

ASSOCIATION OF CHURCH
ACCOUNTANTS AND TREASURERS

President: The Bishop of London

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Newsletter

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ACAT

ACAT NEWS

LONDON CONFERENCE AND ANNUAL GENERAL MEETING

Judging by participants' comments, the 2008 London conference was again very successful and highly appreciated. Rev'd Martin Turner, Methodist Superintendent Minister of Westminster Central Hall, led devotion and prayers, and the guest speakers were Graham Elliott (Leader of the indirect taxes unit at Haysmacintyre, Chartered Accountants), David Dickinson (Ecclesiastical Insurance Group), John Conlan (Head of charity tax and a partner in the Birmingham office of Baker Tilley Tax & Advisory Services), Jane Hobson (Head of policy at the Charity Commission) and Ian Gledhill (HMRC). Copies of their presentations will be available on the website or by postal application to the Secretary.

FURTHER SUBSTANTIAL GROWTH IN MEMBERSHIP

ACAT is pleased to report that The United Reformed Church and the Church of England Diocese of Derby are to enrol all their treasurers, thereby adding approximately 1,800 new members. This will bring total membership to approximately 8,000.

WANTED; TRUSTEES AND LOCAL TRAINING VOLUNTEERS

At the conference, the Chairman warned, that **for ACAT to operate effectively it needs people to act as Trustees!** The basic requirement is enthusiasm and commitment to ACAT. Currently, the trustees are all accountants but we would like to expand the skill set to cover, marketing, PR, employment, legal etc. There are 6 meetings a year in London at around noon for 3 hours; expenses are paid and there is a sandwich lunch. Trustees are also invited to attend and participate in conferences and training sessions and to contribute to the newsletter and handbook. **ACAT also needs volunteers to deliver local "training" presentations** developed by the trustees and in respect of which training will be given. All applicants should complete a short CV so that we can ensure the skills set is broadened.

FOR ACAT TO GROW AND PROGRESS - WE NEED YOU !!!

WATER CHARGES

Water companies propose to charge churches as commercial undertakings and levy charges related to total site area. Costs will increase many-fold to such an extent that some churches have already indicated they would have to close. Representations have been made to OFFWAT but they support the water companies' approach. An online petition has been organised with the following wording 'We the undersigned petition the Prime Minister to instruct water companies to return to charging churches as charities rather than as business premises.'

It is important that as many people as possible sign online and or petition their MPs.

<http://petitions.pm.gov.uk/ChurchWaterBills/> is the petition address.

More reports of the move and its effect can be viewed at

<http://news.bbc.co.uk/1/hi/england/manchester/7439784.stm>

<http://www.churchtimes.co.uk/content.asp?id=53755>

Please complete the online petition and get as many of your church members as possible to do so as well.

PERSONAL ALLOWANCES

Following the Government's commitment to help low income tax payers affected by the deletion of the 10p income tax rate, the Chancellor has announced that the personal allowance for 2008-09 will be increased from £5,435 to £6,035. So that higher rate

tax-payers do not benefit, the point at which the 40% rate will apply to taxable income is reduced from £36,000 to £34,800. Please adjust your "Treasurers' Guidelines" card accordingly. HMRC will advise PAYE code changes after the Finance Act is passed.

GIFT AID – TRANSITIONAL RELIEF (TR)

The article in the last Newsletter raised some confusion when it stated that "Charities do not have to claim the TR", but then later stated "TR is for 3 Years (6th April 2008 to 5th April 2011) and must be claimed within 2 years of the end of the tax year or the accounting period to which it relates." To clarify, TR does not have to be claimed, it will be added to Gift Aid claims automatically

by HMRC. However, it will only be added, provided the basic claim for gift aid on form R68 is made up to two years after the end of the tax year or the accounting period to which it relates. Claims for gift aid can still be backdated for six years, but unless they are made within the two years detailed above they will not have the TR added.

CHARITY ACT & COMMISSION NEWS

CHARITIES ACT 2006 – FOURTH COMMENCEMENT ORDER (made 1st April 2008)

brings into effect:

- The new statutory definition of ‘charity’ based on the headings of charitable purposes included in the Charities Act 2006.
- Public benefit requirement.

A Cabinet Office press release clarified that, ‘All purposes that were charitable prior to this provision will continue to be recognised as charitable’.

- The removal of the presumption of public benefit for charities established for the advancement of education, the relief of poverty, or the advancement of religion.
- A requirement for charity trustees to have regard to the Charity Commission’s guidance on public benefit when exercising powers or duties to which the guidance is relevant. A statement to this effect has to be included in the Annual Report.
- Provisions relating to the preparation and scrutiny of charity group accounts and clarifying the whistle-blowing duties of auditors or independent examiners.

THE CHARITIES (REPORTS AND ACCOUNTS) REGULATIONS 2008 (SI 629)

Came into force on 1st April, replacing the 2005 regulations. It prescribes

- The form and content of “Accrual”

accounts (which must be in accordance with SORP).

- The form and content of Group Accounts.
- The duties and reporting responsibilities of auditors and independent examiners.
- The content of Annual Reports.

This statutory instrument (SI) is the means by which general provisions of the Act are detailed and brought into force.

THRESHOLDS

The consultation being conducted by the Charity Commission and the Office of the Third Sector has now been completed. We can now report that the Commissioners have approved all but one of the changes they proposed. We should therefore expect to see the new thresholds implemented in due course, though no timetable has yet been announced. The change, which is likely to be of most interest to churches, is to increase from £100,000 (income) to £250,000 the threshold for the preparation of financial statements on the accruals basis. When it is introduced this new threshold could enable all but a few larger churches to use the simpler “Receipts and Payments” basis for accounts and will ease a number of situations where an extraordinary receipt causes the existing threshold to be breached.

REDUCE OIL AND GAS HEATING COSTS

Last September, a large Baptist Church in Nottingham agreed to be part of a pilot project to evaluate magnetic ionisation devices manufactured by Ecoflow Plc and supplied by Roseudgeon Enterprises in Lincolnshire. The units were fitted to pipes adjacent to the main boiler. They worked on the basis of applying a strong magnetic field to the flowing supply of fuel (gas in this case) enabling more fuel to be converted into convertible energy. No alteration was required to the system: the units were simply strapped on to the gas pipes.

The number of units required depends upon overall size of the heating system. In this case, 12 units were fixed at a total installation cost of £840. However, only 50% of that was paid at the start with a money-back guarantee should savings not be forthcoming after the test period.

Readings from the previous year(s) were needed as well as weekly readings from the point of installation. The fluctuating use of the building, the vagaries of the weather can make accurate comparisons problematic, but the conclusion was that savings of at least 15% could be clearly demonstrated. The church happily paid the final 50% six months after installation.

There is really nothing to lose in participating, and an application from any church would be welcomed by the company. Enquiries from any part of the country should be made to Mr Tony Price, Roseudgeon Enterprises, 21 Dale View Road, Brookenby, Market Rasen, Lincs. KN8 6EP, quoting this article.

ACAT must declare an interest in that a commission will be paid on any order resulting from this article; half to the Church in Nottingham and half to ACAT.

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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