they don't get confused by why charities account for things in different ways	10/28/2021 1:52 PM
4	Yes if the principles agreed can reasonably apply to legacy income at all levels. However, in practice appropriate interpretation of the income in the accounts for each charity is also important. The proportion of a charity's total income that legacies represents, and the degree of variation in value year on year mean legacies have different levels of financial importance/weight to different charities.	10/27/2021 9:57 AM
5	You could have several charitable residual beneficiaries who could differ in opinion of recognising their share of the legacy so multiple charities have the same year-end some may accrue, some may not.	10/26/2021 5:53 PM
6	I think it depends on the size of the charity but in the main I do think it's good to follow a similar process	10/26/2021 10:40 AM
7	accruing legacy income at the end of a financial year using a portfolio approach may work better for a charity with a very large number of legacies per year, but charities with a smaller number of legacies per year (around 100 in our case) can easily make more precise decisions when it comes to deciding what legacy income to include in one particular year. we use a case by case approach when deciding what legacy income to accrue at the end of the year.	10/26/2021 10:14 AM
8	It would be helpful to know how others are accounting for legacies and if possible for ILM to offer either guidelines on how to do this or even a one-day training course.	10/25/2021 5:39 PM
9	I think the reality is that smaller charities will always struggle to implement complicated accounting policies for legacies. Flexibility should be allowed but standardised example	10/25/2021 4:36 PM

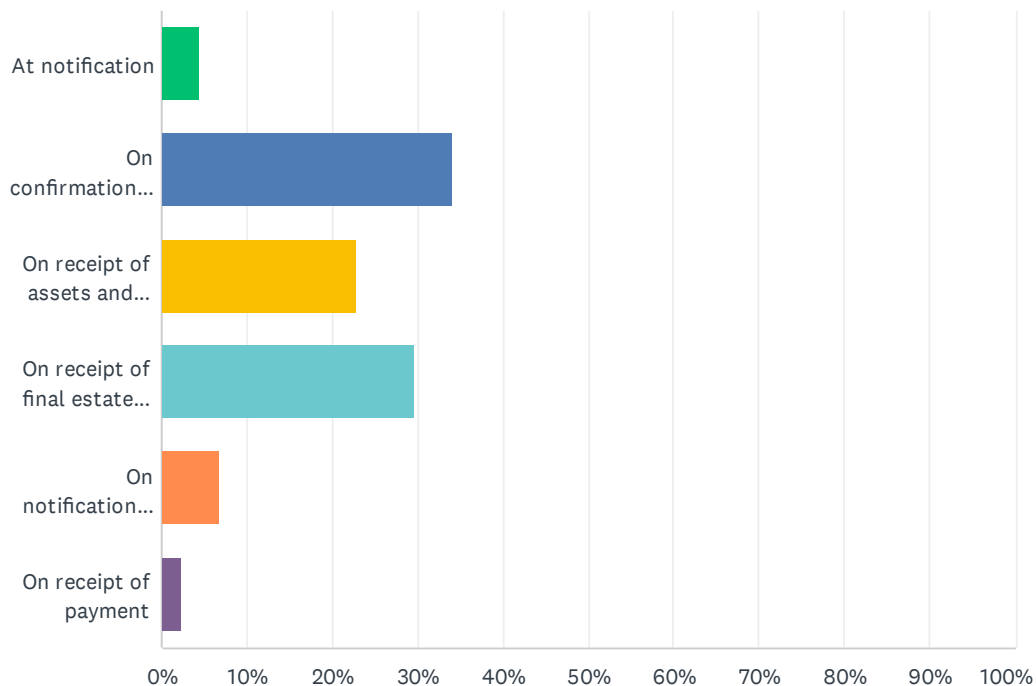
Charity Commission accounting guidelines

models should be produced. i.e. "charities with a typical legacy income of x should normally be expected to account in this way..."

10	But history has shown that charities with large numbers of legacies run less valuation risk than charities with small numbers of legacies. Estimates made on provisional statements of assets and liabilities are still extremely subjective as they vary depending on the organisation which prepared them	10/25/2021 3:31 PM
11	While there are benefits, I believe that each charity must work with its own auditors and select an approach that suits individual situations.	10/25/2021 11:24 AM
12	Yes in principal, however I do not think this may be as straightforward as we hope due to smaller charities being far more risk adverse as they have less financial fall back unlike the large charities.	10/25/2021 11:24 AM
13	Guidelines would be very helpful but there is a huge difference between a small legacy income charity and some of the larger ones, so a different approach or at least some flexibility seems reasonable especially around attitude to risk / certainty.	10/25/2021 11:17 AM
14	For greater clarity and transparency for the general public and for benchmarking/comparing the performance of charities.	10/25/2021 11:16 AM
15	It would make sense to adopt one approach and for SORP to be far more prescriptive in telling us how to and when to recognise income. This would be especially useful in that systems like First Class could be updated to help reflect that unified approach as accruals is one of the most difficult areas to work on.	10/25/2021 10:54 AM
16	Although I agree it would be beneficial, I believe that treatment of accruals / accounting for legacy income varies because one rule doesn't necessarily fit all - as much depends on the charity's size. We accrue 'late' (on estate accounts), as our legacy income is not at the level where we can reliably accrue early, using an average estimated amount for each gift.	10/25/2021 10:39 AM
17	All charity income should be open, honest and understandable. The way legacies are recorded is confusing even to legacy professionals!	10/25/2021 10:34 AM
18	would make life far easier for practitioners and also gives a much better indication of real income across the sector if we all dealt similarly	10/25/2021 10:33 AM

Q6 Which of the following best describes when your charity recognises legacy income?

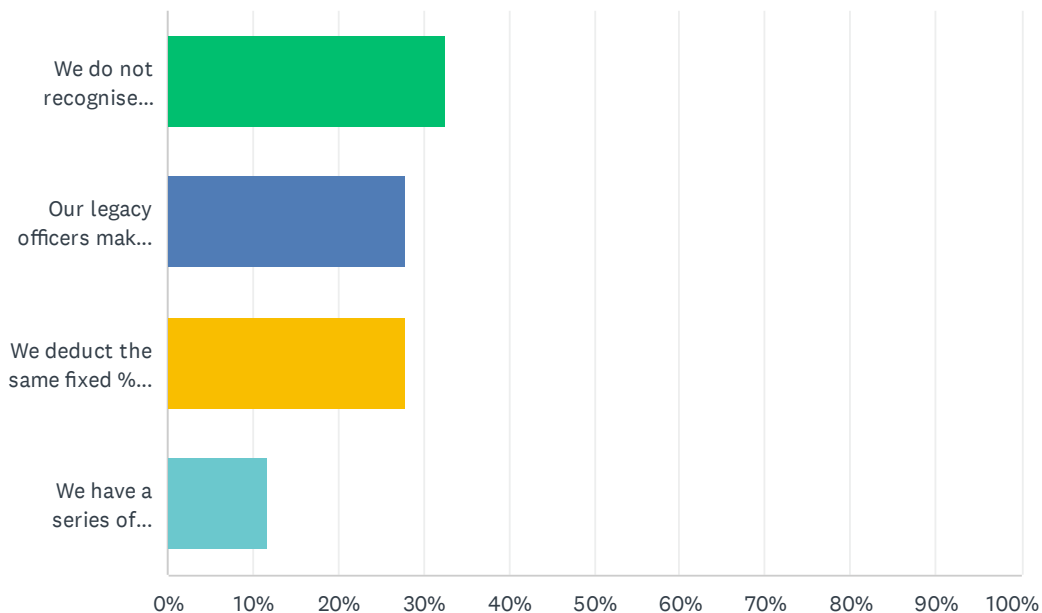
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
At notification	4.55%	2
On confirmation of probate	34.09%	15
On receipt of assets and liabilities / Interim accounts with expenses unconfirmed	22.73%	10
On receipt of final estate accounts with expenses confirmed	29.55%	13
On notification of payment	6.82%	3
On receipt of payment	2.27%	1
TOTAL		44

Q7 If your charity recognises income before the exact amount receivable is defined, how do you account for the costs of administering the estate?

Answered: 43 Skipped: 1



ANSWER CHOICES	RESPONSES
We do not recognise income until we know the exact amount being distributed to us	32.56% 14
Our legacy officers make a judgement on the correct amount to deduct	27.91% 12
We deduct the same fixed % of the estate value for all residuary cases based on a historic analysis of our past estates	27.91% 12
We have a series of defined rules which dictate how much we deduct based on estate size	11.63% 5
TOTAL	43

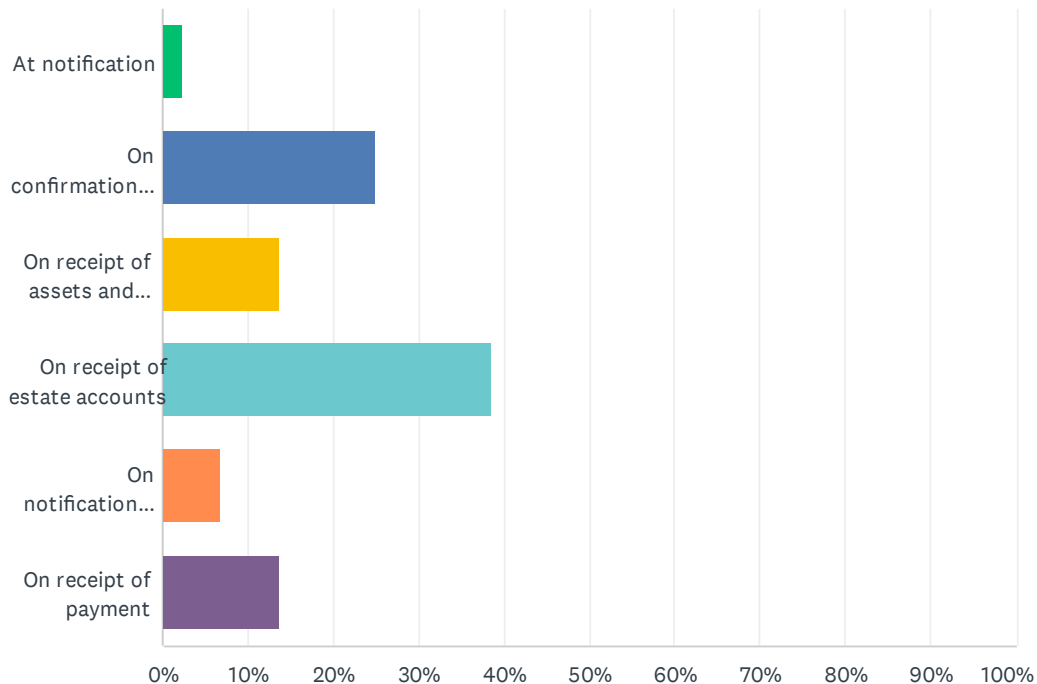
#	OTHER (PLEASE SPECIFY)	DATE
1	Apart from our YE account recognition, for which we have an agreed process and flow chart regarding accruals, we operate a separate very comprehensive process for tracking and estimating potential income to ensure we are managing ongoing risk and cash flow month by month.	10/27/2021 9:57 AM
2	One criteria for recognition is to have Grant of Probate, this usually shows the net estate value so judgement is not necessary. But we may have cases where we may not have been provided with enough detail to search for the Grant but could have already received an interim distribution (although rare).	10/26/2021 5:53 PM
3	While at Shelter we have a blanket fixed % deduction for all residuary cases, at previous charities we have had a sliding scale. There will inevitably be unique circumstances when this % needs overriding so flexibility to amend based on specific circumstances is key.	10/25/2021 4:36 PM
4	RE QUESTION 6. None of the listed items perfectly describe the method we now use to address the risk of claims under IHA 1975 etc	10/25/2021 3:31 PM
5	we accrue 90% of the estimated post probate value.	10/25/2021 2:02 PM

Charity Commission accounting guidelines

6	Generally, we use a set % to be deducted to allow for housing market, legal fees and other potential costs. I would then look further at the information to see if we are being over/under prudent to ensure we are being sufficiently prudent and risk adverse to demonstrate transparency for our charity and explain my findings to our Head of Finance and auditors.	10/25/2021 11:24 AM
7	We deduct 5% for from net estate across the board - but this isn't, to my knowledge based on any historic analysis. Then a further 10% reduction is made to the accrual.	10/25/2021 10:52 AM
8	5%	10/25/2021 10:34 AM

Q8 Which of the following best describes when you think charities should recognise legacy income?

Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
At not ficat on	2.27%	1
On conf mat on of probate	25.00%	11
On ece pt of assets and ab t es	13.64%	6
On ece pt of estate accounts	38.64%	17
On not f cat on of payment	6.82%	3
On ece pt of payment	13.64%	6
TOTAL		44

Q9 Any other comments?

Answered: 20 Skipped: 24

#	RESPONSES	DATE
1	I think it also depends on the type of gift. Pecuniary legacies are counted as income for the year that probate is granted on them, however residuary legacies which are harder to predict are only counted as income on receipt of payment	10/28/2021 1:52 PM
2	E A'cs are relevant for residuary gifts. For pecuniary gifts we generally recognise once Probate and a 10mth statutory period has passed (unless there are any known issues). Thank you for the opportunity for to comment. We'll look forward to hearing the outcome.	10/27/2021 9:57 AM
3	Recognition is when 'receipt is probable' from the SORP. Once a Grant has been issued, this gives comfort as to probability of receipt although allow a 6 month window for any potential claims on the estate once the Will is on public record. Once an interim distribution is received that would automatically put the remainder as probable.	10/26/2021 5:53 PM
4	We recognise all pecuniaries in the year of notification unless advised of a shortfall; residuaries we only accrue if accounts are received and dated prior to our year end, otherwise income is carried forward to the following year	10/26/2021 5:18 PM
5	I'm still unsure of best process - and the need to balance accuracy with pressure for financial forecasting	10/26/2021 12:58 PM
6	The actual recognition in the accounts tends to be a judgement call by the Finance Director based on size of legacy, certainty of timing and amounts due.	10/26/2021 10:56 AM
7	Q6 answer options are restrictive. we recognize substantial pecuniary legacies as income once Probate is received and we are notified that the legacy would be payable at a point in the future. Residuary legacies are recognized as income on receipt of estate accounts.	10/26/2021 10:14 AM
8	Thank you for bringing this matter to our attention and seeking to find a way to enable us to do our jobs even more efficiently/professionally.	10/25/2021 5:39 PM
9	For questions 6 and 8, the answer lies between "on confirmation of probate" and "on receipt of assets and liabilities" as in reality both are usually required to confidently accrue for residuary files.	10/25/2021 4:36 PM
10	Income cannot be recognised until entitlement confirmed even a pecuniary legacy may be abated or fail	10/25/2021 3:04 PM
11	Personally I think recognising legacies at a later stage is more risk adverse and measures income more accurately. Saying that I am happy to work with the methods preferred by the charity that I am working for, however a set way for all charities to recognise legacy income would certainly be better and would prevent issues with during the auditing process.	10/25/2021 1:48 PM
12	Thank you for raising this issue	10/25/2021 11:38 AM
13	Re: 8 above. Sometimes also on receipt of assets and liabilities - the nature of the assets comprising an estate will have an effect. e.g. A property; shares - values may vary greatly between DoD and sale	10/25/2021 11:25 AM
14	We will always need a copy of the full Will and GoP before entering an estimate. We also have justifications for not adding even with a Grant . eg. foreign estates, complex or contentious cases or where we feel there is an additional level of uncertainty.	10/25/2021 11:24 AM
15	Re 8, I think Probate however I do not think we can use the probate figure as there are unknown expenses. However, I feel final estate accounts are too late especially when dealing with a larger estate. Obviously, a pecuniary may be viewed differently by some charities. at present we would factor once we have probate and formal notification as we know lay executors can be rather slow on these.	10/25/2021 11:24 AM
16	Pecuniary legacies are recognised at payment or when we know payment is likely as there are	10/25/2021 10:57 AM

Charity Commission accounting guidelines

	sufficient assets.	
17	Accruals should be a year end process, not monthly as we do it!	10/25/2021 10:54 AM
18	Found the last question difficult to answer as don't feel I have the expertise to make a judgement. It is clearly useful for charities to have insight into the income due for planning purposes, but I'm not sure whether accruing what might be an inaccurate figure is helpful. What was the rationale behind introducing income recognition under the SORP rules?	10/25/2021 10:52 AM
19	My interpretation of the SORP and ILM guidelines is that income should only be recognised when there is certainty of receipt - usually when notified that a payment has been sent or when payment arrives. Where there is uncertainty, I will discuss the individual case with the Director of Finances and also the auditor if necessary. I started in Legacies last year, and did not have clear guidance at the charity, so decided on this as the best policy. However, it would be really helpful if there was a clear understanding amongst charities, finance depts and auditors on the correct time to recognise legacy income.	10/25/2021 10:49 AM
20	none	10/25/2021 10:34 AM