

Red Flags

The 'Red Flags Campaign' encourages community organisations to report early signs of financial and governance crisis.

We hope to raise awareness of serious issues - 'Red Flags' - that may lead to irredeemable financial and governance problems. Red Flags need to be reported early to divert a potential crisis that may lead to job losses and even shutdown.

The closure of a local Community Association is not a new story and is one that is unfortunately set to become more common, especially in light of imminent cuts to public sector spending. Very few community organisations will say that they are completely secure in their financial situation and there are many who are already feeling the pinch in today's financial climate.

Red Flags can refer to any number of problems found in poor structural and management procedures of an organisation. For example, a Red Flag should be raised against any of the following situations:

- When there is no reserve policy in place
- There are limited financial controls
- No annual budget
- Poor working relationships
- No legal right to occupy and manage the building you occupy
- Poor or no understanding of an organisation's liabilities such as paying tax and other charges



RedFlags

What can you do?

By checking regularly for Red Flags, we hope organisations will become more confident to seek help. Community Matters offers a range of support and advice services that are available to all our members. So please contact us if you have any concerns and we will provide you with impartial, experienced advice.

Call our Advice helpline on 0845 8474253 or email us at advice@communitymatters.org.uk

For further information look at the [Community Matters Information sheets](#) which are available free to members on this website.

The campaign will run over the coming year. Look out for the following:

- [E-flyers](#) examining potential Red Flag issues and what you can do about them
- Real life stories about how organisations have solved and overcome serious problems in the Community Matters Magazine
- Red Flag themed activities at the Community Matters [Annual Conference](#) on Friday and Saturday 24th-25th September 2010 at the Hilton Hotel in Reading.