



## **GLOSSARY OF CHARITY TERMS**

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For further information, please view the Frequently Asked Questions (FAQs) and, where applicable, the guidance notes both of which are available on the Publications page of [www.gov.im/charities](http://www.gov.im/charities).

<b>Term</b>	<b>Definition</b>
AGM	Annual General Meeting
Approved form	A form or template published by the Attorney General to be used when submitting information required to be submitted under the <a href="#">Charities Registration and Regulation Act 2019</a>
Attorney General	The registrar and regulator of Manx registered charities
Audit	An inspection of the charity's accounts which is carried out in compliance with requirements imposed by any applicable International Standards on auditing by an accountant or by a person approved by the Attorney General
Bequest	A gift of property under a Will
Body corporate	An entity which has separate legal existence and identity to those of its members or officers, e.g. a company
Charitable company	A company which has been established for charitable purposes, rather than, for example, for commercial purposes
Charity	An institution which is established for charitable purposes only
Committee member	In the case of a charity which is managed and administered by a committee, the members are the persons described as such in the charity's governing instrument
Constitution	The governing instrument for an unincorporated association
Court Order	An order made by the court which has the jurisdiction to determine the matter in question
Dissolution	The process of bringing the charity's existence to an end, which is set out in the charity's governing instrument or, in the case of those charities whose existence is governed by law, e.g. charitable companies, in the legislation under which the charity was established
Ecclesiastical charity	This term is defined in Schedule 3 to the Church Act 1992
EGM	Extraordinary General Meeting
Executive committee	The name given in some governing instruments to the group of individuals who manage and administer the charity in question
Foreign charity	Established in a jurisdiction or territory outside the Isle of Man
Foundation	Since 2011, this term is primarily used for a body corporate established under the Foundations Act 2011, which is essentially an incorporated trust which is managed by a council
FRS 102	A reporting standard issued or adopted from time to time by the Financial Reporting Council in the United Kingdom
Governing instrument	The document by which the charity is constituted
Gross income	The total recorded income of the charity from all sources including special trusts and funds released from endowments

	but excludes resources being received as endowments, gains from disposals of fixed assets and investments and asset revaluation gains
Independent examination	An inspection of the charity's accounts which is carried out by a person who is independent of the charity and who is qualified to carry out such an examination
Memorandum and Articles of Association	The governing instrument for a charitable company
Merger	The transfer of property from one or more charities to another, following which the donor charity/ies is/are dissolved
Objects	The statement of the charitable purposes for which the charity is being established and principle methods by which those purposes will be achieved
Regulator	The body or individual with responsibility under the relevant legislation to oversee the functioning of the bodies being regulated to ensure their compliance with the law. In the case of charities registered in the Isle of Man, the regulator is the Attorney General who exercises the powers and functions set out in the <a href="#">Charities Registration and Regulation Act 2019</a> and other legislation
Resolution	A decision taken by the relevant persons i.e. those with the power to do so set out in the charity's governing instrument or applicable law
Responsible person	A foreign charity must appoint a person resident in the Island as the "responsible person" if none of the charity trustees is ordinarily resident here to ensure that there is someone in the Island who is accountable for the charity's activities here and its compliance with the legislative requirements (see section 41 of the <a href="#">Charities Registration and Regulation Act 2019</a> )
Scheme	A document which sets out particular matters relating to the charity in respect of which approval is required as provided by legislation, e.g. section 1 of the <a href="#">Charities Act 1962</a>
Section 18 Licence	A licence granted by the Attorney General under section 18 of the Companies Act 1931 which enables a company established under that Act for certain specified purposes, including charitable purposes, to dispense with the use of the word "limited" in its name
Settlor	In the case of a Trust which is created to hold and apply funds received from a particular person, or group of the persons, the settlor is the person (or persons) from whom those funds are received and who is a party to the Declaration of Trust by which the Trust is established
SGM	Special General Meeting
SORP	Statement of Recommended Practice issued by the Charity Commission for England and Wales or the Office of the Scottish Charity Regulator
Transferee	The person to whom funds or assets are transferred
Transferor	The person by whom funds or assets are transferred
Trust	An institution established by a declaration of trust (including one contained in a person's Will) and which is managed by trustees who are the "legal personality" of the trust
Trust Deed	The governing instrument for a trust
Trustee	A person who has the general control and management of the administration of a charity

Unincorporated Association	An institution comprised of members and is run by a committee but the association itself does not have a separate legal existence from the members
Volunteer	A person who provides their services without receiving any remuneration