

Note that the hyperlinks in this document may not work if the document is viewed through certain Internet browsers. They will work if the document is downloaded to disk.

They also may not work on PDF versions – but will work on the Word version, which is on your disk
12/10- 0100



Documents for assisting with the recognition of a charity by HMRC

Operating Manual

January 2011

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Sorpaid Shop Product code CHA800/11

**Peter Brown & Co is a trading name of Undershot Ltd, Registered in England Co no 4114468.
Director P Brown Bsc (Hons), FCCA, FCIE, DchA
Peter Brown & Co has been awarded the ACCA Quality Assurance Mark ,**

NOTE

Excel 2007 compatibility, Vista compatibility and Windows 7 compatibility

We are not aware of any compatibility issues with recent or proposed upgrades to Excel, or to Vista, but if any problems are experienced by users then please bring them to our attention.



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Overview

The fit and proper procedures followed by HMRC in determining whether to recognise a charity for tax purposes are very important in the regulation of charities

The monitors from the professional bodies when carrying out a Quality Assurance visit look very closely at the procedures in this area. Has the accountant reduced the risk to the firm and to the client? Have the legitimate interests of HMRC been protected within the law?

Getting the paperwork right, and using the correct letters in the right circumstances can go a long way to reducing the risks in this area, and can improve the quality of the work flow. IT can also enhance the profitability of the practice as clients see that the firm is proactive , and quality conscious.

This bundle of documents is not earth shattering – it is not rocket science – it is what every good firm should be doing – but many are not.

Given the time, there is nothing included that a competent professional could not draft him or her self – but why bother? It is all here

The full licensing terms and conditions are included with documentation provided when this template was purchased. Use of this template implies agreement with those terms



Logging into your account at the Sorpaid Shop

When you first purchased products from the Sorpaid Shop, you will have created an account with specific log in details. You should keep these log in details for future use, as you may need them.

To log into your account at the Sorpaid Shop, go to the login area on the Sorpaid Shop home page on www.shop.sorpaid.com and log into your account.

This will display all the products you have purchased from the Sorpaid Shop, and the expiry date or next renewal date of your product. It will enable you to download manuals for the products you have purchased, and you can also download updates, or reinstallations of your products.

When the expiry or renewal date of any product is approaching, you will be sent an email inviting you to renew.

Expiry and renewal details

- Free upgrades for the life of the 2011 version (to 31/12/11)

You can make sure you have the benefit of any upgrades by logging in to your account on the Sorpaid Shop website

- The update to the 2012 version (valid until 31/12/12), can be purchased from January 2012

These documents are specific to the tax years 2010/11 and will need to be updated to the version for 2011/12 before 31st March 2012. Users of the 2011 version will be entitled to free upgrades until 31st December 2011. Such free upgrades will only relate to the 2011 version.

The 2012 version, which will relate to accounting periods for sole traders and partnerships ending after 5th April 2011 and for companies for accounting periods ending after 31st March 2011, will have to be purchased separately. This is expected to be released by 1st January 2012.

We will issue reminders to users suggesting they upgrade to the 2012 version in January 2012.



Frequently asked Questions and news of updates

On the website www.sorpaid.com, you will find news bulletins posted, which deal with frequently asked questions, and also details of any corrections or updates that have been issued, and how these may be dealt with.

If you encounter a difficulty with the templates, please check the web site. Each bulletin has a brief description of the nature of the problem in the contents, which can be found by clicking on 'Resources' and then 'News Bulletins'.

Any updates arising during your licence period as a result of a bulletin can be downloaded using the link and password with which you have been supplied.



Online operating manual

An up to date copy of the manual can be downloaded to your computer over the Internet, using the password you were supplied with when you purchased the spreadsheet. This password will be valid for one year after your purchase.

An up to date copy of the manual can be downloaded to your computer over the Internet.

The manual can be downloaded as a PDF file by following the steps below: -

1. Ensure your computer is switched on
2. Load your web browser and go to the Sorpaid shop www.shop.sorpaid.com
3. In the keyword box at the top of the home page, enter the Sorpaid Shop Product code **CHA800/11**, and click on the search button.
4. When the product is located, click on the 'Manuals/Resources' tab and download the manual.
5. When the file is opened, click on the 'File' menu, and save the file using the 'Save as' Command.
6. You will be invited to unzip the file. No password is needed.
7. Unzip the file and save it into the folder

c:\sorpaid\charities11

8. When prompted, click 'OK' to overwrite the existing file for the manual. .

You will need to have Adobe Acrobat installed on your computer to read the PDF file.

This manual will be up to date at all times.



Installation of HMRC charity recognition bundle from SORPaid

Before installation, you must first have installed Word 2000 or above. The templates will not operate if this programme has not been installed.

Most users will be able to download these files from the Internet with no problem

However, the zip files on the Internet are quite large, and if you do not have broadband it is possible in some cases that your Internet service provider may have not supplied you with a big enough buffer to download

If you are unable to download from the Internet then please contact us by telephone.

During downloading, you may receive a security alert. Please be assured that these files have been virus tested and are known to be safe for installation.

An installation file called '**0800download.exe**' will be downloaded, which you can save to be run at some time in the future, or which you can run immediately.

When you run **0800download.exe** your files will be installed automatically into the folder:-

C:\sorpaid\charities11\archive

Previous year's versions of the templates will not be overwritten and can be reused on future occasions, but the current year templates will be updated as required.

To install:- (Do not change the default folders in the unzipping process)

1. Download the file from the Sorpaid shop. This will be automatic on clicking the download button associated with your product.
2. Either **save** the file in a location you note down for future use – or **run** to install immediately
3. Either at download, or after saving , click '**Run**' when invited to do so.
4. If a message appears 'Could not verify publisher' , click 'Run' again
5. A 'Winzip' screen will appear. Left click on the box '**Unzip**'
6. When prompted (if you are prompted), click 'OK' to overwrite all existing files.
7. After the files have unzipped, left click on the box '**close**'
8. Navigate to the folder **C:\sorpaid\charities11\archive** .You do this by:-
 - a. *double clicking on 'my computer',*
 - b. *then selecting and double left clicking the 'C:' drive,*
 - c. *then selecting and double left clicking the '**sorpaid**' folder,*
 - d. *then selecting and double left clicking the '**charities11**' folder*
 - e. *then selecting and double left clicking the '**archive**' folder. C*



9. When you have downloaded and unzipped '0800download.exe', one exe files will now be on your C Drive in a folder **C:\sorpaid\charities11\archive**. This will be '0800taxlet112.exe'.
10. double left click on '0800taxlet112.exe'
11. When you have clicked on '0800taxlet112.exe' a 'Winzip' screen will appear. Left click on the box 'unzip'
12. When prompted (if you are prompted), click 'OK' to overwrite all existing files.
13. After the files have unzipped, left click on the box 'close'
14. If you require any assistance installing the templates, please consult the user manual, (which will also be installed as a Word document in the 'C:\sorpaid\charities11' folder on your computer). Alternatively, you can email info@sorpaid.com. **Please ensure you put 'sorpaid' in the subject line to overcome our spam filter**
15. The manual and the quick installation guide can now be used. These are located in the folder **C:\sorpaid\charities11** on your computer. We would suggest you read these documents before proceeding further.

Refer also to the section in the manual [How the files are installed and located on your computer](#)

It might be useful to create a shortcut to both the manual and the contents document in the working folders and place them on your desktop. The contents document is 'cha800 hmrc recognition contents.doc', and has hyperlinks to all the other documents.



A technical note on how the templates have been installed on your computer

The download file will download the following file into a folder

C:\sorpaid\charities11\archive

(Do not change the default folders in the unzipping process)

The folder will contain the following file:-

One installation files '0800taxlett112.exe'

When unzipped , '0800taxlett112.exe' will unload the following files into a working folder'

'C:\sorpaid\charities11'

Working copies of all the documents- A full list is in the contents file ***CHA0800 HMRC recognition contents.doc*** and can be used on a day to day basis.

0800 taxlett man11.doc - this manual in Word form

sorpaidterms11.pdf - the terms and conditions, disclaimer, copyright and other technical matters in PDF form.

CHA800 QuickInstall11.pdf - quick installation guide

You will use the templates in ***C:\sorpaid\charities11'*** as the working masters on a day to day basis, but if they are inadvertently changed or corrupted, you still have the original zip file stored in

C:\sorpaid\charities11\archive

It might be useful to create a shortcut to both the manual and the contents document in the working folders and place them on your desktop. The contents document is '***CHA0800 HMRC recognition contents.doc***', and has hyperlinks to all the other documents.

When loaded, the documents in the working folder will behave like any other Word document, and will allocate a name to a new file with 'doc' as the suffix, and will suggest a location where this will be saved.



If by accident you overwrite the template, or it becomes corrupt you can always unzip the backup copy of the download file '**C:\sorpaid\charities11\archive**' to reinstate the original file.

Using the files

Using the files is easy and intuitive, once the structure of the file is understood. There is a contents document 'cha800 tax letters contents.doc'. This has hyperlinks to all the other documents, and we would suggest a shortcut to this document is placed on your desktop.

The documents are ordinary Word documents, and there is, of course, no reason why you should not load them and save them as templates within your own system. The reason we have not stored them as Word templates, is that some older versions of Word may not be able to read the templates created by different versions. We have therefore created these documents as 'doc' files. This means that all users have absolute flexibility in how they use them.



Limitations and parameters

The documents should be used as guides to many common situations.

They do not, however, replace the need for careful professional critical assessment of their usage.



Support from SORPaid and annual renewal charges

Technical support with the templates

Because it is assumed that many users of these templates not only have a good working knowledge of Word, but also are qualified accountants with detailed taxation knowledge, then the help and support on the technical aspects of these templates is limited.

We are very willing to offer limited telephone support on initial installation, and advice on technical difficulties with the operation of the software itself. In practice, as the templates are Word based, we have found that very rarely has there been the necessity for any detailed support.

However, in the past, we have found that some small firms feel they need the benefit of technical taxation assistance. Peter Brown & Co are able to offer an annual retainer for telephone support on technical taxation matters for £100 per annum plus VAT. This will entitle a user to up to four hours technical discussion per annum. On more complex matters specific instructions would be taken.

If any user who did not take advantage of the annual retainer required assistance on technical taxation, Peter Brown & Co reserve the right to charge a professional fee for the time engaged. Any purchaser of the templates would be advised when it was felt that a fee basis would be appropriate and the fee basis would be discussed and agreed before proceeding.

Annual maintenance charge

The documents are only valid until 31st March 2012. Taxation law is always changing and the template will have little value thereafter. In January 2012, we will be issuing the 2011/12 version, and this will be purchased on similar terms to this year's release, subject to inflationary increases if felt necessary.

Any user purchasing the 2009/10 version after 31st December 2010 will receive a free upgrade to the 2010/11 version.



Notifying SORPaid of errors, improvements, enhancements and suggestions,

These templates have been carefully researched and structured. However, there may be certain situations we have not envisaged that may give rise to unexpected errors, and feedback would be helpful to enable us to update the templates.

It is also possible that there are errors in the logic of the spreadsheets - we hope not – but with such a complex project it is possible.

There is also the possibility of ambiguity or lack of clarity as to how a particular situation should be treated.

In any of these cases it would be helpful to have in writing or by email the following: -

- a) A description of the problem, giving details of the formulae and cells involved
- b) The circumstances that gave rise to the problem.
- c) Confirmation of which of the templates gave rise to the problem.
- d) If it is a matter of technical application of taxation legislation, your views on the issues concerned with precise technical references.

If possible, please email us a copy of the entire file that has the problem within it. Alternatively a printout of the relevant page would help. We recognise there is a confidentiality issue here, and would quite understand if the file were 'anonymised' by the removal of distinguishing items such as client name etc.

However, we are an ACCA firm and would regard ourselves as having the status of consultants in this regard, and would therefore be bound by the relevant ACCA rules.

We would also welcome suggestions for improvements and enhancements to the templates.

We would also be delighted to receive testimonials and recommendations for the templates.

Finally, we would welcome news of additional links to websites that we can add to the links page.



About SORPaid and Peter Brown & Co

Peter Brown & Co is the trading name of Undershot Ltd, a practising firm of Chartered Certified Accountants and Registered Auditors. SORPaid is the brand name under which these templates are marketed.

Peter Brown & Co has been awarded the ACCA Quality Assured Mark.

The contact details are: - Peter Brown & Co, Acomb Grange, Grange Lane, York YO23 3QZ
Telephone **0871 288 2391** Fax **0871 288 2391**
Email info@sorpaid.com

The firm has a number of clients who are practising firms and has developed these templates for use by them in managing their practices.

These templates and documents are available for general use, subject to the licensing and other legal terms described elsewhere in these notes.

Because it is assumed that any users of these templates and documents not only have a good working knowledge of Excel and Word, but also are qualified accountants, then the help and support on the technical aspects of these templates is limited. We are able to offer limited telephone support on initial installation, but after that Peter Brown & Co reserve the right to charge a professional fee for the time engaged. Any purchaser of the templates and documents would be advised when it was felt that a fee basis would be appropriate and the fee basis would be discussed and agreed before proceeding.

Fuller details of Peter Brown & Co can be found on www.sorpaid.com



Appendix 1 – 30/11/10

Other products from SORPAID available from the SORPaid shop

www.shop.sorpaid.com

See our website for full particulars www.sorpaid.com

or contact us for details on 0871 288 2391 or email us at info@sorpaid.com

General Practice Products - all of these are very low cost products

(see below for charity based products)

A technical procedures handbook and guide for technical and junior staff when preparing accounts of sole traders and small companies.

Bundles of documents to manage and control a tax practice preparing and submitting tax returns

A dividend and remuneration planning tool for directors and shareholders in companies.

With all the recent major taxation changes, computing what is the best combination of salary, bonus and dividends, to achieve the most tax effective result can be quite complicated. This spreadsheet assists in the task, and can be downloaded for £13 plus VAT

A range of bookkeeping and analysis tools for those clients who are too small for a computerised accounting system, or for use by staff when working from incomplete records

Rented property analysis and CGT record for use when preparing rental statements

This is a file that can be downloaded to help calculate profits on property rentals and retain permanent data for CGT purposes.

Model file for preparing a solicitor's client money report

Money laundering checks and procedures documents and model files.

New client procedures – bundle of documents

Bundle of model engagement letters

Bundle of documents and letters for managing the accounts production process

Bundle of documents and letters for managing the audit process

Electronic working paper files linking into VT accounts production files



Courses

We have a programme of courses on practice management and technical issues

We can organise bespoke courses for an individual firm or a group of firms tailored to their specific training requirements, on a very cost effective basis

Costs start from £300 per day plus travelling costs.

Charity based products

The following range of services is available to accountants who work with charities and their clients, and to charity trustees and administrators.

Templates for producing SORP compliant charity accounts

For many years we have produced Excel based templates to work seamlessly with VT Accounts production software, to produce SORP compliant charity accounts. We have over 300 users of these templates.

These include templates, which cover the law in England & Wales and also in Scotland.

There are also optional templates for charities with trading subsidiaries who need to prepare consolidated accounts, and also for those with endowment funds.

The templates include Receipts and Payments versions where these are permitted.

Courses

We have a programme of courses on charity issues

We can organise bespoke courses for an individual firm or a group of firms tailored to their specific training requirements, on a very cost effective basis

Costs start from £300 per day plus travelling costs.

A Bundle of documents to use when a charity appoints an independent examiner

The statutory basis of the new independent examination regime for charities requires a number of formal documents and processes in order to fully comply with the law.

This bundle of documents can be downloaded for as little as £8 plus VAT from www.sorpaid.com and will ensure that your charity work is fully compliant. The download can be used for an unlimited number of charities.

A pro forma Trustees' Annual Report.

The annual report by the trustees is required by all charities no matter how small, and to comply with the legal requirements must contain specified information disclosed in specific ways. This proforma can be downloaded for as little as £12 plus VAT from www.sorpaid.com and will ensure that your charity work is fully compliant. The download can be used for an unlimited number of charities, and can be emailed back and forth between the charity and the accountant.



Money Laundering Compliance

A simple set of procedures for complying with Money Laundering requirements when acting for a charity. £30 plus VAT for an unlimited number of charities, renewable annually.

Working Paper files

Independent Examination is a very specialist area, and there is little professional guidance Available. We publish a model working paper file in electronic form that meets all the requirements of CC31 and CC32 - Directions and Guidance and meets all the current professional and good practice standards. The 2011 version is available to download at a cost of £30 plus VAT. Users of the IE file who have also purchased a licence for the VT Charity Templates will be supplied with a free software link between the two applications. There is no limit to how many charities the file may be used for, but it is time limited and must be renewed annually.

Trading by Charities - A Guide

A guide to the practical issues and taxation considerations for charities engaged in trading activities

DVDs and CDs

The following are currently available

How Trustees should select an independent examiner
How an examiner should carry out an independent examination

Consultancy

We offer a consultancy service

Telephone help line to charities, other accountants, and trustees on a fee basis that is agreed at the

For a fee of £100 per year, another firm of accountants can have telephone support on technical charity issues - terms and conditions apply.

Audit

If a charity is subject to audit and you are not a registered auditor, we can take instructions to act as auditors, where you still do the underlying accountancy work, and we carry out a pure audit on terms to be agreed directly with the client. There is no geographical limit to this service.



Appendix 3 - Known problems and conflicts

There are no known issues.



Terms and conditions upon which the package of documents relating to tax practice letter files are supplied. 12/10- 009 011

These terms are detailed in the document

sorpaidterms11.pdf - the terms and conditions, disclaimer, copyright and other technical matters in PDF form. By using the spreadsheet you will be acknowledging you have read and agreed with every item in that document. We would therefore suggest you do this before proceeding

This document was displayed on our website prior to your purchasing this product and was downloaded to your computer in the archive subfolder of this product, where it can be examined