



# Stewardship

*Active generosity*

stewardship.org.uk

Stewardship 

*Active generosity*

# Welcome to:

## Stewardship's Dial-in

The call will start at 1pm...



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events@stewardship.org.uk

020 8502 5600

Stewardship Dial-In 2021

# Welcome to:

Stewardship's Dial-in

We will be starting in 5 minutes...



# Welcome to:

Stewardship's Dial-in

We will be starting in 2 minutes...



# Welcome!

## Stewardship's Dial-in



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[stewardship.org.uk](http://stewardship.org.uk)

[events@stewardship.org.uk](mailto:events@stewardship.org.uk)

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Stewardship Dial-In 2021

Stewardship is here to help the Christian community to give and receive.

We help over 40,000 people to support the causes they love, and connect them to a growing community of 4,000 churches, 6,000 charities and 2,800 individual partners, creating positive change in Jesus' name.

Our vision is for the world to encounter Jesus through the generosity of his people and the transformational work of the causes they support.

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To find out more about how Stewardship could support you and your church or charity, call: Church and Charity Team: 0208 418 8182

[stewardship.org.uk](http://stewardship.org.uk)

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Stewardship Dial-In 2021

## Today's agenda:

1. Up and coming changes to the law for churches and charities
2. X marks the spot: Companies House new signature requirements
3. Why it's not too late to make a Gift Aid donation 'in' 2020/21
4. So you think you can't afford a property
5. Revenue change of heart: Gift Aid and loans to charity
6. A broad church: When "independent" clubs or groups are actually part of your church
7. Q&A



To ask a question, click on the 'Chat' icon and write your question to 'All Panellists' to ensure we see it and can answer it.

**Please do type your questions as we go through the call.**





*Up and coming changes to the law: What it means for churches and charities*

## Charities Bill 2021

Parliamentary passage started in the House of Lords

- First reading in Parliament – May 2021
- Second reading – Scheduled for 7 July

Law Commission: Charity Law Review 2013 – 2017

Government Response: March 2021

Jurisdiction: England and Wales



## Charities Bill 2021

1

### Changes in the Bill (1):

- Amendment of Governing Documents
- Failed Appeals and application of property cy-près
- Disposals of, and mortgaging charity land
- Permanent endowment

## Charities Bill 2021

1

### Changes in the Bill (2):

- Trustee remuneration
- Ex-gratia payments
- Charity mergers (and legacies)

## Charities Bill 2021

1

### Change NOT in the Bill:

Financial thresholds for:

- Charity Registration
- Audit, independent examination, trustee reports, annual returns

2

*X marks the spot:  
Companies House new  
signature requirements*

## Charitable companies – signing accounts for Companies House 2

Companies House previously required “wet” signatures in black ink

A reminder:

- Charitable Companies **cannot** use CH’s online filing service for micro entities
- They **must** file paper accounts
- This could be logistically challenging



## Companies House has changed their requirements for signatures 2

They now accept:

- Digital signatures (eg DocuSign)
- Fonts typed in (must also – separately – print the name)
- Images pasted in
- Original
- Rubber stamp
- Company seal
- Thumb / finger print



The key question is around intent: did the signer intend to sign this document?

2

- Evidence of authorisation for trustees (directors) to sign can be helpful, eg minutes of the decision

What is not accepted

2

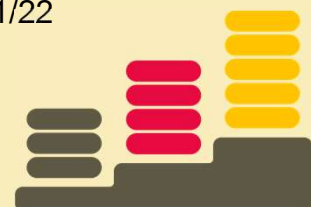
- Pencil
- Signatures without a printed name – even if the signature is a typed, font-based signature



*Why it's not too late to  
make a Gift Aid  
donation 'in' 2020/21*

## Gift Aid carry back

- “Tax to cover” (TTC) a Gift Aid donation
- 2021/22 donation ‘becomes’ a 2020/21 donation
- Assumes 2020/21 tax paid is  $\geq$  both 2020/21 + 2021/22 donations carried back



## Gift Aid carry back

3

### Carry back is useful in a variety of situations

- No TTC in current year, but tax paid in last year
- Rate of tax paid last year is higher than this year
- Plus a number of other situations
- Examples...

## Gift Aid carry back - Examples

3

### James – businessman

- Tax bill not known until accounts and tax finalised after tax year end
- Once profit and tax figures received from accountant, he makes Gift Aid gift to church
- He carries back his donation to match his profits

## Gift Aid carry back - Examples

3

### Fred – legacy

- Fred retired in December (2020/21 tax year)
- Pays little tax 2021/22 → (which is 'mopped up' by regular Gift Aided gifts)
- £10,000 legacy, May 2021
- £2,500 of this given to church (in 2021/22)
- Can he Gift Aid it?
- Yes! Carry back to 2020/21 where PAYE tax will give TTC

## Gift Aid carry back - Examples

3

### Angie – capital gain on investment

- Sold second home in January 2021 (2020/21)
- Significant capital gains tax arises
- £10,000 donation to church in June 2021 (2021/22)
- Insufficient **income tax** to cover donations in recent and current tax years
- Can she Gift Aid it?
- Yes. By carrying back the June donation to 2020/21, can use **capital gains tax** to cover the donation

## Gift Aid carry back - Examples

3

### Gary – job loss

- Job lost January 2021
- New job – part time, earnings wholly within personal tax allowance
- Continues to give to church from part time earnings
- Can he Gift Aid 2021/22 gifts to the church?
- Yes, although he has no TTC this year, he can carry back to 2020/21 and use the tax there to cover

## Gift Aid carry back - Examples

3

### Gary's brother – lower tax rate this year v last year

- Higher rate taxpayer in 2020/21
- Now part time and a basic rate taxpayer only
- Carry back of 2021/22 donations to 2020/21 accesses Gift Aid higher rate relief
- → 2020/21 tax repayment of £1,400 generated
- If Gary's brother Gift Aid's the £1,400 repayment to the church in 2021/22, this generates another £350
- Church benefits by £1,750 (the £1,400 repayment gifted to the church + £350 Gift Aid)

## Gift Aid carry back

3

### How does the donor claim relief?

- Full details, including more on Gift Aid carry back appears in the Stewardship Briefing Paper
- Note: strict and short timetable for claiming... but don't necessarily claim too soon!
- Either on SA Tax return (one box), or Form P810 (request from HMRC – not available online)

## Gift Aid carry back

3

### Treasurer action points

- Familiarise yourself with the relief/ Stewardship Briefing Paper
- Be ready to answer members' questions and alert to opportunities they may have (NB professional advice)
- Publicise the relief to members (church bulletin / newsletter / capital appeals, etc)



*So you think you can't  
afford to buy a  
property?*

So you think you can't afford to buy a property?

**Journey towards owning own building**

Achievable, not dependent on :

- Size of church
- Purpose
- Budget



## Five actionable steps

4

### 1. Planning

- Start planning now
- Be prepared - may take 5 – 10 years

## Five actionable steps

4

### 2. People

- Gather people with expertise: financial, legal, planning
- Use outside advisors, eg Church Growth Trust
- Call on pastors and trustees with experience of the journey towards owning their own building



## Five actionable steps

4

**3. Set a vision**

- Build a vision for your congregation
- Communicate
  - process
  - how it solves a problem
  - how much it will cost

## Five actionable steps

4

**4. Find the right property**

- Look at local properties
  - which could be converted?
  - how much will they cost?
- Register with local agents - view properties as they come up
- Local planning office – understand their requirements for planning permission
- Build from ground up?
- Start by renting a suitable building?

## Five actionable steps

4

### 5. Know your finances

- Build picture of costs – professional fees, legal, fixtures/fittings, rebuild, planning
- Start putting money aside
- Use a building fund for tithing additional funds and lump sums
- Other fundraising – grants
- Research loans – Stewardship or Kingdom Bank

## Owning your own property

4

### Achievable:

- Planning
- Patience
- Right people
- Vision
- Perseverance



## *Revenue change of heart: Gift Aid and loans to charity*

## Gift Aid and Loan Waivers

- A donation has to be “a payment of a sum of money”
- HMRC traditional view of the meaning of this phrase
- Stewardship / Charity Tax Group ‘ask’ of HMRC during pandemic
- HMRC temporarily allowed



## Gift Aid and Loan Waivers

5

### The new view:

- HMRC temporary accommodation to be made permanent
- Extended to any form of loan waiver
- No longer a need to repay loan and seek a cash 'gift back' from lender

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## Gift Aid and Loan Waivers

5

### HMRC Guidance

- Please read! We will send you a link
- Formal waiver needed (the required form of this depends on the size of sums involved)
- Stewardship / Charity Tax Group seeking to publish a Model Deed of Waiver for larger sums
- Gift Aid is effective on date of waiver, not the original loan / event payment
- Don't forget requirement for donor's tax to cover!
- Opportunities from the last 4 years?

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*Church organisations: A broad church – which activities are part of your church, and which are not*

## Church organisations – part of the church or not?

- Some groups develop spontaneously, operate semi-autonomously
- Can particularly be an issue where the church owns their building
- Who is responsible for governance, accountability, regulation & finance?
- Examples: nurseries, youth groups, clubs for retired people, community activities, foodbanks – even Bible study groups



## Why organisations are excluded from governance & accounts?



- They might want to be excluded because of pragmatic reasons
  - Historically separate
  - Have own account & treasurer
  - Doesn't want oversight
  - Personality clashes

## Why organisations are excluded from governance & accounts?



The church might want to exclude these organisations:

- To keep things "simple"
- Personality clashes
- Avoid breaching accounting thresholds, paying levies
- Most seriously, to avoid paying NI and other tax & pension contributions due to employment

## Some implications



- Potentially breaking the law
- Incorrectly claiming Gift Aid
- Insurance cover inadequate / invalid
- Safeguarding responsibilities

It's not just an accounting question – it's about trustee oversight

## Questions to consider



- Own board of trustees?
  - Or is there, in practice, oversight by the church's trustees?
- Letting agreement?
- Charitable purposes in line with church's charitable purposes?
- Do they claim anywhere to be part of the church?
- Whose name are the bank accounts in?
- Who is responsible for the organisation's insurance?

## Trustee considerations



- It's not – firstly or only – an accounting question
- Managing conflicts of interest if separate organisations
- Potentially inadvertently taking on responsibility and liability
- Pragmatism may be a costly short-term benefit

## *Stewardship resources*



## COVID-19: Guidance and resources for churches, charities and Christian workers

<https://www.stewardship.org.uk/covid-19-resources-guidance>

## Stewardship Consultancy Helpline

<https://www.stewardship.org.uk/consultancy-helpline>

## Stewardship Resources Hub

<https://www.stewardship.org.uk/resource-hub>



## Ask your questions

Click on the Chat icon and write your question to All Panellists to ensure we see it and can answer it.



## Question time

We apologise if we are unable to answer your question on the call. We will be sending further information out in the follow-up email.

If these still do not answer your question, please get in touch or visit [www.stewardship.org.uk](http://www.stewardship.org.uk)



## Don't hang up just yet...

We want to know what you thought...

**Take part in our very quick survey linked in the follow-up email.**



## Coming up...

### Next dial-in:

Thursday 14th October 2021

**Sign up to our Dial-in mailing list to be  
the first to hear about the next dial-in!**



## Thank you for participating in the call

**Please send any further questions to:**

events@stewardship.org.uk

**or visit our website:**

www.stewardship.org.uk



# Thank You

Whilst every care has been taken in the preparation of this material, Stewardship cannot be responsible for action taken or refrained from in reliance thereon. It is recommended that appropriate professional advice be sought in each relevant individual circumstance.