

# Responding to COVID-19

## Questions and answers from the webinar



These questions were asked by participants during the live webinar on Tuesday 12 May 2020. We have edited some for clarity and answered them below. If a question you asked on the day has not been covered please don't hesitate to contact us at [info@charities.govt.nz](mailto:info@charities.govt.nz). Some of this information may change as Alert Levels and other circumstances change.

### Webinar

**Webinar slides:** <https://charities.govt.nz/assets/Responding-to-COVID-19-webinar-.pdf>

**Recording of webinar:** <https://www.youtube.com/watch?v=8jmLFQAC16A&t=1s>

## Q&A: Funding

### Q: What sort of funding is available for charities?

A: The Department has a number of funding streams to support charities in our community. The Community Matters website ([www.communitymatters.govt.nz](http://www.communitymatters.govt.nz)) is a good place to start to explore what the Department has and the criteria for these. **Generosity New Zealand** is another useful website. It is a digital search facility for funding information in NZ.

You can also book a slot on **Thursdays in May** to talk to a community advisor about funding options for your group.

For more funding options you can check out the **How to fund your charity page** on our website.

### Q: Will the Government increase the funding of charities (Lottery grants, City Councils, etc)?

A: The Department is currently working with the Lottery Grants Board to explore what options may be available. Keep an eye on our website for more updates.

### Q: Do we get funding for community support during COVID-19, educational seminars and workshops through Zoom/webinar?

A: The Community Organisation Grant Scheme (COGS) and Lottery funding provides support for operation costs, workshops and IT. More information about this fund is available [here](#).

### Q: Costs for Zoom and webinars for the communities are going to be expensive to run. Do they get funding for buying laptops, covering webinar/Zoom costs?

A: Lottery Community Committee funding has supported groups with the purchase of equipment and general organisational costs. More information about this fund is available [here](#).

### Q: Our charity organisation is working for Nepal. Is it possible to apply for funding for Nepal?

A: This depends on the nature of the fund, we'd recommend getting in touch with one of Hāpai Hapori's community advisors on **Thursdays in May** and talking through your specific funding needs. Some funds are only available for activities within New Zealand.

**Q: Can charities apply for the Regional Business Partner network funding?**

A: No, charitable trusts and incorporated societies are excluded from the scheme.

**Q: Do you anticipate any additional funding for those supporting vulnerable groups experiencing upset due to the crisis?**

A: There is support for some community organisations responding to COVID-19 in recent budget announcements. For a more detailed analysis check out the [Philanthropic Weekly Sector Update-Government Budget Edition](#) and the [JB Were technical bulletin on funding options for charities in New Zealand](#).

## Q&A: Wage subsidy and government support

This advice is given with input from the Ministry of Social Development. We also had questions on the application of the small business loan scheme – this is also open to charities that qualify. Inland Revenue are in the process of preparing information specific to charity groups, but there is relevant information on [Inland Revenue's website](#).

**Q: Can we still apply for the wage subsidy now?**

A: The original wage subsidy scheme is currently still open for applications and will be until 9 June. The extended wage scheme will be available from 10 June 2020 until 1 September 2020. More information about applying for the wage subsidy is available [here](#).

**Q: We are a charity with no staff, all volunteers. Our fundraising has been significantly impacted by COVID-19. Can we get any government support?**

A: The wage subsidy only provides support to charities that have employed staff. We recommend you touch base with one of Hāpai Hapori's advisors on [Thursdays in May](#) to chat about options for funding that may be available to you.

**Q: If you have a new staff member join you after you have claimed the subsidy, can you claim for them, even if their previous employer had claimed as well for them? I understand the previous employer gets to keep the unused subsidy if an employee resigns but can we claim for this employee knowing that?**

A: Yes – you may claim the wage subsidy for the new employee if that employee has been a named applicant in their previous job, as long as you meet the eligibility criteria at the time of application for the

new employee. MSD guidelines and the declaration continue to apply. If that employee had been made redundant in their previous role where they were receiving the subsidy, the previous employer would need to pay back the remaining subsidy allocated to the employee to MSD.

If the employee left their previous employment voluntarily/amicably, you are correct in that the remaining subsidy can be passed on to support other employee's wages. If there are still subsidy funds leftover after this, this would need to be repaid to MSD by the previous employer.

**Q: Is there financial support for charities that haven't experienced an immediate reduction in funding/income but will see an impact in the coming months? (i.e. don't qualify for wage subsidy as losses haven't hit yet).**

A: To be eligible, the business must experience the revenue decline between Jan 2020 – 9 June 2020. Otherwise, the entity may want to consider their eligibility under the extended wage subsidy scheme when it opens next month. For more information, see MSD's website on [revenue decline](#) and the [extended scheme](#).

**Q: Unlike the MSD Subsidy, 20 Hours + will not be viewed as full time if you have an Admin Person who does 20 Hours?**

A: Please see the [guidance on payment rates on the MSD website](#). Information specific to the small business loan programme can be found on [Inland Revenue's website](#).

**Q: Regarding the wage subsidy, why do charities have to show they have taken steps to use their reserves, etc? Can you clarify this please?**

A: The wage subsidy scheme is not specifically targeted to charities, or any particular type of business. The employer declaration has the same requirements for all eligible entities. In the declaration, as a part of meeting the eligibility criteria, employers need to declare that they have taken active steps to mitigate the impact of COVID-19 on their business activities (including but not limited to engaging with their bank, drawing on cash reserves as appropriate, and making an insurance claim).

These are examples of “active steps”, and this will apply in different ways to different businesses. In some cases, if reserves are put aside for a specific project, then it may not be appropriate to use them as mitigation. MSD asks applicants to evaluate this requirement honestly and in good faith, as would be expected in any legal declaration.



## Q&A: Gatherings/ events/fundraising

**Q: In relation to gatherings being limited to 10, there is also a cap of 100. How do these two work? Is it 10 or 100?**

A: When it is a gathering of people who are known to each other and will be socialising then this is limited to 10 people. The limit of 100 is for places like cinemas or restaurants where there may be more than 10, but each individual group can only be made up of 10 people. For charities that operate community facilities like halls or pools, more than 10 are allowed as long as contact tracing measures are in place.

However, for events like religious services, AGMs or board meetings, these must not exceed 10 people. At tangihanga and funerals up to 50 people may gather. These limits are being reviewed, so keep checking the [COVID-19 Government website](#) for up-to-date information.

**Q: Our fundraising is done by having BBQ at retail outlets. Can these continue?**

**Q: My Rotary Club had a scheduled painting project shelved due to COVID-19. It involved painting of street benches in the main streets of Takapuna. Is this an activity that we can now do under Level 2 (subject to social distancing of our volunteers and passing members of the public)?**

**Q: We provide community lunches. Are we able to start doing these level 2 or wait until level 1?**

A: Although we can't provide guidance on specific types of activity, business and community activities can resume under Level 2 if social distancing continues. Organisations should refer to [Level 2 guidance for voluntary organisations](#), and if they follow the guidance, they can continue operations. It is likely bench painting, sausage sizzles, and community lunches, if appropriate sanitation and distancing is maintained, can proceed. Each individual group supported should only be made of 10 people.

**Q: We have multiple groups that use our service as a community house. This makes our decision about if we can safely reopen on level 2 difficult. Will there be guidance to support what needs to be in place for in person groups to start using community services?**

A: There is currently [guidance published for Level 2 groups](#). Check it out, if you have more questions, don't hesitate to send a query to [info@charities.govt.nz](mailto:info@charities.govt.nz) and we'll see if we can help or produce more comprehensive guidance.

**Q: One of my group organises a big event every Waitangi Day. Is it advisable to cancel the event next year?**

A: It's a good idea to take a strategic pause at present, rather than rushing to cancel or change programmes. The situation may change significantly in the next few months, and the social cohesion that charities and other for-purpose groups provide is essential.

## Q&A: Updating rules/ purposes/details/ policies

**Q: With each changes or variation in policy(ies) and / or constitution to adapt to current situation, should all these be uploaded to the Charities Services website?**

A: There are six key areas that you need to keep us updated on within three months of any change; the name of your charity, the address for service, a change in the officers, your balance date, your legal rules, the purposes of your charity, and the legal entity type of your charity. Update us on any variation of your rules but we do not need an update on your policies. You can update us on our website [here](#).

**Q: My organisation was mainly working overseas but now I need to help here. Do we need to change our rules?**

A: Please book in to one of our online clinics (held on Thursdays) and we can talk you through changing your rules. You can book for a clinic [here](#). If this is not possible please email us at [info@charities.govt.nz](mailto:info@charities.govt.nz) for more information.

**Q: We made changes to our rules in January but have not been able to complete the full paperwork for filing due to lockdown. So, we have missed the 3-month filing deadline for the changes. Should we file without all the signatures, or wait?**

A: Please only file your rules changes if you have made the change formally – this sometimes requires signatures, sometimes does not, depending on your legal form. Once you have made the formal changes, make the changes on the Charities Register using the update details form.

If you are incorporated, you should also make these changes with the Companies Office, with the **Incorporated Societies Register** or the **Charitable Trusts Register**.

Don't worry if you have not met the 3 month deadline – simply make the changes as quickly as you are able in the current environment.

**Q: Is fast tracking available to have a hybrid or solely electronic AGM so that the 2020 AGM can be held if the committee agrees? As the current constitution only allows a physical meeting with 15 quorum. Therefore, I understood we actually have to have a physical meeting to make any changes to the rules. This may not be possible before the end of September when annual returns are due. Just trying to get clarification as charity members spread all over NZ in rural areas.**

A: If you are incorporated with the Companies Office, the rules around Annual General Meetings (AGMs) have been relaxed because of COVID-19. You can postpone your meeting till later, or if everyone agrees and is able, consider having your meeting online.

**Q: With the questions about changing rules, are you going to touch on the current legislation going through so people know to have a look at it and how it may affect the likes of rule changes?**

A: The COVID-19 Response (Further Management Measures) Legislation Bill has passed into law, introducing a wide range of measures to support businesses and other entities through the pandemic. You can find the information on the **Companies Office website**.

We'll keep **our website pages** updated with new rules relevant to charities.

**Q: On the Charities Register there is a section to complete listing your "officers". When I took over from the last person I just continued to fill in as per what I saw from prior years – all board members listed. And have continued to do so - list everyone on the board of directors. However, my query is should all board members be listed? Or is it really meant to be just the office holders? (i.e. Chairperson, treasurer, deputy chairperson?) Then when it comes to signing any rules its signed by all office holders.....so what are "officers"?**

A: Officers are defined in the Charities Act. If you are a trust, all the trustees are your officers. If you are an incorporated society, or other entity type, your officers are all the members of your board and all the people who are in a position to influence the management or administration of your charity. This means all board members should usually be certified, no matter the organisation type.

**Q: Should organisations update Health & Safety policy to address volunteers identified as Covid-19 risk, e.g. age 65 yrs+, immune compromised?**

A: Yes, this is a great time to update all relevant policies. Worksafe have developed some **guidance** to help.

## Q&A: Legal

**Q: Many charities will now be facing issues that require professional legal advice. Would you look at establishing an independent and low-cost legal advice centre for charities where we can get advice? Most of us will have no money to hire solicitors.**

A: Depending on your area, some community law centres offer support to charities. Check out **their website** to get details of your local centre. Community Net Aotearoa also has great guidance – including the **Community Resource kit**, which can answer some common issues. **The Community Law Centre's legal handbook** is also a great resource to check out.

**Q: Are volunteers on the Board held legally accountable if they fail to adapt risk management policies in light of the pandemic?**

A: The boards of charities need to take a pragmatic and sensible approach to how they go about operations and planning at this time. For some charities, adapting risk management policies will be sensible, but failure to do so would not usually be a breach of duties under the law. The lack of any form of planning or oversight can be evidence of gross mismanagement, which is a form of serious wrongdoing under the Charities Act.

## Q&A: Remote working

**Q: We are considering doing our annual general meeting (AGM) online... are you able to recommend a software for this? At this point we are considering Zoom.**

**A:** We can't endorse any particular product, but we use Zoom for our webinars and external meetings and it works. **Community Net Aotearoa has some great guidance about holding meetings online.**

If you do hold your AGM online please remember to follow your rules document as closely as you can and document all decisions as well.

The government recently passed law to make it easier for charities that are also registered with the Companies Office (including incorporated societies) to hold electronic meetings, **even if your rules don't allow for it.**

**Q: The organisation that I work for has a few people on the board who are technologically challenged, can we hold a meeting with a mixture of zoom and social distanced meeting to ensure that we can keep things moving forward?**

**A:** You can adopt any meeting format that works for you. This is an innovative idea and might work for your group. It is important to do the best you can to allow everyone to participate in decision making. It is also important to follow your rules document as closely as possible, and document all decisions made.

The government recently passed law to make it easier for some charities to hold electronic meetings, **even if your rules don't allow for it.**



## Q&A: Auditing/ reviews

**Q: Just seeking clarification on criteria of qualified auditor - do they have to be a certified accountant (a CA by the Chartered Accountants of Australia and New Zealand or CPA by CPA Australia) or just a financial qualification?**

**A:** Statutory audits and reviews must be done by a qualified auditor. Qualified auditors are defined under sections 35 and 36 of the **Financial Reporting Act 2013**. Defined by Act, they have to be regarded as a 'Qualified Auditor' which is one step more than just being a CPA/ CA.

**Q: What are your external audit criteria for a charity? Do you distinguish between an audit a review? Who would you accept as a reviewer or auditor for a charity or who can qualify?**

**A:** Charities with total operating expenditure over \$500,000 to \$1,000,000 have to get their performance report or financial statements reviewed, and over \$1,000,000 have to get audited, this is over the last two reporting periods. This has to be by a qualified auditor, as defined in the Act (this can be either licenced by the Chartered Accountants of Australia and New Zealand, or CPA Australia, although there are other options). We have more information on our website [here](#).



## Q&A: Collaboration

**Q: Would you advise organisations of similar/like purpose and/or target beneficiaries look at merging or more collaboration to manage financial risk/loss they're currently facing due to Covid-19 and uncertain funding for the future?**

A: We would suggest that it is a very good idea to look at different ways you can operate. Collaborative work and merging with similar organisations is a great idea. The Charities Register has filters so you can search by sector, activities, beneficiaries and area of operation. We would love to hear stories of collaboration too.

## Q&A: Scams

**Q: I am interested in knowing more about looking out for scams. Are there apps or steps we can do to ensure our organisation has a secure network?**

A: We recommend visiting CERT NZ's website for advice on detecting and responding to scams. **It also has advice on how you can secure your network** to protect it from unauthorised access or attack.

## Q&A: Other

**Q: Most of the charities have no support for HR especially when it comes to enforce health and safety requirements. Will there be any support in this area? Our charity has staff and depends on visitors, members and volunteers**

A: Worksafe has developed guidance to support organisations and businesses, as well as information about developing help and safety policies. Find more information on their [website](#).

**Q: It was mentioned you are regularly meeting with representatives from the sector. Who are they, and how do we get in contact with them to voice our concerns and raise issues?**

A: Hui E! Community Aotearoa, Volunteering New Zealand, Philanthropy New Zealand, NZ Navigator Charitable Trust and Community Networks Aotearoa are a few of the sector groups we are in contact with.

We also attend a weekly Zoom meeting with representatives across the sector. For more information about the meeting, all of the videos of the meetings and information how to participate click [here](#).

**Q: Do you have any PSGE's registered as charities, that are common law trusts? Is that possible?**

A: Some organisations that are part of Post Settlement Governance Entities are registered as charities. A group can be any form of charitable trust to register as a charity, not just registered under the Charitable Trusts Act.