

ASSOCIATION OF CHURCH
ACCOUNTANTS AND TREASURERS

President: The Bishop of London

Charity registration number: 1072733

Newsletter

Volume 4, Issue 8, October 2008

ACAT

REGISTRATION OF EXCEPTED CHARITIES

The Charity Commission have announced the timetable for registration of excepted charities in England and Wales with income in excess of £100,000. The Churches previously excepted from registration are:

- A church within the meaning of section 2 of the Baptist and Congregational Trusts Act 1951;
- A church, which is affiliated to the Fellowship of Independent Evangelical Churches;
- A church, which is a member of the General Assembly of Unitarian and Free Christian Churches;
- The Calvinistic Methodist or Presbyterian Church of Wales;
- The Church of England;
- The Church in Wales;
- The Methodist Church;
- The Religious Society of Friends;
- The United Reformed Church

Only Churches with income in excess of £100,000 will need to register; for smaller Churches the Exception regulations have been extended to 2012.

Any Church currently below the threshold will need to register when it exceeds the threshold.

Earlier this year, the Commission introduced a new facility to enable organisations that are affiliated to an umbrella body AND have a governing document that the Commission have approved, to apply for registration via an on-line service. The advantages are:

- The Commission need only ask questions relevant to the organisation and is able to tailor some questions to the responses made to earlier questions.
- Checks are carried out as information is entered, ensuring that all mandatory fields are completed, so reducing need for further contact enquiries.
- Errors that arise if someone unfamiliar with the organisation enters information into the charity database are avoided.
- Most new registered charity numbers will be provided in about a week, compared to an average one month for paper applications.

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Registrations will commence on 1st October 2008 and should be completed by 1st October 2009. A detailed programme timetable is published on the Charity Commission website at <http://www.charity-commission.gov.uk/registration/charprog.asp>

and a copy is enclosed with this Newsletter. Further details of all the arrangements for registration of excepted charities can be found on the Commission website at

<http://www.charity-commission.gov.uk/registration/regreq.asp#1>

It is important that Churches should liaise with their central church authorities before attempting to register. The detailed programme lists a lead contact for each Church: The website timetable provides a direct email link to that person by clicking on their name on the Commission website timetable. Alternatively the persons should be contacted through the central church authority.

NATIONAL MINIMUM WAGE

The National Minimum Wage rates increase with effect from 1st October.

The new rates are:

- Adults (aged 22 years and over) £5.73 per hour (previously £5.52)
- Development rate (ages 18 to 21 years) £4.77 per hour (previously £4.60)
- Young people (those older than school leaving age and younger

than 18; young people are under school leaving age until the end of summer term of the school year in which they turn 16), £3.53 per hour (previously £3.40)

Full details of minimum wages rates and regulations can be found on website:

http://www.direct.gov.uk/en/Employment/Employees/Pay/DG_10027201

WATER CHARGES

We wish to bring members' attention again to the article, which appeared in the July Newsletter. The petition is still at <http://petitions.pm.gov.uk/ChurchWaterBills/> Please get as many people as possible to sign. However, as Government officials confirm that the charges are in line with their water charging policy it appears increasingly

likely that the new charges could stand. It would therefore become important to determine if the surface water drainage (SWD) enters a public sewer. If it does not, a reduction in the chargeable area of the property, and therefore the SWD charges could be claimed. This would also apply to permeable areas of church grounds such as graveyards.

MUSIC COPYRIGHT AND LICENSING

To play recorded or broadcast music in public requires a licence from both Phonographic Performance Ltd (PPL) and the Performing Rights Society (PRS). However, an exception is made for charities playing CDs or other recorded music and for radio or TV broadcasts where the audience is not charged for entry. In both these cases it has only been necessary to obtain a PRS licence; a PPL licence is not required.

The government are reviewing and consulting on three options:

- Repeal the exceptions
- Narrow exception to charities with income under £20,000 for both PPL and PRS licences
- Remove exceptions but provide for “fair” charges

For most churches all three options impose significant additional burdens.

Few churches would qualify as small charities (under £20,000 income), so most would in future need to apply for both PRS and PPL licences. For example, the playing of recorded music for a mother and toddler group would require both a PPL and a PRS licence. Similarly the playing of CDs in a Youth Club would require both licences.

ACAT welcomes the option, which extends the exception to PPL and PRS licences but believes the £20,000 limit should be removed. Instead ACAT suggests that the “narrowing” of the exceptions should be achieved by applying them only to “core” charitable activities and not to support activities such as fund raising. The full text of the ACAT submission to the consultation can be seen on the website together with this Newsletter.

EMAIL COMMUNICATION FROM ACAT

A significant number of treasurers receive material, (e.g. this newsletter) as an email attachment. For ACAT, it speeds up communication and reduces costs.

If you are a new URC member and would be happy with the same arrangement, would you please send an e-mail to that effect to Alan Wilson, the ACAT treasurer, whose details appear at the end of this newsletter.

This also applies to any other individual member or one from a Baptist church now having an e-mail address. Please contact us if you would like to change.

Finally, if you receive your mailings from a local Diocese, then please do not write to the ACAT treasurer: the Diocese will adopt a similar procedure when it is convenient for them to do so.

CRB CHECKS

A new system is to be launched for carrying out checks on those employed or volunteering to work with children and vulnerable adults. A new body, the (ISA) Independent Safeguarding Authority, will decide on a case by case basis whether an individual poses a risk of harm to vulnerable groups, and will maintain a list of people who are not allowed to work with children or vulnerable adults.

A one off fee of £64 will be payable in respect of individuals employed to work with vulnerable groups; this will include the fee for a CRB enhanced disclosure check as well as the ISA's own checks. Volunteers will not be required to pay the fee. Once the scheme is in place it will be illegal to employ someone to work with these vulnerable groups who has not been checked by the ISA.

BANKING

Some members have reported that their banks intend to impose commercial rates of charges for the operation of their church accounts. Different banks are involved but there does not appear to be a common approach by all branches. If you receive such an approach, try to resolve the situation with your branch, or failing that, with your local area head office.

Alternatively, consider moving to another bank. If this proves impossible in your area, consider using a non-local bank, which has paying-in arrangements with a local bank. For example, The Charities Aid Foundation (CAF) operates a current account upon which it pays a good rate of interest. Payings-in can be made at HSBC branches and no charges accrue for cheques and normal bankings.

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:

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The Charity Commission for England and Wales

The Excepted Church Charity Programme

Name	Estimate of No's of Registrations	Registrable entity	Governing Document(s)	To be sent to us?	email/ lead contact	Timetable
Church of England	2200	Parochial Church Council (PCC)	PCC Powers Measure 1956 as amended & Church Representation rules	N	Diocesan offices	Applications will be handled in 3 tranches October/November 2008 January – mid February 2009 May – June 2009
Methodists	700	Assets of Local Churches, circuits and districts	Methodist Church Acts and Deed of Union	N	Alan Pimlott	Applications will be handled over a seven month period by standing committee member. The programme starts in October 2008 and runs through to April 2009.
URC	80 - 100	Working funds of churches and Synods	Trusts distilled from the URC Acts and the Scheme of Union	N	Revd Roberta Rominger	Applications will be scheduled over 4 periods vis church charities in Synods 1 to 3 Jan & Feb 2009 Synods 4-6 March and April 2009 Synods 7 to 9 May and June 2009 Synods 10 -12 July 2009 onwards
Baptist Union	500	Working funds of local church	Approved constitution	Y	Linda Holder	Applications will be phased on a monthly basis from 1 October 2008.
Grace Baptists	6	Working funds of local churches	Approved constitution	Y	Eric Cousins	Applications will be handled from 2 January 2009
Congregational Federation	6	Single charity comprising chapel building and working funds	Revised Model Trusts under the 1951 Baptist and Congregational Church Trusts Act	Y	Mark Tucker	Applications will be delayed until the new model trusts take effect
Religious Society of Friends	70	Area Meetings and British Yearly Meeting	Approved governing document for Area Meetings	Y	Helen Griffith	Applications will be handled from 2 January 2009
Fellowship of Independent Evangelical Churches	70	Working funds of local churches	Approved constitution for churches	Y	Brian Matthews	Churches with name beginning A to K Jan- March 2009 L to K April 2009 onwards
Church in Wales	65	PCC's	Constitution	N	Lyn Chandler	Applications will be handled in two tranches from April 2009
Presbyterian Church in Wales	6-10	1. the central <u>Connexion</u> of the Presbyterian Church of Wales; and 2. Assets of local churches	Presbyterian Church in Wales Act 1933 and Constitution under the Act	N	Ifan Roberts	Applications will be delayed until the revised constitution has been approved by the General Assembly
Gospel Standard Baptists	No churches meet the income requirement					
Evangelical Fellowship of Congregational Churches (EFCC)	1-3				Anthony Harrison	April 2009
Union of Welsh Independents and Unitarian Church	No churches meet the income requirement					

ASSOCIATION OF CHURCH ACCOUNTANTS AND TREASURERS

(A registered Charity: No. 1072733 : Website: www.acat.uk.com)

Music Licensing Review
Copyright and Intellectual Property
Enforcement Directorate
UK Intellectual Property Office
Concept House
Cardiff Road
Newport NP10 8QQ

Date: 8th September 2008

Our ref.:

Your ref.:

Dear Sirs,

MUSIC LICENSING REVIEW

The Association of Church Accountants and Treasurers has approximately 8,000 members and so represents a significant number of Christian Church charities.

We are in favour of option 2 which extends the exemptions to both PRS and PPL licences but we are most concerned that the proposed narrowing of scope will be achieved by limiting the exemption to charities with turnover under £20,000.

Our concerns are that the proposal does not recognise the voluntary nature of smaller charities. Most Churches will have income in excess of £20,000 and so will many other charities working in communities and rendering services to their communities (Scouts, Guides, Youth clubs, Sports clubs, Clubs for the elderly or disabled, etc., etc.). Nonetheless, most such charities rely almost entirely on volunteers and few will have paid or professional administrative staff. Consequently the task of applying for licences would fall on those volunteers organizing a particular event or a particular service for their charity. Few such charities will have any central "authority" capable of advising the need for licences or the ability to co-ordinate application for them.

The compliance burdens placed upon volunteers is already a major disincentive for the charities described above. We suggest that the proposal will only exacerbate this situation. Furthermore, the proposal could produce significant potential non-compliance by volunteers, not because they are unwilling to comply but because they will not be aware of their need to do so.

We appreciate the need to narrow the scope but suggest that this could be better achieved by adding a further clause to section 67, which defines the activities for which the exemption is granted, limiting it to the "core" activities of the charity and excluding any "support" activities such as fund raising. In this way the ability of charities to render their core activities supported by music reproduction will be enhanced, and copyright owners will benefit from major fund raising events where their music is used as a major attraction or contribution to the event.

Yours faithfully,

R.G.Norey
Secretary

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