

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

Coronavirus

Resources for Churches

To support churches we have a dedicated section of our website, www.baptist.org.uk/corona which has all of our resources relating to Coronavirus. Key items available on the website include:

- » Detailed guidance on the use of church buildings and church worship during the pandemic - which we continue to update regularly in response to updates to government regulations and guidance, and feedback from churches.
- » Our Guideline Leaflet *L18: Covid-19 Coronavirus Legal Issues* (www.baptist.org.uk/resources/L18) contains comprehensive advice on a range of church governance, property and other issues that have been impacted by the pandemic.
- » Details of our regular prayer broadcasts.
- » Topical content to support churches in the current situation and in planning for the future.

Please do check the website regularly to ensure that you are using the most recent version of any guidance documents.

Coronavirus Financial Support Scheme

In view of the continued pressure on church finances, the Baptist Union has extended the Financial Initiatives to provide help where it is most needed.

The following continue to be available:

- » Baptist Union Emergency Grants up to £15,000
- » Baptist Union Emergency loans of above £25,000
- » BUC Loan repayments reductions / holidays.

Full details of the initiatives can be found on our website: www.baptist.org.uk/coronafinancialsupport

HR and Safeguarding Matters

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

Excellence in Safeguarding Update - new film for Baptist churches

As we cannot currently offer face-to-face safeguarding training, a new safeguarding update film for church leaders, workers and volunteers was launched in November. Your association team will be writing to each church with details of how to

access the film and the resources pack that accompanies it. The film covers the key points of the Level 2 and 3 Excellence in Safeguarding training and is a temporary measure until we can resume face-to-face training.

If you have new volunteers in your church who are new to working with children or adults at risk, your Designated Person for Safeguarding can also give them a copy of our *Gateway to Safeguarding* booklet available free of charge from our website.

Don't forget that we have published guidance notes about safeguarding during lockdown, including updated guidance on the use of social media with children and young people, which you can find at www.baptist.org.uk/corona-safeguarding

Ministry Matters

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

Continuing Ministerial Development

In October 2020, the Ministries Team launched a framework for Continuing Ministerial Development, or CMD. It asks accredited ministers of all types – church pastors, chaplains, pioneers, evangelists, children's and

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youth workers – to engage with five ‘CMD habits’ that will enhance and sustain their well-being and capability. Most ministers practise these habits in any case, but all are now being asked to meet annually with a colleague to audit their progress and plans for further development. More detail, including a CMD handbook, can be found at www.baptist.org.uk/cmd.

All fully accredited ministers and nationally recognised pastors are strongly encouraged to engage with CMD. (Ministers-in-training and newly accredited ministers should continue with the programme set out by their college or association.) Unaccredited pastors may also enrol, with the endorsement of their regional Baptist Association.

Church leadership teams are encouraged to speak to their minister(s) to encourage them in their development and to discuss any time and financial implications. Our Ministries Team suggests churches put aside £500 per annum for CMD costs in addition to any provision already in place for Association ministers’ conferences and Baptist Assembly. Grants for those whose ministry settings cannot afford this, will be made available during 2021.

Pension Scheme Matters

Contributed by Steve Kaney, Pensions Manager (skaney@baptist.org.uk). Please note that the Baptist Pension Scheme is operated by Baptist Pension Trust Limited, a separate legal entity from BUGB. See www.baptistpensions.org.uk for more details on the scheme.

Deficit Recovery Contributions

As reported previously, if your church is participating in the DB Section, then one of the positive outcomes of the 2019 Valuation is that all Deficit Recovery Contributions were reduced by 50% over the second half of 2020 in recognition of the strain on churches at this time. The temporary reduction ended in December with contributions reverting to the new rate from January 2021 onwards.

CIO Conversions

Churches are continuing to seek to convert to a CIO. We wish to support any church going through this process, but we also wish to guard against any debts being inadvertently triggered, which requires a specific process to be followed. Please read the detailed guidance which is available on our website at www.baptistpensions.org.uk/churches-employers/cio. Please contact Steve Kaney (skaney@baptist.org.uk) with any queries.

Declaration of Pensionable Income

If you have not already done so, please complete the annual Declaration of Pensionable Income as soon as possible. This should be done via the employer portal www.4mystaff.co.uk so that the correct pension contributions can be collected. The format of this communication is slightly different from recent years: please take time to submit your return and if you have any queries, please contact Marshall Rowan (mrowan@baptist.org.uk)

Employer Newsletter

You should have recently received the latest edition of the Pension Scheme’s Newsletter and you can find a copy on www.4mystaff.co.uk or www.baptistpensions.org.uk. We would value your feedback on the Newsletter content. Please let us know which sections you find useful or what changes you would like to see in the future by email to pensionshared@baptist.org.uk.

Legal and Operations News

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

Charity Registration

Churches will be aware that they are ‘excepted from registering’ with the Charity Commission by law if their annual income is below £100k per annum. The Excepting Regulations were due to come to an end in March 2021. At the time of writing we anticipate that the end date will be extended for a period of some years but await confirmation of this from the Government.

Churches will still need to be ready for registration in due course. We are anticipating a phased process of registrations over a number of years and in preparation for this we strongly encourage all Baptist churches to adopt one of the Baptist Union Approved Governing Documents (AGDs) as their constitution. Adopting one of the AGDs will, in any event, be of benefit to Baptist churches from a good governance perspective. For more on church constitutions, please read our guidance leaflet *C03: Church Constitutions* (www.baptist.org.uk/resources/C03).

Virtual Church Members’ Meetings

In October, members of Baptist Union Council were asked to discern whether online church members’ meetings are an acceptable reflection of Baptist ecclesiology. The pandemic has forced churches to use electronic means for making decisions but neither of our AGDs for churches provide for members’ meetings to be held electronically. The overwhelming consensus among Council members was that virtual church members’ meetings are appropriate and that churches should be free to discern for themselves whether virtual meetings should be held in exceptional circumstances only or more generally. Template clauses will be provided in our charity guideline leaflets.

Copyright Breaches

It is essential that churches understand that being able to freely access a video or picture on the internet does not give you the right to use it on your website, online service broadcast or in other forms. You must have permission from the copyright holder for any images, video or text you use or to use their own photographs. It is strongly recommended that content is removed where the source is not known.

We have unfortunately seen a number of recent examples of churches being pursued for copyright breaches, and so in October we sent communication to Ministers, Church Secretaries and Treasurers. A full copy of that email can be found at www.baptist.org.uk/copyright. Churches should also familiarise themselves with Guideline Leaflet *L14: Licensing for Entertainment and Copyright* (www.baptist.org.uk/resources/L14).

New Guideline Leaflet C18 Church Complaints Policy and Procedure

A new guideline leaflet *C18 Church Complaints Policy and Procedure* is available on the Baptists Together website at www.baptist.org.uk/resources/C18. The leaflet includes a draft policy and procedure as well as a template complaint form and acknowledgement letter. By adopting a policy and procedure such as this a church's charity trustees can ensure that complaints are handled constructively, effectively and in a timely manner.

Conflicts of Interest

Charity trustees have a legal duty to act in their charity's best interests when making decisions as a trustee. If there is a decision to be made where a trustee has a personal or other interest, this is a conflict of interest which will need to be managed.

For example, a trustee would have a conflict of interest if the church is thinking of making a decision that would mean:

» they could benefit financially or otherwise from the charity, either

directly or indirectly through someone they are connected to such as a spouse, close family member or business partner

» their duty to the charity competes with a duty or loyalty that they have to another organisation or person.

Detailed guidance can be found in guideline leaflet *C16 Conflicts of Interest* which can be found at www.baptist.org.uk/resources/C16

Finance Matters

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

Standard Stipend for 2021

The Baptist Union Trustees have set the standard stipend for 2021 at £24,500, which is an increase of £500 or 2.08%. The manse value for the purposes of calculating pensionable income has been set at £6,279. More details can be found at www.baptist.org.uk/financialguidance

Support for Churches with Listed Buildings

The Heritage Property Initiative is in full swing and we would like to thank everyone who has already participated by responding to our quick questionnaires. This is making a huge difference to the way we are shaping our plans for future support. If you have not yet had a chance to complete these surveys, please find them at www.baptist.org.uk/listedbuildings-getinvolved. We welcome responses from churches in both England and Wales and anyone facing challenges with their listed building.

We are also delighted to have allocated grants, supported by Historic England, to churches across England to support them in obtaining a Quinquennial Inspection. There are a limited number of these still available, please see www.baptist.org.uk/qigrants for further information.



Baptists Together Loan Fund

Baptist Union member churches can apply to our Loan Fund for help with a variety of projects.

We are able to help churches who are looking to enlarge, improve or redevelop their existing church premises - or who are wanting to buy new premises. We can also help churches to buy a new manse or other residential property for a church worker. The Loan Fund is also able to help churches faced with paying off debt to the Baptist Pension Scheme. In addition we can offer bridging finance which is at a higher rate of interest.

We are here to help Baptist churches with their mission and we also understand the way Baptist churches work. Having been around for many years we have helped hundreds of our churches in this way.

CURRENT TERMS:

Loans available above £25,000

Variable Interest Rate
currently 3% above base rate

Loan repayments between 10 and 20 years
available depending on loan amount and type

Fee free
subject to certain conditions

The BUC is only able to enter into a loan that is a relevant credit agreement (as defined by the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) as lender for the purposes of the business of a church (or if the church is unincorporated, the business of the church trustees) and not for any other purpose.

For more information visit

www.baptist.org.uk/loans

Taxation Topics

Contributed by Philip Cooke FCA, our Honorary Taxation Adviser (philipjcooke@aol.com).

'Tax Topics' on this occasion provides a brief summary of points which have recently been the subject of questions raised by treasurers and ministers. Where applicable, references have been shown to further guidance available online.

Book allowance

A book, or any other 'round-sum', allowance paid to a minister has to be treated as taxable pay but payment or reimbursement of expenses specifically incurred in performing ministerial duties can be paid tax-free provided there is a sufficient record supporting such expenses.

Housing allowance

If a housing allowance is paid in lieu of the provision of manse accommodation for a minister it has to be treated as additional pay in the hands of the minister even though the property may be jointly owned with a spouse. It is only where a jointly owned property is leased to a church that the rental income is treated as received by minister and spouse in equal shares.

Payments to a Moderator

Occasional preaching fees paid to a moderator will normally be included in the moderator's personal tax return and there is no need to set up PAYE arrangements. Where, however, a moderator is appointed to serve on the basis of receiving a regular monthly salary or fee, PAYE treatment will likely be required. Specific expenses (including travel) incurred in acting as a moderator can be paid free of tax.

Gift Aid Small Donations

Some treasurers may still be unaware that small cash donations (not exceeding £30 each) which, due to lockdown, have not been able to be placed on the offering plate, may still qualify for gift aid small donation relief when subsequently made up - provided it is made clear that the enlarged cash gift represents x number of donations for y weeks. (see *Transform* issue 56 at www.baptist.org.uk/transform56).

Ministers letting their own property

Ministers are reminded that from 6 April 2020, relief in respect of loan interest relating to a property let to a church or a third party, will be given only by way of a reduction of tax paid, and no longer as a property expense. The interest will therefore appear wholly in box 44 of the Property Income pages of the tax return and will attract tax relief at the basic rate. [For the three tax years up to and including 2019-20, part of such interest has, transitionally, been treated as a property expense.]

A consequence of claiming tax relief on loan interest is that there will be no entitlement to the annual Property Allowance.

Repayment of student loan

The calculation of any repayment due in respect of a minister's student loan is based on gross stipend (ie before deducting the minister's pension contributions). The benefit of provided manse accommodation, and payment of the related council tax and water charges, is exempt from tax and should therefore not enter into the calculation of the loan repayment.

Ministers' tax returns

HMRC has not yet responded to the suggestion that ministers whose tax affairs are relatively straightforward might be allowed to dispense with completing the Minister of Religion pages, and simply complete the basic return - thus allowing them to make use of HMRC's online filing facility.

Many ministers have found the filing service provided by GoSimpleTax very helpful and for which they offer a 25% discount to ministers of religion.

The following link will take you to their website and to a leaflet prepared especially for ministers: <https://info.gosimpletax.com/mor>

Payment to minister on termination of appointment

Treasurers are reminded of the guidance payments made on the termination of a minister's appointment found in section 4.2 of Guidance Leaflet X03: *Taxation Guidance Notes for Churches and Ministers* (www.baptist.org.uk/resources/X03). Such a payment may arise in circumstances which have led to a negotiated termination and which, subject to any contractual provisions concerning payments in lieu of notice, may to some extent not be chargeable to tax.

Small trading tax exemption

A charity engaged in trading activities as part of its charitable purposes is not chargeable to tax on any profits arising, but where a charity, such as a church, is engaged in a trading activity which is neither a primary or ancillary purpose of the charity, there might be some exposure to corporation tax - subject to an exemption which applies to small trading activities. This exemption applies provided turnover does not exceed £8,000 pa or (if greater) 25% of the charity's total income from all sources up to a maximum figure of £80,000. However, if the turnover limit is exceeded, tax becomes payable on the whole of the profit arising. It will be seen that the turnover limit is just below the VAT threshold of £85,000. More detail can be found in section 11.3 of Guidance Leaflet X03: *Taxation Guidance Notes for Churches and Ministers* (www.baptist.org.uk/resources/X03).

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.

Baptist Union of Great Britain, Baptist House, PO Box 44, 129 Broadway, Didcot OX11 8RT

Tel: 01235 517700 Email: supportservices@baptist.org.uk Website: www.baptist.org.uk

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