

LEVY APPEAL GUIDANCE

In exceptional circumstances the Fundraising Regulator will consider appeals by charities against their levy assessment. This guidance tells charities how they can appeal.

1. Process

Any appeals should be made in writing via email to the Head of Finance and Procurement at Fundraising Regulator by sending an email to levy@fundraisingregulator.org.uk

Appeals are considered in the Finance team initially. We aim to conclude appeals as quickly as possible, but where the matter is complex or raises issues of precedent, then the appeal may be decided by the Finance, Audit and Risk (FAR) Committee. This Committee comprises external Board members along with co-opted accountancy expertise.

The FAR can also examine any appeals against a decision made at official level.

Each appeal is considered on its own merits.

2. Grounds for appeal

We are considering appeals on the following grounds:

(i).The organisation shouldn't be within the scope of the levy

This can be because -

- (i) *The charity has filled in their 2014 Annual Return in error*

For example, the charity has recorded charitable activities expenditure as the costs of fundraising – if this is the case then the invoice can be cancelled. The charity should also notify the Charity Commission that its Annual Return is incorrect;

- (ii) *The charity believe their reported expenditure shouldn't be classified as fundraising expenditure*

The charity believes they have recorded some or all of their costs as fundraising costs when in fact they shouldn't be included. So if they are excluded - then the charity falls outside the levy threshold or into another levy banding. Often we can look at the notes to the accounts to confirm the total fundraising costs include some elements that should be excluded. We may ask for evidence if this judgement cannot be made from looking at the accounts – so you are likely to be asked for a statement from your auditor or independent examiner that confirms the breakdown of fundraising costs or confirms that the AR/Accounts were completed and signed off by auditors in error. You might also need to report any adjustments to audited accounts the Charity Commission.

(ii).The organisation should be in a lower levy banding or is below the threshold.

there has been a fundamental and exceptional change in the charity's fundraising expenditure between 2014 and the present time and the charity wants its levy to be related to its current expenditure on fundraising.



We can look at the latest reported costs to Charity Commission to verify this. If fundraising expenditure is variable we may seek to agree that an average fundraising cost is a suitable basis for the levy.

3. Notification of the Outcome of the Appeal

We will write to the charity (usually by email) with the judgement.

If necessary we'll cancel original invoice and re-issue if a lower levy has been agreed.