

FOR CHURCH LEADERS AND OFFICERS TO PULL OUT AND KEEP

Past issues are available at www.baptist.org.uk/transform

HR and Safeguarding Matters

Contributed by the HR and Safeguarding Team at Baptist House (safeguarding@baptist.org.uk)

New Level 1 Excellence in Safeguarding film available for free download

Our new Level 1 Safeguarding film is designed to be shown in all age services and is now available as a free download at www.baptist.org.uk/safeguarding/L1film. It's an eight minute, family-friendly film, and outlines some key messages for church members and visitors alike. Sunday School materials are also available to complement the video, and these focus on the story of The Good Samaritan.

New template safeguarding policy, procedures and guidance notes for churches

As mentioned in the last issue of *Transform*, our new policy template for churches is available at www.baptist.org.uk/safeguarding/policy. Whether you are producing your first safeguarding policy, or looking to update your existing policy and procedures, this document should help you with best practice and save you time.

Excellence in Safeguarding Training

We now have more than 85 trainers qualified to deliver the BUGB *Excellence in Safeguarding* training. If you have new volunteers or workers who need training, or if your church could host a training event, please speak to your regional association team. Please remember that we strongly recommend all church trustees attend Level 2 and Level 3 because of their governance role in the life of the church.

DBS checks and church caretakers

We are regularly asked about the need to carry out DBS checks on church caretakers. We can confirm that there is no need for churches to carry out a DBS check on their cleaners or caretakers as these roles do not normally involve regular unsupervised contact with children, young people or adults at risk. For more information, please see our guide to DBS checks on the website www.baptist.org.uk/safeguarding/DBS

Duplicating DBS checks

Please encourage DBS verifiers in your church to avoid starting duplicate or multiple checks for the same person, as this incurs significant extra cost each time. If a check has been done, and the certificate returned to the individual, then it is their responsibility to show this to you on request and to keep it in a safe place. At present, we have more than 800 duplicate or multiple checks recorded for 2017, and

this represents thousands of pounds of extra DBS fees for our Baptist family. We would like to reduce this during 2018 and would greatly appreciate your help.

Producing employment contracts for church staff

A quick reminder that leaflet L08 Employment (www.baptist.org.uk/resources/L08), includes a full template employment contract that can be used for recruiting church staff. Please note that church ministers are usually engaged as office holders, so should not be given employment contracts. For a separate update on Terms of Appointment for ministers, please see the Ministry Matters section

Ministry Matters

Contributed by the Ministries Team at Baptist House (ministries@baptist.org.uk)

The terms of appointment for ministers have been updated to take account of the increasing numbers of ministers who are leasing their homes to the church or association for use as a manse and in response to requirements from mortgage providers. When appointing a minister, terms of appointment should be used rather than a contract of employment to ensure that manse provision does not become a taxable benefit. These are available on our website (www.baptist.org.uk/resources/TOA)

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Pension Scheme Matters

Contributed by Mark Hynes on behalf of Baptist Pension Scheme (pensionshared@baptist.org.uk). Please note that the Baptist Pension Scheme is operated by Baptist Pension Trust Limited, a separate legal entity from BUGB. For more details on the scheme, see www.baptistpensions.org.uk.

Employer Covenant online questionnaire

Thank you to the great majority of churches which have completed the 2017 online questionnaire and submitted a copy of their accounts. Any churches which have not yet provided the required information, are reminded that non-compliance means your church is breaking the law. Please check with your church Secretary/Treasurer that the return has been submitted.

Baptist Pension Scheme Member Nominated Directors

A nomination process for the appointment of two BPS Member Nominated Directors was held in the Autumn of 2017. This process was required due to the ending of the three year terms of office of Jon Spiller and Peter Dick, both of whom indicated their willingness to serve a further three years if required. There were no new names nominated, so the Trustee board has confirmed the re-appointment of Mr Spiller and the Revd Dick. The board is grateful for their willingness to continue to serve the Baptist family in this way.

2016 Scheme triennial valuation

The Trustee Board continues to work closely with BUGB and the Employers group to finalise the valuation and new scheme recovery plan. Further information will be available in the first half of 2018.

Baptist Pension Scheme Employer's Group

Contributed by Malcolm Broad, Moderator of the Baptist Pension Scheme Employer's Group, a group established to represent the interests of employers in the scheme. The employer's group can be contacted at employers.group@baptist.org.uk

Thank you to everyone who attended one of the recent pension roadshows. We very much value the feedback you have provided which will help us to finalise what we have called the 'Family Solution' to address the pension scheme deficit.

In due course we will publish details of the Family Solution and the response from the pension Trustee. In the meantime, especially for those of you working on your 2018 budget, it is not envisaged that changes to deficit contributions will take place before 1 January 2019.



Baptists Together Deposit Accounts

Baptist member churches with savings and reserves are encouraged to lodge these in a Baptists Together Deposit account. These accounts, provided by the Baptist Union Corporation Limited, offer a competitive rate of interest to depositors. They also provide funds which are used to make loans to finance the purchase of new church sites and manses and fund the construction of new churches, as well as redevelopment and improvement projects. Such projects help churches to develop their mission in their community and it is a fantastic way for churches with surplus funds to support mission across the Baptist family.

RATES FOR 2018:

1.25% interest on 1 year fixed rate deposit
0.85% interest on 3 month notice account
0.6% interest on 7 day notice account
(all rates subject to regular review)

For more information visit

www.baptist.org.uk/depositaccounts



Finance Matters

Contributed by the Finance Team at Baptist House
(financeoffice@baptist.org.uk)

Subscriptions

Thank you to all who have paid their annual subscription for 2017. For those who are still left to pay we would appreciate your payment as soon as possible. If you need any assistance or have questions then please email subscriptions@baptist.org.uk

The church subscription for 2018 has now been set at £4.50 per church member.

The new Direct Debit system for subscriptions is now up and running and it allows churches to spread the cost and helps with cash flow. We encourage those churches who have yet to convert to Direct Debit to do so as it greatly reduces the administration costs in managing subscriptions. Details can be found in guidance leaflet F10 at www.baptist.org.uk/resources/F10. As a reminder, the 2018 subscriptions will be taken in four payments 15 February, 15 May, 15 August and 15 November.

Stamps and Collectibles for Home Mission

Thank you to everyone who has supported Home Mission by collecting and sending stamps to us. This helps to raise funds for our Home Mission projects and last year we raised £4,968 from the sale of used stamps and collectibles. If your church would like details on how to start participating in this scheme, please go to www.baptist.org.uk/collectibles

If you prefer to send items to Baptist House in Didcot directly, please mark them clearly with 'BUGB Home Mission stamps and/or collectibles'.

ACAT

To support Church Treasurers, BUGB pays for a group subscription to the Association of Church Accountants and Treasurers (ACAT), which provides membership of ACAT for all Treasurers in member churches. Access to the ACAT website provides a range of financial and administrative support material, including their excellent handbook. The generic user ID for their website is 'Baptist' and the password is 'Didcot'.

Legal News

Contributed by the Legal and Operations team at Baptist House
(buc.corp@baptist.org.uk)

Data Protection and the GDPR

The EU General Data Protection Regulation (GDPR) will come into force on 25 May 2018. We have updated our guideline leaflet L13 Data Protection and this is available at www.baptist.org.uk/resources/L13. It is important that all churches familiarise themselves with these changes, which are significant.

Incorporation of BUGB as a Charitable Incorporated Organisation (CIO)

At the Baptist Assembly last year, it was agreed that BUGB would pursue incorporation as a CIO and prepare a draft Constitution to be brought to Assembly in 2018. Work on the new Constitution has progressed and members of BUGB are now being consulted on the new governing document. The consultation is available at www.baptist.org.uk/cioconsult. The deadline for responses is 31 January 2018.

Churches converting to CIOs

Like BUGB, some Baptist churches are moving to restructuring themselves as a CIO, particularly to remove personal liability from Trustees. We are happy to support this trend, however, in recent months we have become aware of some churches that have attempted to navigate the process to convert to CIOs using cheap or free advisors and getting into significant issues relating to the complexities of pensions and property which are specific to Baptist churches that such advisors have no experience of. In the worst examples, we've seen churches potentially having to pay a substantial cash amount to the Baptist Pension Scheme and even risk losing the right to continue to use their church building. The Legal Services team have extensive experience of assisting Baptist churches through the process of conversion to a CIO and their support is free to Baptists Together member churches. We also continue to run CIO training events for churches considering restructuring as a CIO.

We would advise churches to contact the Legal Service team at an early stage of considering restructuring as a

CIO. Please read guidance leaflet C11 (www.baptist.org.uk/resources/C11) for more detailed information.

Charity Governance Code

A new Charity Governance Code has been published. This is available online here: www.charitygovernancecode.org/en/pdf. The version for 'smaller charities' is applicable for most Baptist churches.

Although the Code is not a legal or regulatory requirement, the Charity Commission expects charity trustees to be familiar with it. The Commission says: 'The Charity Governance Code represents a standard of good governance practice to which all charities should aspire. We encourage all charities to read, follow and apply it proportionately to their circumstances'.

Serious Incident Reporting

The Charity Commission has updated and improved its guidance on reporting serious incidents to help charities to report appropriate matters as soon as possible after they occur. All churches are charities and therefore need to report serious incidents to the Commission, whether or not they are registered with them. 'How to report a serious incident in your charity' includes new tools, such as examples and checklists to make it clearer to trustees what they should, and should not, report to the regulator. It can be read online here: <http://bit.ly/2wFo4RS>

Phishing Scams

The Charity Commission is urging charities to be aware of the risk of being caught out by a phishing scam. Phishing is when fraudsters try to hoax people in order to get hold of sensitive information such as passwords and credit card details. They do this through email, pop-up message, phone call or text message. Detailed guidance can be found here: <http://bit.ly/2IDX2oX>

Minimum Energy Efficiency Standards in Private Rented Property

Churches that are landlords of residential property need to know about forthcoming rules relating to minimum energy efficiency standards. Please see Leaflet PM04 (www.baptist.org.uk/resources/PM04) for more details.

Tax News

Contributed by Philip Cooke FCA, our Honorary Tax Adviser (philipjcooke@aol.com). Remember to check www.baptist.org.uk/treasurers for the latest updates.

Ministers letting their own property

From 6 April 2017 tax relief for loan interest will be given by way of a tax deduction against tax due on net rental income rather than as a property expense. This is because relief for loan interest and other finance charges is to be limited to basic rate – but subject to some transitional relief at higher rates until 5 April 2021. There will likely be a change in the ‘Property Income’ section (SA105) of the tax return in order to separate interest payments from property expenses, but it ought not to make any difference to the amount of tax payable by most basic rate taxpayers. If relief is limited by an insufficiency of tax due on net rental income, any unrecovered tax can be carried forward for relief in later years. Also effective from 6 April 2017 is a new annual property allowance of up to £1,000 which a taxpayer can opt to claim against rental income not exceeding £1,000 pa as an alternative to making an itemised claim for expenses. Ministers are reminded that guidance leaflet FTG03: Self-Assessment and the Minister (www.baptist.org.uk/resources/FTG03) contains guidance on the treatment of rental income.

Small cash donations

Two churches have enquired whether, if donations are substituted for charges made for activities or events, they would then qualify as ‘small donations’ for the purpose of the gift aid top-up payment. The answer is ‘No’ and HMRC’s guidance notes make clear that donations must be quite voluntary and not made in expectation of a benefit.

Payments to individual missionaries or other workers serving abroad

Gifts to individuals serving abroad can give rise to problems both from the point of view of charity law and gift aid relief. Whilst a donor might express a wish that a gift be used in a particular way, it is the responsibility of the trustees (deacons) of a church to ensure that funds are applied only in furtherance of its declared charitable objectives.

Where payments are made to an individual it may not be possible to demonstrate to HMRC’s satisfaction that funds have been so applied, and HMRC would then be entitled to recover an appropriate amount of gift aid relief.

Reimbursed manse heat and light expenses

A reminder (ahead of completing form P11D for the year to 5 April 2018) that no entries are required in respect of reimbursed manse heat and light expenses if the ‘non-allowable’ personal element has been duly ‘payrolled’ for PAYE purposes throughout the year. The ‘church-business’ element paid to the minister as an allowable expense, as with any other allowable expenses, does not have to be included in the P11D. If, however, the personal proportion of such expenses has not been ‘payrolled’ because, exceptionally, the ‘service benefit cap’ applies, entries will still be required at section N of the P11D. Detailed guidance on the new provisions is set out in Tax Alerts dated 8 February and 29 March 2017 which can be accessed on the website via the Treasurers’ Area (www.baptist.org.uk/treasurers).

Volunteer support

Churches are permitted to pay or reimburse, free of tax, reasonable out of pocket expenses (eg for meals and travel costs) incurred by volunteers, provided it is clear that it is not a reward or consideration for services rendered.

It is essential that any relevant document (eg letter of appointment) makes clear that they are not employees. That said, care should be taken that payments cannot be construed as payments for services rendered, and round-sum payments should be avoided. Provided trustees are satisfied that a ‘thank you’ payment to a member of the congregation for providing board and lodging falls within the church’s charitable objects then, like payment of actual meal or travel expenses, this would not be regarded as a taxable benefit. Most volunteers would not have a level of income which would cause them to be taxable but you could be in the position of having to advise HMRC of any such payments. Government guidance notes on ‘Volunteer placements, rights and expenses’ are available at: www.gov.uk/volunteering/pay-and-expenses but are more concerned with ‘employment rights’ aspects.

Manse hospitality expenses

A minister can be reimbursed expenses specifically incurred in entertaining visiting clergy, church officers and members on official occasions, but not socially. Such payments need to be supported by details of the occasions of hospitality and expenses incurred. If a round-sum allowance is paid for entertaining it will need to be treated as additional pay and the minister would then need to make a claim in his/her tax return for relief in respect of any deductible expenses.

These notes are offered to provide general information for Baptist churches. We hope they will be helpful in highlighting new guidance and providing reminders about other important matters relating to the life of a local Baptist church. Although every effort is made to ensure that the information is correct at the time of publication, we make no representations, warranties or guarantees (whether express or implied) that the information is accurate, complete or up-to-date.

Further, these summary notes are not intended to amount to advice on which you should rely and cannot be a substitute for formal professional or specialist advice. We do not assume and will not be liable to any party (who has either taken or refrained from taking action in reliance on these notes) for any loss or damage caused by errors or omissions, whether resulting from negligence or any other cause. If you want to ask detailed follow-up questions, please contact us through the Baptist Union website.