



Ukraine Hubs in Suffolk: Developing an Exit Strategy



Introduction

There will come a time that the needs of Ukraine guests and hosts change to the point where you feel your organisation's services are no longer required, and you consider scaling back or ending your activities.

This document aims to support you through this process effectively. It covers:

- How will you know it's the right time to close and how to plan for this
- Planning communications about closure
- Getting your finances in order

This document aims to give you an overview of some of the considerations when closing an organisation or ending a project. You may need to seek further information that is relevant to your individual situation.

It is based on information from the National Council for Voluntary Organisations (NCVO). You can find further information about closing an organization on their website.

How will you know if it's the right time to close or change your offer?

There is no hard and fast rule for this, as it will be different for each organisation. Some indicators that it may be the right time include:

- Reduction in number of existing service users
- Flow of new service users
- Change in needs – could you adapt your offer to meet new needs, or are these already met elsewhere?

It may be that you decide to scale back your services initially rather than closing completely on a particular date. For example, if you have met in person weekly, then you may decide to change to fortnightly or monthly meetings, but provide online support in between.

If practical, holding meeting(s) of hosts / guests / volunteers (separately and/or together) to discuss the issue of exit / service adaptation is likely to be valuable and is good practice. If you have a committee or steering group, its involvement will be helpful, perhaps after the group meeting(s) mentioned above, perhaps instead of these.

You can read further information about deciding to close here: <https://www.ncvo.org.uk/help-and-guidance/closing-down/closing-your-charity-or-voluntary/deciding-to-close/#/>

Planning for closure

Closing a group will need careful planning to ensure that you have thought about all aspects of how your group is currently run and organised. We recommend checking the following things before drafting your plan:

- Legal Structure
- Who will help with closure
- Retaining Records
- Legacy Events
- Updating your asset register
- Who will be impacted?

What is your legal structure?

If your hub is an organisation in its own right (as opposed to being a project set up as part of another organisation e.g a church) then you will have a legal structure for your organization with a governing document or constitution. This document, and your specific structure, should determine how you must close your organisation. Most groups are likely to be an unincorporated association so this information will focus on that type of structure.

Extracts from Charity Commission:

<https://www.gov.uk/guidance/how-to-close-a-charity>

Close an unincorporated association or trust

First, check if your charity's governing document contains a 'dissolution' or 'winding up' section. This tells you how to close your charity. Most governing documents allow you to wind up your charity.

If your charity has members other than the trustees, your governing document may say that you have to call a meeting of the members to agree to wind the charity up.

If your governing document doesn't say how to wind up, as long as your charity doesn't have permanent endowment, you can either:

- use all its remaining assets on your purposes
- give its remaining assets to another charity with similar purposes

If you are registered with the charity commission you will need to complete an online form with the Charity Commission in order to be removed from their register. You can find this here: <https://www.gov.uk/remove-charity-register#more-information>

Who will help with closing the group

Think about who will be available to help close down. Volunteers may have less capacity to help or be moving on to new volunteering opportunities as the group either scales back or gets closer to closing. Based on availability and skills, think about who will be best placed to complete which tasks, and if any additional support will be needed.

Who will hold any final records for your group

Depending on your activities you may need to retain records, and you need to think about who will be responsible for looking after these, should any information be required at a later date.

For example, if you have received any grant funding, the funders may require you to retain records of any spending of funds for a set period of time.

Are you planning any legacy events or activities?

Holding a 'final' meeting / social event to mark the closure is good practice, as it will be an opportunity for sharing learning, making contacts and celebrating the contributions and connections made in your locality in response to the Ukraine crisis. It will also be an opportunity for thanks to be offered to volunteers and hosts by Ukrainian guests themselves, as well as other stakeholders. Holding a closure 'event' (however modest) will help provide clarity as to what future arrangements will be, as well as being an opportunity for communication with the local community via local and social media.

You may decide to produce a book of memories or have a legacy web page detailing what your group achieved. Any decisions about legacy events will affect what tasks and budget are needed in your closure plan.

Update your asset register

If your organisation owns any physical resources you should have a list of these, which is known as an asset register. Make sure this is up to date with current values of items listed. You will need to make decisions about transferring any assets. There may be information about this process and who you can transfer them to, in your governing document.

Who will be impacted by your closure?

Think about the people who make use of your services. Are they vulnerable or will they be put at risk by your closure? You may need to consider alternative arrangements or other organisations who may be able to support them once you close.

Communications about closure

Once you decide to close, you need to think about who to inform of your closure and how to inform them. By keeping people informed you can reduce concerns and avoid misunderstandings.

You will need to think about how you communicate to those people that you are closing. Plan your closure announcement carefully and think about including the following:

- explaining your decision to close
- thanking people and wishing them well
- give a clear and final date for closure.

You may want to circulate this information as soon as possible so that people have time to adjust to you no longer being available for support and information, ensure they can still contact any friends they have made through your group, and also find alternative places to socialise or get information from.

NCVO also suggests these considerations when planning communications around closure:

Who needs to be informed: Consider the main audiences you need to keep informed. This might include service users, members of the public, funders, likeminded or partner organisations, organisations which refer people to you and any relevant statutory bodies.

When they need to be informed: News of closure may travel fast and no one will want to hear second hand. Carefully prepare and schedule your communications making sure those most affected by the closure hearing the news first - for example, volunteers and service users.

Your key messages: explain the key reasons for the closure. Try and keep a few short, simple statements which explain why you are closing and the next steps in the process. You need to communicate why you are closing as well as what the process of closure will look like.

How you will inform people: While you may want to tailor what you say to different groups, there should be commonality between what all groups are told. For those most invested in your organisation, make face to face or direct contact the main communication channel.

What tone to take: Be empathetic and give people the chance to reflect on the impact you've had. Be honest about the implications of closure for your cause or the people you seek to serve and explain what you will do to ease the impact of closure through the process. While additional details on the context may be useful; try to avoid being defensive or regretful. Be clear about the finality of the decision and when and how your board made the decision.

Be clear about future involvement: What role can people play in closing the organisation. Can people's memories of the organisation be compiled as part of any closure event or process? Will you be seeking volunteers to assist with the closure?

When will updates be available: If you can, give timescales and how they will be kept informed.

Closing your channels of communication

You will have supported a lot of people whilst you have been operating, and may still be in touch with many of them, either via phone, email or social media.

Make a list of all the ways you keep in contact with people e.g. dedicated phone number, Facebook or social media groups, email accounts.

Consider how the closure of these will be managed. For example, you may decide to put an out of office notice on your email account for a month, explaining you are no longer operating and emails will not be responded to. You may wish to signpost to alternative sources of support as well. After a month you might then close your email account completely. Alternatively, you may choose to close your email account outright on your closure date.

NCVO provides further guidance here: <https://www.ncvo.org.uk/help-and-guidance/closing-down/closing-your-charity-or-voluntary/carrying-out-closure-checklist/#/if-you-have-a-website-and-social-media-presence>

Managing people's reactions

People will react in different ways to your closure and it may use a lot of your time to manage queries and concerns. It is important to keep an eye on people's responses and engage with them. You should plan for someone to have responsibility for this in your closure plan.

NCVO identifies some common reactions to an organisation's closure and suggests ways to manage this:

Some may be shocked and worried. Prepare information on likely timelines, next steps and how the organisation can refer or signpost them to another organisation. If decisions on this have not yet been made, give a likely timeline for when this can be provided.

Some may be hostile to the decision. Where possible focus on the common ground you all share and explaining why trustees or members have made the decision.

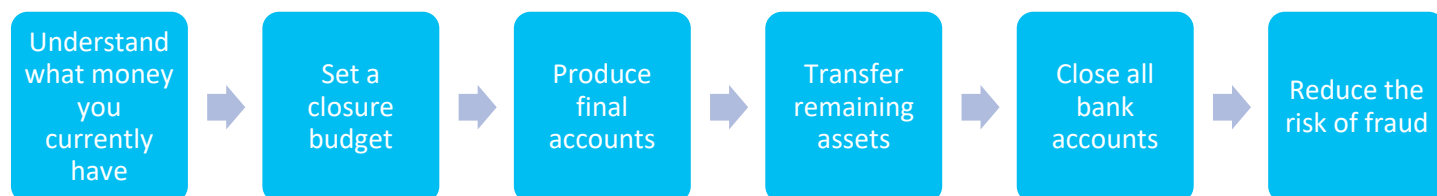
Some may try to 'save' the organisation. Consider how to balance being open to new suggestions but also the limited capacity you have to engage in further developments. Hold a face-to-face discussion with trustees early to avoid any future conflict.

Getting your finances in order

Your group may have its own bank account or you may have an agreement with a separate organisation to act as a custodian for your fund through their own bank account.

If your Ukraine group is run as part of another organisation, for example a church, then it may be that some of their funds have been ringfenced for your project. You may have received external funding for your project, for example through the Church Urban Fund, and this is held as restricted funds within the parent organisation's bank account.

However your group's finances are organised, you will need to consider the following process when planning for closure, to ensure that your finances allocated.



Understand what money you currently have

Make a list of anyone you currently owe money to (creditors) and anyone who currently owes you money (debtors). You will need to make and receive any payments before you can close your bank account. Consider the likelihood of receiving any owed money before closure, but also be cautious of writing off any debts.

You may have designated funds in your account, which are funds which may have been put aside for a specific purpose. Your committee may make the decision to use these funds as general funds in the light of your closure, or could decide to transfer these funds to another organisation with a similar purpose. Whatever decision you make, this should be clearly recorded.

Identify any restricted funds that you may have. These are funds that you can only use for a specific purpose. These are different to designated funds because they are likely to have conditions attached to them, and you may be seen as in breach of trust by not sticking to the restrictions on how the funds can be used. Most commonly, restricted funds are likely to be from a grant making organisation and there will be a grant agreement in place around use of the money and timescales for spending. Make sure that you accurately record the status of any restricted funds that you have.

However, you should also check whether funds are truly classed as restricted, rather than just having been recorded as this. It might be that you have received a donation and the donor made a request as to how the money be spent, rather than it being a legal requirement.

Think about what reserves you have, which are unrestricted funds that are available to freely spend on any of your organisation's activities. Will these be used to fund your closure? What will you do with any funds that are left?

Setting a closure budget

From the point your organisation decides to close, your income and expenditure will change. For example, you will stop receiving any financial donations. However, you may still have rent or utilities to pay for your meeting space for example.

You may decide to sell any assets. Think about what your expected income for these is.

Think carefully about what it is going to cost you to close financially, and how you will use any remaining funds and expected income to fund this.

Produce final accounts

It is good practice to produce final accounts but the requirements to do so can be dependent on the way in which your organisation is set up. You should check your governing documents as to whether it states that this is required.

NCVO says this:

- Check your organisation's governing documents on whether there is an obligation to produce a final set of annual accounts.
- Depending on your activities, you may need to produce final accounts to provide to HMRC.
- The Charity Commission generally does not require final accounts but may request these if it is a requirement of the charity's governing document or if they have other concerns.
- Companies House does not require final accounts to strike off a limited company from the Companies Register.

As a minimum you should produce a document to show where your assets have gone and that you have a zero balance on your closure date. By having this, it will make your organisation accountable to any donors, service users and supporters.

Transferring Assets

You may have remaining assets, including money, which you will need to dispose of. You should check your governing document for any guidance on when and how to do this.

The Charity Commission has this guidance:

Asset transfers allowed by governing documents

Usually, a charity has a power to transfer in its governing document, often in the dissolution section. This may say what any assets you transfer can be used for. For example, it may say that they can only be used by a charity with similar purposes.

You must follow any procedure for agreeing and making the transfer that your charity's governing document specifies.

How to transfer an unincorporated charity's assets

You must be satisfied that the transfer is the best way for the assets to continue to be used as they were intended to be. The charity receiving the assets must have at least one purpose similar to yours. It can have wider charitable purposes than yours unless this means people that could currently benefit from your charity won't be able to after the transfer.

At a charity meeting, agree the transfer - see 'how to pass a transfer power resolution' below.

Read the full guidance here: <https://www.gov.uk/guidance/how-to-transfer-charity-assets>

Close Bank Accounts

You need to ensure that when it comes to closing your bank account, your signatories are still involved with the organisation, or that you have enough signatories to safely access any remaining funds easily.

Any asset transfers should have taken place before closure of your bank account.

Your bank account needs to have a zero balance before you close it.

Reduce Risk of Fraud

Collect together any paper bank statements that you may have, so that these are stored with whoever will be retaining records for your organisation after closure. Destroy any cheque and paying in books, bank cards and other banking information that does not need to be retained.

NCVO provides a closure checklist, which provides further information on a number of different aspects of closure. You find it here:

<https://www.ncvo.org.uk/help-and-guidance/closing-down/closing-your-charity-or-voluntary/carrying-out-closure-checklist/#/>

Stewarding Loss is a website which focuses on the closure of organisations. You may wish to explore their website and toolkit:

<https://www.stewardingloss.com/toolkits>

Closure Checklist

You may wish to visit the NCVO website for further information and checklists when closing an organization.

<https://www.ncvo.org.uk/help-and-guidance/closing-down/closing-your-charity-or-voluntary/carrying-out-closure-checklist/#/>

Task	Complete
Communication	
Announce closure/winding up of activities to volunteers	
Announce closure/winding up of activities to services users	
Announce closure/winding up of activities to general public	
Either add a final message to all social media accounts or remove the accounts completely.	
Either close email accounts and/or set automatic reply or forwarding emails to new addresses	
Remove any websites OR leave a legacy page in place with a clear statement of closure	
Update any partner organisations of your closure	
Finances	
Produce final set of accounts OR document that records where assets have gone and that you have a zero balance.	
Contact funders about any remaining/unspent funding you may have	
Ensure final reports have been sent to funder re spending of funds	
Transfer any monetary assets	
Close bank account	
Destroy any cheque books and bank cards	
Premises	
Give notice to landlord or organisation you lease premises from	
Agree any final payments of rent and bills	
Remove and transfer any physical assets	
Ensure property is empty of all of your belongings	
Check empty premises against any original inventories.	
Take photographs of empty premises and of any damage in case of query at later date.	
Collect all keys from keyholders	
Return all keys to landlord	
Data	
Return or delete any personal data that you hold at the end of service delivery.	
Decide who will be responsible for retaining any documents that need to be kept for a specified period of time e.g bank statements.	

