

**ASSOCIATION OF CHURCH  
ACCOUNTANTS AND TREASURERS**

President: The Bishop of London

Charity registration number: 1072733

# *Newsletter*

Volume 4, Issue 9, January 2009

**ACAT**

## **2009 CONFERENCES**

Three conferences will again be organised for 2009. The first will be on Thursday 26th March at the Megacentre in Sheffield (the cost to members will be only £15); the London conference incorporating the Annual General Meeting will take

place either on 20th or 27th June; and the Autumn conference will be at the Carr's Lane Centre in Birmingham on Thursday 8th October. Details of content and speakers will be published as soon as possible, but book these dates in your diaries now.

## **CHARITIES ACT FOR NORTHERN IRELAND**

The Charities Act (Northern Ireland) 2008 received Royal Assent on 9th September 2008. Many of its provisions require secondary legislation, to be introduced in stages. All parts of the Act should become fully operational by early 2011. It is expected that the Charity Commissioners will be appointed and the Charity Commission established in March 2009.

The Act's provisions closely follow those of the England and Wales 2006 Act and the Scottish legislation. As in Scotland, there is no provision for excepted status for churches, so all will eventually be required to register when that section of the Act is introduced.

The Act includes the usual requirement to keep accounting records, and thresholds of £100,000 for Receipts and Payments basis reporting; £500,000 for "audit"; and £100,000 for qualified accountant Independent Examination. These thresholds may be adjusted when the relevant provisions are brought into force.

A new chapter to the handbook covering the regulations for churches in Northern Ireland will be published when the various provisions have been detailed and enacted.

## **PUBLIC BENEFIT – CHURCHES**

The Charity Commission has published new guidance for public benefit in respect of charities whose aims include the advancement of religion in England and Wales. <http://www.charitycommission.gov.uk/news/pblatest.asp>

Essentially, the new guidance tidies up controversial points included in the first draft which did not affect most established Christian churches. However, one particular change that will be of interest is that it is recognised that charities whose aims include advancing religion can have very broad aims and that there might be an overlap with other charitable aims such as the advancement of

education or the prevention or relief of poverty. Where charities whose aims include advancing religion carry out other such aims as a genuine expression of that religion there is no need to include these activities as separate aims.

Inclusion of public benefit reporting in Annual Reports is required for accounting periods commencing 1 April 2008 or later, so for most churches will become effective in their 2009 Report. It is anticipated the Commission will publish examples of a Report for a Church on their website, and the ACAT handbook chapter will be updated to include the relevant changes.

## **FUND-RAISING**

In December, The Office of the Third Sector published new guidance on the operation of the changes made by the Charities Act 2006 in respect of professional fund-raisers and commercial participators involved in fund-raising ventures. The guide can be downloaded from:

<http://www.cabinetoffice.gov.uk/media/110668/amended%20guidance%20final.pdf>

Most churches will not be affected since most will probably not employ professional fundraisers. However, charity officers, working in that capacity

and working as collectors for the charity, who receive remuneration of more than £10 per day or £1,000 per annum, must make statements to comply with the Act. So any paid church administrator or officer who solicits funds on behalf of the church may need to make appropriate statements depending upon whether the collection is for named charitable institutions or for particular charitable purposes. Examples of appropriate statements are included in an annex C.

## COMMUNITY INFRASTRUCTURE LEVY

The Community Infrastructure Levy (CIL) is a new development land tax that local planning authorities in England and Wales may raise on new development in their area. It will be based on simple formulae that relate the size of the charge to the size and character of the development. The proceeds are to be spent on local and sub-regional infrastructure in the development of the area.

As originally drafted CIL gave no relief for charities and could have imposed significant liabilities on developments for charitable purposes. However, late changes to the Planning Act, which includes the CIL provisions, before it received Royal Assent on 26th November, provide an exemption where the development is undertaken by a charity and the development would be used wholly or mainly for

charitable purposes. The effect is that if the Church develops land for its own charitable purposes, there will be no charge, but if it sells land for commercial development it will suffer the charge even though the proceeds of sale would be used for charitable purposes.

Much of the detail of the proposals is left to subsequent planning regulations which have yet to be drafted. The likely impact of CIL is therefore not clear, but there is concern that the effective tax rate will be significant. Local planning authorities will have to spend much time and resources in calculating the levy to be paid for various types of development and the government has recently announced that CIL regulations will not be made until October 2009, with the prospect that CIL will not be applicable until 2010.

## TRUSTEE DUTIES

Some questions ACAT receives concern “trustee” status and the responsibilities of those who are charged with the management of the Church (PCC members, elders, etc., depending upon denomination). Useful information is provided by the Charity Commission in booklet CC3 – The Essential Trustee: What you Need to Know

<http://www.charitycommission.gov.uk/Library/publications/pdfs/cc3text.pdf>

and a new publication by the Church of England:

Trusteeship – An Introduction for PCC Members

<http://www.parishresources.org.uk/charity/Trusteeship%20leaflet%208pp.pdf>

## GIFT AID

The HMRC website now includes a page headed "Gift Aid Scheme for Charities" at:

[http://www.hmrc.gov.uk/charities/gift\\_aid/index.htm](http://www.hmrc.gov.uk/charities/gift_aid/index.htm)

It is a gateway to the majority of information charities will require in relation to running a gift aid scheme, and a very useful re-ordering of HMRC advice.

A new sample of a gift aid declaration has also been drafted to reflect the reduction in basic tax rate from 22% to 20%. It can be downloaded from the HMRC website at

[http://www.hmrc.gov.uk/charities/appendix\\_b1.pdf](http://www.hmrc.gov.uk/charities/appendix_b1.pdf)

A copy of the form will also be included in the next set of handbook updates.

Following the consultations on improving gift aid and their commitment to making simple information available, HMRC Charities has also produced a

'Gift Aid Toolkit' on CD-ROM to help charities to run an effective Gift Aid scheme. The toolkit offers a beginner's guide to the Gift Aid scheme and provides a step-by-step guide to help:

- applications to HMRC to make Gift Aid repayment claims
- understanding the rules of the Gift Aid scheme
- completing the Gift Aid repayment forms
- understanding the records that must be kept

To order a free copy, telephone the HMRC Charities Helpline on Tel 0845 302 0203 (open from 8.00 am to 5.00 pm, Monday to Friday). Select option 6 for Gift Aid.

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