



Briefing Papers

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BOARD MEETINGS ON ZOOM

1.) AGMs and other meetings: postponing or cancelling meetings

One of the results of the pandemic is that many charities have no choice but to decide to cancel or postpone their AGMs and other critical meetings. Depending on the type of charity and meeting, there's some flexibility that allows them to do this:

- **AGMs for companies or CIOs:** AGMs can be delayed until 30 September 2020 at the latest; (the Corporate Insolvency and Governance Act 2020.) it also applies to CICs and friendly societies. It temporarily overrides the timing requirements in a charity's governing documents. This deadline of 30 September may be extended if the government thinks this is needed. We'll update with any changes if they happen.
- **Meetings on Zoom or similar:** We're regularly asked if an AGM or other meeting can be held on Zoom or even telephone. When face to face meetings are difficult you have to find other ways of staying in touch. An up to date governing document will allow these other means to be used. If you lack such powers, e-mail it to us and we'll advise. Whatever you decide to do, make sure the decision is recorded to show good governance. AN AGM can be held electronically on Zoom or similar if your governing document permits.
- **Members' meetings** (not trustee / director meetings) of CIOs or charitable companies, held up to 30 September 2020: they may be held by phone / video or other electronic means, even if the governing document requires them to be held physically face-to-face
- **Voting:** members still have the right to vote, but the charity can require this to be done electronically, or by other means (such as by post). Members will not have the right to attend a meeting in person or participate in meetings other than to vote
- **AGMs for unincorporated charities:** these aren't covered by the new law but an alternative for trustees of these charities is to change the requirements in the governing document about their timing. This appears to be an omission from a law that was rushed through. It's a simple enough process to amend the governing document. Send us a copy and we'll tell you the cost.
- **Trustee meetings:** trustees of any type of charity can decide it is necessary to cancel or postpone a board or other meeting. You should record this decision to demonstrate good governance.

- **Annual Reports:** Make sure you get your annual reports and accounts to the regulators on time. If there's a good reason why you can't do this you can e-mail the Charity Commission to agree a delay, filingextension@charitycommission.gov.uk. If you don't have a good reason you might want to contact us.
- **Tips for board meetings during the crisis**
This is a time when boards are having to make some of the biggest decisions your charity has ever faced.
 - **Decision-making:** Make sure all the issues have been properly thought through. The minutes should carefully record any big decisions made, not only the decision but why it was made, that risks were weighed and alternatives considered.
 - **Procedures:** notice, quorum and having the power to meet remotely. They may be low on your list of priorities right now, and both the Charity Commission and the OSCR have both said they'll be relaxed about technicalities, but don't lose sight of it completely.
 - **Online meeting options:** Before you arrange your remote meeting, you'll need to decide which online platform to use. There are a wide range of options mostly low-cost: Zoom, Microsoft teams, Google Hangouts etc.
- **Practical considerations for an online meeting**
 - Once you've decided on a platform, make sure your trustees learn how to use it beforehand.
 - Do a test run for any issues to surface.
 - Decide whether to record meetings. (permission from all meeting attendees required.)
 - Think about online meeting etiquette. Minimise background noise by asking trustees to either put themselves on mute or to make sure they're in a quiet place.
 - If you want to hold a trustee only section of the meeting, and you're using Zoom, consider creating a virtual waiting room for staff. This functionality allows for the host to select participants to join the meeting and temporarily remove them. If recording the meeting, make sure the trustee only part of the meeting is recorded separately
- **CAVEAT: AGMs can be complex operations at the best of times. Holding an AGM remotely will require a great deal of detailed planning. My advice is to avoid it if at all possible and come up with considered alternatives to stay in touch. Also don't forget that company law no longer requires an AGM to be held. Old articles can be amended to reflect this.**

2.) Using reserves and restricted funds

Many charities are currently very concerned about their financial position. In the first instance, trustees should consider their priorities, and see if they need to amend their financial planning given their current situation. Review current projects and budgets to see what can be cancelled or delayed.

Reserves can be spent to help cope with unexpected events like those unfolding at present.

Identify which of your funds or assets are restricted, understanding the difference between restricted and designated.

If there are restrictions, in some instances there may be ways to amend these restrictions, but accessing or releasing restricted funds needs Charity Commission approval and should only be considered if other options aren't possible. Get advice on this either from us or your professional advisor.

All decisions on such financial matters should be taken collectively, and significant decisions and action points noted in writing.

3.) Insolvency help for charitable companies and CIOs

The Corporate Insolvency and Governance Act 2020 is there to help businesses continue operating and avoid insolvency during this period of economic uncertainty. These provisions apply to charitable companies, and most of it applies to CIOs. The help given is detailed; if you've got to this point, you're going to need specialist advice. Talk to your accountant or other specialist. One of the specific clauses is a temporary suspension of wrongful trading provisions, to remove the threat of personal liability.

Daryl Martin – July 2020

www.afvs.org.uk

Advice For the Voluntary Sector CIC

Sovereign Centre, Poplars, Yapton Lane, Walberton, West Sussex BN18 0AS.

Telephone: 08000 30 26 30 - Email: support@afvs.org.uk - Web: www.afvs.org.uk