

ASSOCIATION OF CHURCH
ACCOUNTANTS AND TREASURERS

President: The Bishop of London

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Newsletter

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ACAT

ACAT NEWS

HANDBOOK

A substantial update has recently been distributed, including three new chapters. If you are part of a block membership your Diocese may not yet have been forwarded your copy so please check with them. If you are an individual member or a Baptist member and your copy has not arrived, please contact us.

Some members have reported missing pages but most of these have proved to be mis-filing. In particular, the VAT chapter update pages 13 – 17 immediately follow the Fund-raising chapter reprint, which finishes at page 12, and some members have filed the VAT pages 13 – 17 as though they were pages of the Fund-raising chapter. If you are missing pages please contact us.

We failed to correct errors on page 17 of Receipts and Payments (previously page 21). The total for Money Raising for this year should be 3,467 (not 7,304); total receipts should be 50,540 (not 54,377); net receipts should be 8,104 (not 11,941) and balance forward 12,871 (not 16,708); please adjust.

A MESSAGE FOR BAPTISTS

Thanks to the generosity of the Baptist Insurance Company, the treasurer of every Baptist church is a member of ACAT. When all the names and addresses were collected they did not include many e-mail addresses. This is a much more efficient way of making contact and for sending Newsletters and other material. If you are one of those treasurers receiving this by surface mail and yet do have e-mail facilities, then, if you would prefer to have publications as e-mail attachments, would you let the ACAT treasurer, Alan Wilson, know by sending him a message. It would be helpful if you would quote the name of your church as well as your name when doing so.

CONFERENCES

Included with this Newsletter is notice of a full day Conference to be held in Sheffield on 13th March. We believe that many in the Midlands and the North will find this venue easier to attend. There will still be a London conference in June (including the AGM) and also a similar one in Bristol in September. In

this way we hope to be accessible to a much wider spread of members. Please reserve your place in Sheffield if that one is more convenient.

Details and a reservation form are also available on the website. Reservations can be made, at the same rate, for any non-members wishing to attend.

CHARITY COMMISSION NEWS

SORP 2005 – INFORMATION SHEET NO. 1

The Commission and the Office of the Scottish Charity Regulator (the joint SORP making body) are required to undertake annual reviews of the SORP. The first of these reviews is now published, and covers the following topics:

- Accounting treatment for grants
- Disclosures for grant making bodies
- Investment management costs
- Bank interest and other finance costs
- The business review and company charities
- The operating financial review and reporting by charities

Full details can be found on the Commission's website at:
<http://www.charitycommission.gov.uk/investigations/sorp/infosheet1.asp>

The item of most interest to churches is the accounting treatment for grants received. Contractual income derived from the provision of goods and services to beneficiaries has to be categorised as "incoming resources from charitable activities" and any grants received which are specifically related to the provision of those goods and services must also be so categorised. Other grants, including "restricted" grants (those for a specific purpose) are "voluntary income". Most

grants received by churches will fall under this heading.

MODEL GOVERNING DOCUMENTS

The Evangelical Alliance and the Charity Commission have announced the completion of three model governing documents that provide a governance structure and guidance for independent churches – particularly those that have a strong charismatic leader or leaders. They set out checks and balances required to allow paid church leaders to take appropriate leadership responsibilities as church charity trustees and manage conflicts of interest.

The documents are available on the Evangelical Alliance website at <http://www.eauk.org/resources/publications/trust-deed.cfm>

DOORSTEP COLLECTIONS

A new initiative, to encourage people to check whether a doorstep collection for clothing is charitable or not, was launched on Monday 3 December. This is being supported by key organisations including the Charity Commission, Trading Standards and the Association for Charity Shops. Leaflets and posters, to inform people, are available to download from:
www.charity-commission.gov.uk/news/bogus.asp

PUBLIC BENEFIT GUIDANCE

The Commission plans to publish its general guidance for all charities this month. Consultations for specific guidance in certain areas, including the advancement of religion should commence in January/February and last for three months. Those who wish to be notified

when the sub-sector consultations begin, should send details (postal address or, preferably, an email address) marked 'Public Benefit Consultations' and specifying "Advancement of Religion" as the consultation of interest, to: Charity Commission Direct, POBox 1227, LIVERPOOL, L69 3UG.

CHARITIES IN SCOTLAND NEWS

OSCR has named those charities confirmed as Designated Religious Charities under the provisions of section 65 of the Charities and Trustee Investment (Scotland) Act 2005.

- The Church of Scotland,
- The Free Church of Scotland
- The United Free Church of Scotland
- The Roman Catholic Archdiocese of St Andrews & Edinburgh,
- The Roman Catholic Archdiocese of Glasgow,

- The Roman Catholic Diocese of Argyll & the Isles,
- The Roman Catholic Diocese of Dunkeld,
- The Roman Catholic Diocese of Galloway,
- The Roman Catholic Diocese of Paisley.

While OSCR retains the power to inquire into a charity under section 28 of the 2005 Act, the designation allows the churches exemptions from certain provisions of the 2005 Act.

CHARITIES ACT 2006

The second commencement came into force in November. The mergers provisions could help "registered" church charities if they merge; the new register of mergers helps to ensure that legacies, etc., left to one of the merged parties is easily available to the new enlarged "merged" charity.

The timetable for subsequent commencements has been slightly adjusted. The third commencement will include the new definitions for "charity" and the requirements concerning "public benefit" (probably in force in late March) and the ability to remunerate trustees for

services (which will probably commence in February).

The fourth Commencement will include provisions for Charitable Incorporated Organisations (expected to come into force in the Summer of 2008) and excepted charities with income in excess of £100,000 will be required to register from 1st October 2008. This will affect larger churches.

Finally it is not expected that the new provisions for licensing public charitable collections will be introduced before 2009.

NEWSLETTER INDEX

Newsletters from January 2005 to date are reproduced on the Associations website, www.acat.uk.com together with an index, which for the benefit of those without Internet links is reproduced below.

Audit threshold dispensations	Jul 2007
Bond investments	Apr 2006
Budgets	Apr 2005, Apr 2006, Apr 2007
Business rates and water charges	Apr 2005
Charity Commission news / publications	Apr 2006, Jul 2007, Jan 2008
Charity Commission registration	Oct 2007
Charities Act 2006	Jan 2005, Apr 2005, Jan 2007, Apr 2007, Jul 2007, Jan 2008
Conference reports	Jul 2006, Oct 2006, Jan 2006, Jul 2007
Council tax and clergy homes	Jul 2005
Ecclesiastical exemption	Oct 2005
Excepted status for Churches	Oct 2007
Fire extinguisher supply & service	Jan 2007
Food hygiene regulations	Apr 2006
Gift Aid	Oct 2005, Apr 2006, Apr 2007, Oct 2007
Handbook templates	Jan 2006
Licensing regulations	Jul 2005
Listed memorials grant scheme	Oct 2005
Minimum wage rates	Oct 2007
PAYE returns – electronic filing	Jan 2006
Postal charges	Oct 2006
Organists – employing	Oct 2006
Pipe organs	Apr 2006
Records – how long to keep	Jan 2006
Scottish charities legislation	Jan 2007, Jan 2008
Sorp 2005	Apr 2005, Jan 2008
Substantial donor tax rules	Jul 2007
Taxation of irregular employees	Oct 2005
Trading	Apr 2005, Jul 2007
Trustee payments	Jul 2007

ACAT NEWSLETTER is published by the Association of Church Accountants and Treasurers. Information contained in the newsletter is prepared carefully from the information available, but ACAT accepts no responsibility for its complete accuracy; members should always consult their professional or Church advisors. Contributions and letters for future publication, requests for information or assistance, or membership applications should be directed to: admin@acat.uk.com or to any of the officers below:

Chairman: Cyril Wood, 80 Grasmere Way, Leighton Buzzard, Bedfordshire, LU7 2QJ
Tel: 01525375297 Email: chairman@acat.uk.com

Treasurer: Alan Wilson, 83 Sheepwalk Lane, Ravenshead, Nottingham, NG15 9FD.
Tel: 01623795510 Email: ajwilson30@googlemail.com

Secretary: Ronald Norey, Beech House, Pen-y-Lan, Cowbridge, CF71 7RY.
Tel: 01446775623 Email: secretary@acat.uk.com

ACAT Website: <http://www.acat.uk.com>
Email: admin@acat.uk.com