

Revised guidance for trustees on how to manage their charity's finances

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The Charity Commission has revised its key finance guidance to reinforce the legal position clearly that trustees are ultimately responsible for their charities' finances and to ensure that the guidance reflects situations affecting charities. The Charity Commission highlights the fierce competition for funding and that many charities are having difficulties balancing a reduced income with increased need or costs.

[MANAGING A CHARITY'S FINANCES](#)

The Charity Commission's guidance recommends that trustees review their charity's financial position and performance against budgets and future projections at least once a month. This will assist in identifying financial problems at an early stage.

[Managing a charity's finances: planning, managing difficulties and insolvency \(CC12\)](#)

[CHARITY RESERVES](#)

This guidance highlights that there is no single level of reserves that is right for all charities, but that the decision taken by trustees as to the appropriate reserves policy must reflect the charity's particular circumstances. Trustees are encouraged to keep the level of reserves under review throughout the year.

[Charity reserves: building resilience \(CC19\)](#)

[15 QUESTIONS TRUSTEES SHOULD ASK](#)

This guidance has been updated to better reflect the current economic and social climate.


[Charity governance, finance and resilience: 15 questions trustees should ask](#)


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