



Help and Advice

Northern Synod Office, 4 College Lane, Newcastle upon Tyne NE1 8JJ (0191-232 1168)

Bulletin 51: TRUSTEES

The Help & Advice Group was set up by Synod in 2009, to support local churches in being informed and effective in their life and mission. The group was disbanded in 2014, as part of a simplification of Synod committees, and its work continues through the Trust Officer, under the oversight of the Trust. We are willing to try to provide specific advice on particular topics. Please get in touch if you have questions or suggestions.

This article is part of a series giving an overview of particular subjects on interest for local churches. We also circulate general updates from time to time. Bulletins will also be posted on the members' area of the website with direct links to other websites.

Where readers are directed to web-based resources, the Synod Office is willing to respond to reasonable requests for printed out information for readers without web access, although they may find it more satisfactory to follow up their interest through their local library's web access.

The Essential Trustee

The Charity Commission has updated its guidance for charity trustees, which will in most cases include the elders of local churches. The new guidance is shorter and clearer.

The Essential Trustee: What You Need to Know (CC3) can be downloaded from www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3 in html or pdf format. There is also a 1-page graphic illustrating the 6 main duties of trustees, in the form of a jigsaw puzzle, and at the foot of the page a link to a shorter summary, *Charity Trustee: What's Involved (CC3a)*. They all focus on 6 clear duties on all who manage assets on behalf of a charity:

- To ensure that the charity is carrying out its purposes for the public benefit
- To comply with the charity's governing document and the law
- To act in the charity's best interests
- To manage the charity's resources responsibly
- To act with reasonable care and skill
- To ensure that the charity is accountable.

The elders/trustees of every local church should be aware of this guidance, which helps you to ensure that you are acting properly in accordance with your duties as trustees. These duties apply to all churches, not just those that have registered charities.

Churches will recall that the Charities (Exception from Registration) (Amendment) Regulations 2014 currently exempt smaller church charities from the requirement to

register with the Charity Commission. Banks and others who ask for your charity number should be given this information instead. However, the Government's long-term aim is for most church charities to be registered. Currently, all those with gross annual income from all sources exceeding £100,000 should register. Please contact Andrew Atkinson at Synod Office if you think this may apply to you, for guidance on how to register.

The Charity Commission encourages registered charities to put a note on their website, stating that the charity is regulated by the Charity Commission, with a link to www.gov.uk/government/organisations/charity-commission. The aim is simply to inspire public confidence in the charity sector by demonstrating that it is properly regulated.

Charity Reporting and Accounts

The Charity Commission has also updated its guidance *Charity Reporting and Accounting: The Essentials (CC15c)*. This is available to download in html or pdf formats, and applies to accounting periods ending on or after 31 March 2015, taking account of the new Statement Of Recommended Practice (the SORP).

www.gov.uk/government/publications/charity-reporting-and-accounting-the-essentials-march-2015-cc15c

Although most church charities are not registered and therefore not required to file annual accounts with the Charity Commission, you should still produce proper accounts, and provide copies on request to the Commission or members of the public. It is also worthwhile ensuring that your church accounts comply with the required standard in case your church charity needs to register with the Commission in future.

Church treasurers will be relieved to note that not all of the SORP applies to them if they are small charities. For example, they need only prepare receipts and payments accounts, rather than accruals accounts in their gross annual income is less than £250,000.

Charities and Trading

Guidance has been published by the Charity Commission on trading: <https://www.gov.uk/guidance/charities-and-trading>. This will only affect a small number of churches, that run shops, cafés, etc.

In principle, a charity is trading if it sells goods or services to customers. There are rules on what types of activities count as trading. If a charity makes profits from trading, then it should pay corporation tax, and if its trading income exceeds (currently) £82,000, it should register for VAT. There are several exceptions, such as making money in pursuit of your charitable objects (such as selling religious books), or if trading income is below £5,000 a year or less than 25% of total income (whichever is lower). The guidance gives further details and examples.

andrew.atkinson@urc-northernsynod.org