



CHARITY COMMISSION
FOR ENGLAND AND WALES

Checklist 3: Charities in a regular partnering or funding relationship with a non-charity that is not its founder or subsidiary

You can use this checklist to help you test that your connection to a non-charity is set up or run in line with our [guidance for charities with a connection to a non-charity](#).

It will help you to make that check for regular partnership and funding relationships with a non-charity. Charities who operate in a group with non-charities and “friends of” charities can also use this checklist.

Use one of the other checklists published with the guidance if the non-charity is your subsidiary or founder.

Using this checklist is optional and you will need to adapt it to meet your charity’s activities circumstances. It is not a substitute for reading the guidance and applying it your charity’s circumstances.

You can tell us if you decided to use this checklist, and if it has been useful for your charity. We welcome all comments through our [anonymous feedback survey](#).

Checklist 3: Charities in a regular partnering or funding relationship with a non-charity that is not its founder or subsidiary

	Yes No N/A	Action to take	Target date	Comments
A. The purpose of the connection				
For all charities with a connection to a non- charity, the purpose of the connection must be to help the charity to make a positive difference for its beneficiaries. The connection must be managed in the charity’s best interests.				
<ul style="list-style-type: none"> we have identified how the connection to the non-charity helps our charity to make a positive difference to its beneficiaries we know how the aims, interest and scope of our charity differ from those of the connected non-charity 				
B. Recognise the risks				
Read principle 1 of the guidance. Look at the list of risks to help you identify and assess any risks to your charity from its connection to the non-charity. Decide how and when you are going to address and review risk.				
<ul style="list-style-type: none"> we have used the Commission’s guidance and this checklist to help us identify any risks to our charity from the connection with the non-charity we have assessed any risks that we have identified and set an appropriate plan to address and review them 				
C. Do not further non-charitable purposes				
Read principle 2 of the guidance. For charities in a partnering or funding relationship with a non-charity, following this principle is largely about making sure that the connection doesn’t result in any non-incidental private benefit to the non-charity or people connected with it, and that the rules about carrying out particular activities are followed.				
Private benefit to the non-charity				
<ul style="list-style-type: none"> any benefit to the non-charity from its connection to our charity is incidental. This means that the benefit is 				

a necessary result or by-product of carrying out the charity's purposes.				
Our activities				
<ul style="list-style-type: none"> • If we make grants to a connected non-charity we <ul style="list-style-type: none"> ○ ensure that we only give funding for activities, services or outcomes that will further our charity's purposes ○ ensure that the grant doesn't result in more than incidental benefit ○ carry out appropriate checks on the organisation to test that it is genuine, suitable for our charity to work with, and competent to carry out the funded work ○ check that our charity's funds were actually used for the purposes given • If we fund, or receiving funding from, the connected non- charity to carry out campaigning or political activities <ul style="list-style-type: none"> ○ this is an effective way to further our charity's purposes ○ follows the legal rules which cover campaigning and political activity • If we fund, or receiving funding from, the connected non-charity to produce research or other output in furtherance of our charity's educational purpose we ensure that the output created <ul style="list-style-type: none"> ○ furthers our charity's purposes ○ is educational in the charitable sense 				
<p>D. Operate independently</p> <p>Read principle 3. For charities in a partnering or funding relationship with a non-charity, following this principle is largely about making sure that the charity exists for its own charitable purposes and is governed by its trustees in its best interests.</p>				
<ul style="list-style-type: none"> • if we receive funding from the non-charity, we have a 				

<p>choice about accepting it and any terms attached to it</p> <ul style="list-style-type: none"> • having agreed any funding and terms, we make our own decisions about our activities and who will benefit from them • we are clear about the circumstances in which it would not be appropriate for our charity to agree funding or other arrangements with the non-charity • any trustees appointed to our charity by the non-charity act independently of the non-charity and only in our charity's best interests 				
<p>E. Address conflicts of interest</p> <p>Read principle 4. For charities in a partnering or funding relationship with a non-charity, following this principle is largely about identifying and addressing any conflicts of interests which may, on some matters, affect any trustees who are appointed by the non-charity.</p>				
<ul style="list-style-type: none"> • if the non-charity appoints any of our trustees, our systems, including our conflicts of interest policy, help us to identify and properly address any conflicts of interest 				
<p>F. Maintain your charity's separate identity</p> <p>Read principle 5. For charities in a partnering or funding relationship with a non-charity, who share an identity with the non-charity, this principle is largely about assessing and addressing the risks of a shared identity, as well as the benefits.</p>				
<ul style="list-style-type: none"> • if we share an identity with the non-charity, we have considered if, and how, this is in our charity's best interests • if we have decided that sharing an identity with the non-charity is in our best interests, we have also identified, and will address, any risks to our charity that this sharing brings • if we have donors, they can tell whether our charity or the non- charity is asking for their money or support 				

<ul style="list-style-type: none"> • we take reasonable steps to help people outside our charity understand that it works with, but is separate from, the non-charity 				
<p>G. Protect your charity</p> <p>Read principle 6. For charities in a partnering or funding relationship with a non-charity, appropriate due diligence is key. It is also about being satisfied that the arrangements for working together and for any resource sharing are in the charity's best interests. The arrangements and agreements must protect the charity's assets, reputation and beneficiaries.</p>				
<ul style="list-style-type: none"> • we operate an appropriate due diligence/assurance procedure. It helps us to know that our partners, funders and the organisations we fund are suitable for our charity to work with • If <ul style="list-style-type: none"> ➤ sharing resources (such as staff, premises or data) or ➤ communicating jointly with the connected non-charity, we • identify and address the risks as well as the benefits of the sharing or joint work • only agree payment arrangements which provide value for our charity's money • have systems to control communication which is about our charity, or issued on its behalf • don't renew sharing arrangements without considering our charity's best interests • We have appropriate written agreements in place to protect our charity 				