

International comparison of information available from charity regulators

David Kane - June 2018

Introduction

This report aims to summarise the current state of data gathering and data sharing by charity regulators in eight jurisdictions across six countries. The charity regulators are responsible for the regulation of charities and nonprofits in their jurisdictions, and one of the tools at their disposal is a register of organisations. While the main purpose of the register of charities is to provide a public record of the status of regulated organisations, increasingly these registers and the associated information are seen as a resource for the charity sector to use to become more efficient and share good practice.

The report focuses on three areas. First, the structure of regulation in each country is examined, then an overview of the reporting requirements for the primary charity regulator in each country is shown. Finally the report demonstrates how data from these regulators is made available.

A companion table shows the information and sources used to compile this report, and is found in [Appendix III](#).

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Summary

The results described in this report and the accompanying table show the scope of information collected and released by charity and nonprofit regulators. Each jurisdiction studied has a different regulatory landscape, but there are commonalities between them, and best practice to learn from.

Some cases stand out as potential examples to others. In the UK and Australia, attempts have been made to reduce regulatory burden through legal and technological solutions - the creation of Charitable Incorporated Organisations in the UK means that those organisations are accountable to one regulator rather than two, and the Charity Passport in Australia is an attempt to help government bodies use data that is already available, rather than ask organisations for the same information.

In New Zealand, the reporting standards have started to prioritise performance information as well as financial, and an API now allows programmatic access to the register of charities. Finally in the United States, a large amount of information is now available as open, machine-readable data including details of individual grants made and services provided by the charities, and an ecosystem of tools and analysis has developed around it.

Method

This comparison is based on a qualitative examination of the policies and procedures of charity regulators in six countries, including the three main charity regulators in the UK. The six countries are:

- United Kingdom (regulators for England & Wales, Scotland and Northern Ireland)
- USA
- Canada
- Australia
- New Zealand
- Singapore

Each country was examined to determine its procedures and resources across a number of different areas:

- The structure of regulatory bodies for charities or nonprofits
- Reporting requirements for those organisations
- Thresholds and differences in reporting for different types or sizes of organisation
- Availability of data about organisations, either relating to individual organisations or in bulk.
- Availability and reporting of data about grant-making and other funding inputs and outputs.

The examination was primarily conducted by examining the websites and other online material made available by the regulators, with some consultation with individuals with specific knowledge of the regulatory regimes in each country. Links to the regulators' websites and any charity search they provide are found in [Appendix I](#).

How countries were chosen

The six countries were chosen as being broadly similar in terms of the status of nonprofit organisations, the principles of charity regulation and charity law and the nature of the regulators involved. The research hopes to inform potential changes in policy and practice, by enabling regulators with similar characteristics to learn from each other. English-speaking countries were selected in order to facilitate the research.

Future research would be expanded to cover more countries (including non-English speaking ones) and a wider range of nonprofit landscapes and regulator variation.

Regulatory environment

The six countries have broadly similar regulatory regimes, albeit with important differences. Non-profit regulation covers three main areas¹:

- The definition and regulation of charitable activity
- Incorporation or limited company status
- Administration of tax reliefs and incentives related to charities

Where the countries do differ is in where these three aspects are administered. For some countries all three are covered by one agency, while in others they are split between two or three. And not all charities/nonprofits will need regulation across all three areas - for example often only organisations that incorporate as a limited company will need to interact with the company regulator.

The following table shows the regulators within each of the countries and the areas over which they have oversight (only at a federal level where applicable):

	Charity Regulator	Tax administration	Business regulator
United Kingdom			
<i>England & Wales</i>	Charity Commission for England and Wales (CCEW)	HM Revenue and Customs (HMRC)	Companies House (CH)
<i>Scotland</i>	Scottish Charity Regulator (OSCR)		
<i>Northern Ireland</i>	Charity Commission for Northern Ireland (CCNI)		
United States of America	Internal Revenue Service (IRS)		
Canada	Canada Revenue Agency (CRA)		Corporations Canada (CC)
Australia	Australian Charities and Not-for-profits Commission (ACNC)	Australian Taxation Office (ATO)	Australian Securities and Investments Commission (ASIC)
New Zealand	Charities Services (CS)	Inland Revenue (IR)	Companies Office (CO)
Singapore	Commissioner of Charities (Ministry of Culture, Community and Youth) (CoC)	Inland Revenue Authority of Singapore (IRAS)	Accounting and Corporate Regulatory Authority (ACRA)

¹ In addition, there may be separate regulation of activities such as fundraising with the public or running lotteries; and activities like providing care or education may come with their own regulatory regimes. These are out of the scope of this report but should be considered when looking at the full picture of regulation of charities.

An additional complication is in federal countries, where there may be additional regulators at the state level both for charity activity and company registration. In the **United States** there is some regulation of charities at a state level (see for example in California through the Attorney General's office²), and company registration is also done at a state level. In **Canada** business administration takes place at a province/territory level, as does administration of some charitable activities such as fundraising and lotteries³. In **Australia** there are a range of regulators at a local and state level covering legal structures, charity regulation and fundraising⁴.

The impact of this regulatory environment on those seeking to use data about the sector is that it is often difficult to find one "single source of truth" about the organisations that are of interest. For example in the UK it is possible to access lists of registered organisations from the charity regulators and from Companies House, but not from the tax regulator HMRC. Some organisations are solely registered with HMRC and thus cannot be included in analysis of the sector as a whole.

A more detailed examination of the regulatory environments in six of the jurisdictions examined here can be found in Cordery & Deguchi (2017).⁵

Case Study: Charitable Incorporated Organisations in UK

Charitable Incorporated Organisation (CIO) is a new legal form that allows non-profit organisations registered in England and Wales to get the benefits of both charity registration and limited liability in one legal form, rather than needing to register with both a charity regulator and Companies House.

The aim of the legal form is to reduce the bureaucratic burden on incorporated charities by requiring them to report to one regulator rather than two. The practical impact of this is that CIOs only need to report to the Charity Commission and not to Companies House. A placeholder record appears on the Companies House register of companies, but no additional information is recorded.

An equivalent legal form is available in Scotland - Scottish Charitable Incorporated Organisation (SCIO).

For more details on Charitable Incorporated Organisations, see Morgan (2018)

² <https://oag.ca.gov/charities>

³ <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/provincial-territorial-government-information-charities.html>

⁴ http://www.acnc.gov.au/ACNC/About_ACNC/Site_information/List_of_regulators/ACNC/Site/Regulator_list.aspx

⁵ <https://www.tandfonline.com/doi/full/10.1080/14719037.2017.1383717>

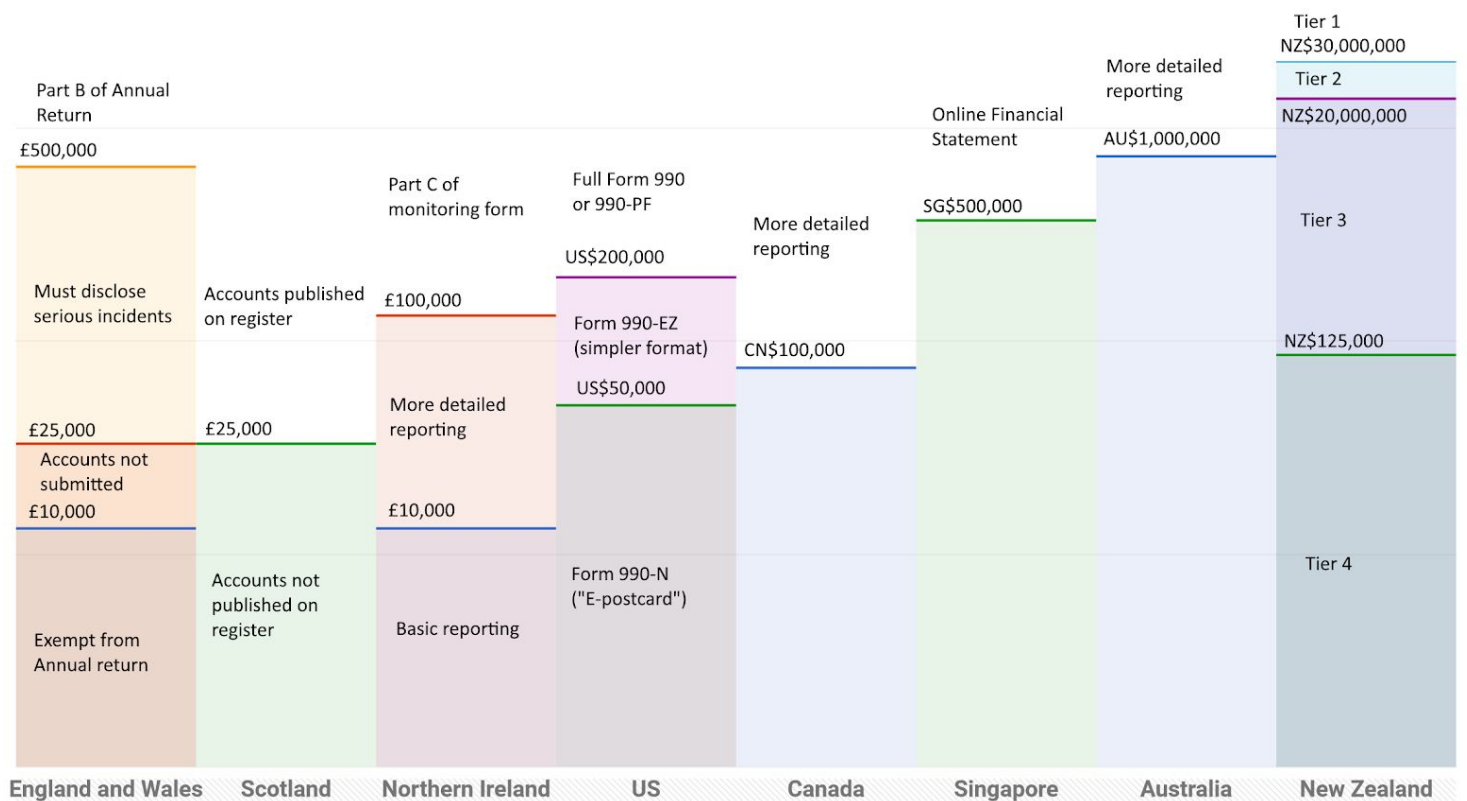
Reporting thresholds

Within the regulatory regime for each country, the requirements for registration and reporting do vary according to different types of organisation. These requirements are generally based on the size of organisation (measured by its annual income/turnover), but may also reflect exemptions and differences based on the type or character of an organisation - for example for religious groups or grant-giving foundations.

In terms of exemptions from registration, in **England and Wales**, **US** and **Australia** religious groups are excepted from some registration or reporting requirements. **England and Wales** also has a number of exceptions covering groups like scouts, while some charities who have other primary regulators (for example universities, academy schools, etc) are exempt from Charity Commission regulation. In **Singapore**, a “Grantmakers Scheme”⁶ gives a lighter-touch regulatory regime for grantmakers who do not raise money from the public, exempting them from requirements that their work substantially benefits the Singapore public and from some reporting requirements.

For income thresholds, there is generally a divide in the reporting requirements for smaller and larger charities, although with some difference in where the threshold is placed. The figure below shows the reporting thresholds across the countries, scaled to US dollar equivalents and presented with a logarithmic scale. These represent the thresholds used by the main charity regulator in each case, there may be additional thresholds used by the business or tax reporting authorities in each jurisdiction.

⁶ https://www.charities.gov.sg/Documents/COC%27s_Guidance_on_Regulation_of_Grantmakers.pdf



Reporting requirements

All the charity regulators shown have a reporting structure, with the organisations they regulate returning data to them, usually on an annual basis, to keep records up-to-date and provide a report of their activities throughout a year. This reporting consists of broadly four areas, with variations in the areas covered by each regulator:

- Basic reporting.** All charity regulators studied require some kind of basic annual reporting of administrative details - for example contact details for the charity, plus a confirmation that they are an active organisation. This reporting is done by filling in a form, with some regulators having online reporting systems that replace the form.
- Detailed reporting.** For some regulators more detailed returns are completed expanding on the fields from basic reporting. This reporting tends to focus on financial variables, and provide a picture of what has happened during a specific period (usually the latest financial year). The reporting thresholds shown above generally control who needs to produce detailed reporting, based on the size of organisation.
- Financial accounts.** Regulators ask regulated organisations to produce annual accounts and a narrative report. The accounts are generally governed by one or more accounting frameworks which specify the contents, but the finished product is a freeform document rather than a form in a standard format. As well as financial

information, the organisations are often required to provide a narrative summarising the activities and achievements of the previous year.

The regulators may require that documents are submitted directly to them, or just that organisations must prepare them and make them available to the public/the regulator on demand. For larger organisations the regulator will generally require that the accounts are subject to audit or independent examination and any qualifications or concerns to the accounts from the audit process are shown in the accounts themselves.

- **Grants reporting.** In some jurisdictions the regulator also requires that details of individual transfers are recorded, particularly transfers between organisations. In the US and Canada organisations must report to the regulator grants they have made to other organisations, and organisations in the US must report grants received above a certain threshold.

	Basic Reporting	Detailed reporting	Financial Accounts⁷	Transaction reporting
England and Wales	Annual return	Annual return "Part B"	Must be prepared and attached to annual return	
Scotland	Annual monitoring	Annual monitoring "Section C"	Must be prepared and attached to annual return	
Northern Ireland	Annual monitoring return	Annual Monitoring Return "Part C"	Must be prepared and attached to annual return	
United States of America	Form 990		No requirement to provide accounts to IRS	Form 990 Schedule I (grants made) and Form 990 Schedule B (grants received)
Canada	Form TF725	Form T3010	Must be prepared and attached to annual return	Form T1236 - Qualified Donees Worksheet (grants made)
Australia	Annual Information Statement		Annual financial report must be produced	
New Zealand	Annual Return		Performance Report for smaller organisations - financial statements	

⁷ NB this table does not include some of the complexity caused by reporting thresholds, and generally reports the returns required by the largest organisations.

			for larger ones.	
Singapore	Online Financial Summary		Must be prepared and attached to annual return	

Case Study: New Zealand Outcomes reporting

In 2015 new reporting standards came into operation for charities in New Zealand. The reporting standards vary across a number of “tiers” based on the size of organisation, but consist of two parts: standardised financial reporting and “performance reporting”.

For tier 4, the smallest organisations, performance reporting requires measuring outputs of services provided - for example the number of classes provided, or subscribers to a newsletter. For tier 3 organisations (with income between NZ\$125,000 and NZ\$2 million) the reporting must include a description of the desired outcomes of services. The larger organisations the reporting guidance is less prescriptive, but organisations must ensure their reporting answers the following questions:

- Why the charity exists, what it wants to achieve, and how it wants to do that
- What the charity actually did during the year to move closer to these goals⁸

As well as being a major change for charity reporting in New Zealand, the mandatory reporting of performance measures in this way goes further than that required by regulators in the other jurisdictions examined. When Chartered Accountants Australia and New Zealand reviewed the new regime one year in, they found that the reporting of outputs and outcomes was one of the key challenges faced by organisations using the standard (CAANZ, 2017).

Comparison of fields collected

[Appendix II](#) shows a comparison of the fields collected by the main charity regulator in each jurisdiction, based on the fullest level of detail collected (this is usually the detail asked of the largest charities, so some of the fields will not be compulsory for all charities). It is also the case that not all the information collected by the regulator is part of the information that is made available to the public.

The types of fields are split into four parts:

- Yes/no questions about the charities involvement in particular activities or policies
- Data about employees, trustees and volunteers
- Resources, including income, spending and balance sheet

- Other details, such as contact details and classification

On a crude count of the number of fields, the IRS in the **United States** collects the most amount of data, followed by regulators in **Canada** and **England and Wales**. The information collected by the IRS appears to have a different focus to other regulators, possibly reflecting the IRS's role as a tax authority. The fields collected are more focussed on financial and resourcing data, and perhaps less on governance and management of the organisation.

Some details are only collected by one or two regulators. In particular the regulators in the **United States** and **Canada** are the only ones to collect detailed transactional data on grants made, only Canada collects information about gifts in kind, and only **New Zealand** collects detailed information on the structure of charity groups.

Transparency and availability of data

A key function of charity regulators is to maintain a register of organisations, and in most cases to make this register public. Historically the primary purpose of the register was to enable public confidence by allowing them to verify that a particular organisation had charitable status and is regulated. However, registers also have a wider function allowing organisations and the public to understand the shape of the charity sector and analyse the flows of money and activities through it.

All the charity regulators examined allow their register of organisations to be accessed through an online search portal. This function fulfils the register's purpose as a public record of organisations, and also often allows members of the public to find charities meeting specific criteria - such as those working in their local area. Generally the search results in the register will link through to a page giving details about each organisation such as their contact details, financial details and copies of documents they have submitted, although the exact contents of these pages varies.

In addition to an online search facility, regulators can also choose to make data available through a number of different methods:

- **Bulk download of data.** All regulators examined except Northern Ireland and Singapore provide a separate download of the data in bulk. In Northern Ireland and Singapore it is possible to download the results of a search made through the online search facility.

The composition and format of the bulk download varies considerably between regulators, with most providing a simple list of organisations and their basic details, and others providing more detailed annually updated data.

- **Register API.** Charities Services in New Zealand and the Charity Commission for England and Wales both provide an API for accessing data on their register. The

Charities Services API uses the OData protocol⁹ for accessing data, while the Charity Commission uses the more unusual SOAP protocol¹⁰.

- **Document retrieval.** In some cases regulators make available the documents they ask regulated organisations to provide. For example, if organisations have to provide their audited annual accounts each year, the regulator may make these available for the public to download on the register search page. In some cases the documents may need to be processed - for example if documents were posted to the regulator they may need to be scanned in order to be available online.

Usefulness of data

A number of factors govern the usefulness of the register data. Data downloads should be attached to a specific licence governing what purposes the data can be used for - a permissive licence should help encourage an active community of analysts using the data (including those providing for-profit services). Only England and Wales, Scotland (both using Open Government Licence¹¹), Australia and New Zealand (both using Creative Commons CC BY 3.0¹²) explicitly licence their data, although other regulators may have implicit licences as a result of being a public-sector body publishing information. There may be additional licencing and copyright complications from the re-publishing of material provided by the regulated organisations (such as annual reports) as well as privacy and data protection implications of any personal data held in the register (such as names of trustees or contact details for organisations that are run from a personal address).

Another factor in the usefulness of the data is how well documented it is and the format of the data. To be of maximum utility, data should:

- Be in a non-proprietary open file format (such as CSV or JSON)
- Use data standards for displaying field values (no commas in numbers, standard formats like ISO 8601 for representing dates, reference to standard codelists for values like currency)
- Be well-documented with descriptions of how the data was put together and definitions for the fields.
- Have a permissive licence for re-use (see above).
- Be easily downloadable, without needing to register or submit a form

In terms of re-using the data, the following issues could affect use of data from regulators:

- Proprietary/non-standard file formats (Charity Commission for England and Wales, Commissioner of Charities Singapore)
- Unspecified/unclear data licence (IRS in US, Charity Commission for Northern Ireland, Canada Revenue Agency, Commissioner of Charities Singapore)
- Lack of documentation (Charity Commission for Northern Ireland, Commissioner of Charities Singapore)

⁹ Initiated by Microsoft, now an open standard: <http://www.odata.org/>

¹⁰ <https://msdn.microsoft.com/en-us/library/ms995800.aspx>

¹¹ <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

¹² <https://creativecommons.org/licenses/by/3.0/nz/>

- Need to register to download (Canada Revenue Agency)

A particular issue is the non-standard date formats used by many regulators.

Case Study: Charity Passport in Australia

In 2014 the Australian Charities and Not-for-profits Commission launched a “Charity Passport” service¹³, with the explicit aim of reducing red tape for registered charities. The Charity Passport service provides FTP access that allows other Australian government agencies to access data about registered charities directly from the ACNC without needing to ask the charity to provide that information themselves.

The success or otherwise of this initiative has yet to be determined. A report in 2014¹⁴ suggested that use of the passport was not as widespread as had been hoped.

How the data is used

Data from regulators has the potential to encourage a active group of organisations within a country dedicated to improving the performance of nonprofits in that country, by building on and analysing the data that is released. The United States in particular has an active nonprofit analysis sector, with organisations like GuideStar¹⁵, the National Centre for Charitable Statistics¹⁶, Charity Navigator¹⁷ and the Foundation Centre¹⁸ all using data from the Form 990 to provide information to donors and others.

There are examples of these types of services being provided in other countries, including:

- Ajah Fundtracker (Canada)¹⁹
- NCVO Almanac (UK)²⁰
- Charity Financials (UK)²¹
- ChangePath (Australia)²²

The data can also be used by academics to research the state of the charity sector (see for example the work of the Third Sector Research Centre at the University of Birmingham in the UK). The data also contributes to international efforts to improve the representation of the charity sector within economic statistics, for example through the work of the Comparative Nonprofit Sector Project at the Johns Hopkins Center for Civil Society Studies in the US.

¹³ http://acnc.gov.au/ACNC/About_ACNC/Redtape_redu/Charity_Passport/ACNC/Edu/Charity_Passport.aspx

¹⁴ <https://www.ourcommunity.com.au/aigm/article/?id=5974>

¹⁵ <https://www.guidestar.org/>

¹⁶ <https://nccs.urban.org/>

¹⁷ <https://www.charitynavigator.org/>

¹⁸ <https://foundationcenter.org/>

¹⁹ <http://www.ajah.ca/>

²⁰ <https://data.ncvo.org.uk/>

²¹ <https://www.charityfinancials.com/>

²² <http://www.changeathome.com.au/>

Case Study: Form 990 Data in US

The main reporting mechanism for charities registered with the Internal Revenue Service (IRS) in the US is the Form 990, which collects detailed financial and administrative data from organisations, replacing not only the annual monitoring forms found in other jurisdictions, but also the annual account documents prepared by organisations.

While there are simpler forms available for smaller organisations, larger organisations must complete the 12-page form plus appended schedules depending on their activities.

The US was the only jurisdiction in those examined that collects information from charities on the grants they receive and make at the grant level, although grant-level data is collected by the Canada Revenue Agency on grants made by Canadian charities. The US information is collected by the the IRS on two schedules that are attached to the Form 990. In particular, Schedule B gives details of contributors to the funding of the organisation, while Schedule I gives details of grants of over US\$5,000 made by the organisation to other organisations or individuals.

In 2013, a campaign to “liberate” the data found in Form 990. A report by the Aspen Institute (Noveck and Gordoff 2013) showed how the system at the time - where the IRS collected information through these forms but then only published the resulting information as image files to organisations who paid a fee. By converting these files to open data, published in standard formats, in bulk, without restriction on use, the report suggests that analysts, journalists, regulators and others could then use the data to help analyse and improve the nonprofit sector.

In 2016 this campaign succeeded (The Chronicle of Philanthropy, 2016) and the IRS released a bulk download facility for accessing data from Form 990 in a standard format through AWS²³. Organisations that had previously had to manually enter data from image files both expanded the amount of information they could collect and analyse, but also cut the cost of collecting and analyzing the data.

Since releasing the data, a number of organisations and individuals have made use of it, producing tools for extracting, cleaning, analysing and exploring the data. A selection of these tools are showcased on the data download page, including:

- A set of tools for extracting values from the data²⁴
- A search engine for finding returns²⁵
- A guide to the data²⁶
- An explorer for the parsed data²⁷

The range of tools and analysis created by the community shows the value created by

²³ <https://docs.opendata.aws/irs-990/readme.html>

²⁴ https://github.com/CharityNavigator/990_long

²⁵ <http://irs-990-explorer.chrisgherbert.com>

²⁶ <https://lecy.github.io/Open-Data-for-Nonprofit-Research/>

²⁷ <https://projects.propublica.org/nonprofits/>

openly releasing the data.

References

Carolyn Cordery & Masayuki Deguchi (2017) Charity registration and reporting: a cross-jurisdictional and theoretical analysis of regulatory impact, *Public Management Review*, DOI: [10.1080/14719037.2017.1383717](https://doi.org/10.1080/14719037.2017.1383717)

Chartered Accountants Australia and New Zealand (2017) *New Charity Reporting - One Year On* <https://www.charteredaccountantsanz.com/news-and-analysis/news/new-charity-reporting-a-year-in-review>

The Chronicle of Philanthropy (2016) *IRS Unleashes Flood of Searchable Charity Data* <https://www.philanthropy.com/article/IRS-Unleashes-Flood-of/236822>

Gareth G Morgan (2018) *Charitable Incorporated Organisations* (2nd Edition). Directory of Social Change, London.

Beth Simone Noveck and Daniel L. Goroff (2013) *Information for Impact: Liberating Nonprofit Sector Data*. The Aspen Institute, Washington. https://assets.aspeninstitute.org/content/uploads/files/content/docs/psi/psi_Information-for-Impact.pdf

Appendix I: Regulator and Register websites

Jurisdiction	Regulator	Regulator website	Register Search
United Kingdom	HMRC	https://www.gov.uk/charities-and-tax	
	Companies House	https://www.gov.uk/government/organisations/companies-house	https://beta.companieshouse.gov.uk/
England and Wales	Charity Commission for England and Wales	https://www.gov.uk/government/organisations/charity-commission	http://beta.charitycommission.gov.uk/
Scotland	Office of Scottish Charity Regulator	https://www.oscr.org.uk/	https://www.oscr.org.uk/about-charities/search-the-register/register-search
Northern	Charity Commission for	http://www.charitycommissionni.org.uk/	http://www.charitycommissionni.org.uk/

Ireland	Northern Ireland		missionni.org.uk/charity-search/
US	Internal Revenue Service	https://www.irs.gov/charities-non-profits/	https://apps.irs.gov/app/eos/
Canada	Canada Revenue Agency	https://www.canada.ca/en/revenue-agency/services/charities-giving/charities.html	https://www.canada.ca/en/revenue-agency/services/charities-giving/charities-listings.html
	Corporations Canada	https://corporationscanada.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs03925.html	
Singapore	Commissioner of Charities (Ministry of Culture, Community and Youth)	https://www.charities.gov.sg/	https://www.charities.gov.sg/layouts/MCYSCPSearch/MCYSCPSearchCriteriaPage.aspx
	Inland Revenue Authority of Singapore	https://www.iras.gov.sg/RASHome/Other-Taxes/Charities/	
Australia	Australian Charities and Not-for-profits Commission	http://www.acnc.gov.au/	http://www.acnc.gov.au/ACNC/FindCharity/QuickSearch/ACNC/OnlineProcessors/OnlineRegister/SearchtheRegister.aspx?noleft=1
	Australian Taxation Office	https://www.ato.gov.au/Non-profit/	
	Australian Securities and Investments Commission	https://asic.gov.au/for-business/registering-a-company/steps-to-register-a-company/registering-not-for-profit-or-charitable-organisations/#registeringcompany	
New Zealand	Charities Services	https://www.charities.govt.nz/	https://www.register.charities.govt.nz/CharitiesRegister/Search
	Inland Revenue	http://www.ird.govt.nz/non-profit/	
	Companies Office	https://www.companiesoffice.govt.nz/	

Appendix II: Fields collected on Annual Monitoring Forms

<https://drive.google.com/open?id=1e1shOdsIUeX5pUa5ir2zXFq6vqXX4qi8> [PDF]

Appendix III: Overview of charity regulation

https://drive.google.com/open?id=1Fi_pVdCljaAZIJK_JKl84ZjQrG5Tbx7D [PDF]

Appendix II and III also available on Google Docs:

- https://docs.google.com/spreadsheets/d/e/2PACX-1vTaO3cSoJvT2mMsbnorBZE5tLsU4Sim_Q4TaVTQvTrNIZQ_-hSxygxzW9M1-NrZRj5Gt5zKDB98oeEK/pubhtml# (static version)
- https://docs.google.com/spreadsheets/d/e/2PACX-1vTaO3cSoJvT2mMsbnorBZE5tLsU4Sim_Q4TaVTQvTrNIZQ_-hSxygxzW9M1-NrZRj5Gt5zKDB98oeEK/pubhtml?gid=0&single=true (editable version)