

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

Baptist Assembly 2019

In 2019, the Baptist Assembly is being expanded to a 2-day event on 18 and 19 May. The Support Services team will be making use of the additional space in the programme to run seminar streams to support Church Secretaries, Treasurers and Deacons in their roles on the afternoon of Saturday 18 May. We hope to see many of you there. Details of ticketing for the Assembly will be published in the autumn. Save the date!

Baptist Pension Scheme Employers' Group

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

Triennial Valuation Update

Following the announcement in April 2018 that the Pension Trustee and the Employers' Group (EG) reached agreement on the Family Solution (see www.baptist.org.uk/familysolution), we are happy to report that the recovery plan submitted to 'the Pensions Regulator' (tPR) has been acknowledged and a statement received from the tPR indicating

that no further action is required on our part. The EG acknowledges with immense gratitude the support received from so many within the Baptist family, including Associations, Colleges, Unions, RBMHS and not forgetting the c1,300 churches and other related organisations who have been paying deficit contributions for many years now.

So, what next for the EG?

Malcolm Broad, who has served as the EG's moderator for the past two years, will be stepping down at the end of August 2018. Malcolm took up the role, calling it 'unfinished business', from his time as the Union's treasurer between 2008 and 2016, and has seen the group through to agreement of the Family Solution.

However, there remains much to do. As well as monitoring the implementation of the Family Solution, the EG will be reviewing the Defined Contribution (DC) Scheme, working with the scheme trustees to review the investment strategy for the Defined Benefit (DB) scheme and planning for the next valuation, starting in 2020.

We are now seeking new people to join the EG, so if you are interested in serving our Baptist family through involvement with the EG, please do write to us expressing your interest.

If you would like to write to us at any time please write to the EG Moderator,

Baptist House, 129 Broadway, Didcot, Oxfordshire. OX11 8RT, or email: pensionemployersgroup@baptist.org.uk

HR and Safeguarding Matters

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

Online safeguarding updates for ministers

It is now a requirement that all accredited ministers participate in a new online training programme that will deliver one short 30-45 minute module annually. The topics are designed to complement the training provided at Level 2 and Level 3 and will focus on a different area of safeguarding each year. The first module has been sent to all accredited ministers to complete by the end of 2018. It addresses the issue of domestic abuse, providing a short video, a link to the BUGB Guide to Supporting Survivors of Domestic Abuse, and a set of questions to check understanding.

If your minister is not an accredited BUGB minister, but would appreciate the opportunity to participate in this training each year, please ask them to send their name and email address to safeguarding@baptist.org.uk and we will arrange for a personalised link to be sent out to them.

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Using the DBS update service

If a church worker or volunteer has already registered with the DBS update service for another church role or elsewhere, the church verifier can use this as a way of checking their suitability, providing that the check was done for the same category of worker or volunteer. However, verifiers need to read our guidance notes before accepting this type of check as it is not suitable in all situations or in the place of a first check for someone new to the church. Please see our guidance at www.baptist.org.uk/dbschecks. The update service cannot be used for checks on ministers.

Legal News

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

Training Opportunities

We are planning training days on Development of Church Buildings (4 Oct) and Churches registering as CIOs (date to be confirmed). We are also planning webinars on Church Accounts (21 Sept) and Introduction to CIOs (16 Nov). Please see www.baptist.org.uk/events for full details.

Charity Registration – ending of the excepting regulations

Currently only churches with an annual income that exceeds £100,000 need to register with the Charity Commission, under the excepted charities regulations. These regulations expire in March 2021, and after that registration will be required for every church with an annual income over £5,000. We are in discussion with the Commission about how this will work and we will provide updates as we receive more information, and anticipate there will be a phased programme of registration.

Churches that have not yet adopted the BUGB model constitution, the Approved Governing Document, are encouraged to do so in preparation for registration. This would also be a good opportunity to consider whether incorporation as a CIO (charitable incorporated organisation) would be appropriate for your church. Further information is available in guideline leaflets C06 Churches and Charity Registration (www.baptist.org.uk/resources/C06) and C11 Churches, Charities and Incorporation (www.baptist.org.uk/resources/c11).

Charity Trustee automatic disqualification rule changes

Churches are reminded that from 1 August 2018 changes to the automatic disqualification rules mean that there are more restrictions on who can run a charity. Our guideline leaflet C15 Help I'm a Charity Trustee (www.baptist.org.uk/resources/c15) has been updated with detailed information on these changes.

Data Protection – GDPR

Churches that are still getting to grips with the new GDPR data protection regulations are reminded that there is a suite of resources to help at www.baptist.org.uk/gdpr.

Finance Matters

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

Baptist Union Loan Fund – Pension Loans

From January 2019, the Baptist Union Loan Fund will be able to offer loans of between £25,000 and £50,000 to any church wishing to pay off their debt to the Baptist Pension Scheme. Larger loans will continue to be available



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 from £25,000 to over £1m
- Standard interest rate of 3% above Bank of England base rate
- Repayment terms between 10 and 20 years
- 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

to churches with historic cessation events. For more information please visit www.baptist.org.uk/loans.

2019 Subscription

Thank you to all who have paid their 2018 subscriptions. If you have yet to pay, please do so as soon as possible. For 2018 we have sent out subscription requests by email to save cost and reduce environmental impact and we plan to continue this for 2019. Please do make sure we have a current treasurer email address. The most cost effective way for us to collect your subscription is via direct debit. If you would like to set this up for 2019, please complete the form at www.baptist.org.uk/resources/f10. If you have any questions, please contact subscriptions@baptist.org.uk.

2019 Home Mission Stipend

The Trustees have fixed the Home Mission Stipend for 2019 (next year) at £23,450 an increase of 3.08% on the 2018 Stipend. The Manse value used for the pensionable income calculation for ministers in the Baptist Pension Scheme will be set in the autumn based on the increase in CPI.

Your Kingdom Legacy

At Assembly we launched a new Legacy giving scheme called 'Your Kingdom Legacy' in partnership with the National Free Wills Network. We are giving Baptist church members aged 60 or over the opportunity to have a simple will written by a solicitor for free. This is a fantastic opportunity to leave gifts to support a local Baptist church and the work of Baptists Together. If you would like to know more, or wish to download or order a legacy pack, please see our website www.baptist.org.uk/legacy.

Website Updates

We have revised the finance area of our website to make it easier to find information. The Finance Resources section is now divided into three categories called Church Finance (F01 etc), Gift Aid (G01 etc) and Taxation (X01 etc), resulting in some of our leaflets being renumbered and renamed. There is an index page under each category so you can easily navigate between documents. In addition, the general finance pages have been clarified with useful links to find information on financial guidance, loans and deposits etc. Please do let us have your feedback at supportservices@baptist.org.uk.

End of Year Accounts

Each year, our auditors randomly select a sample of churches with Baptists Together Loans or Deposits to send a letter asking for verification of the balance on the church account. If you receive one of these letters, please respond using the reply-paid envelope within two weeks of receipt so as not to delay our accounts preparation processes.

Fraud Alert

Churches are often seen as a soft target by fraudsters. We encourage churches to be on their guard on receipt of emails or phone calls requesting bank information or making payments. One common approach is to obtain the email address of the church treasurer and send them an email, purporting to come from the minister or secretary requesting an urgent payment be made. Such emails can be quite convincing and a 'from' address in an email is quite easy to fake. We recommend verifying any unusual payment requests directly with the person requesting it.

Taxation Topics

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

Mileage allowance paid to ministers

Manse accommodation provided (ie owned or rented) by a church for the better performance of a minister's duties is regarded as the minister's base and place of work, so that journeys from and to the manse in the course of performing those duties should qualify for payment of mileage allowance at the approved rates. However, it is a matter for agreement between church and minister as to the circumstances in which an allowance is paid and, if payment is not made for all 'church-business' journeys, it is open to ministers to make a claim in their tax return.

Gift Aid small donations scheme

Treasurers are reminded that it is necessary that there be an 'audit trail' in support of claims for the gift aid 'top-up' payment relating to small cash donations. This will involve an analysis of notes and cash received - distinguishing between gifts made under gift aid declarations, those which qualify for the 'top-up payment' and those which do not qualify because

they exceed £20. Guideline leaflet G01 Claim for a Top-up Payment for Small Cash Donations (www.baptist.org.uk/resources/g01) on the BU website contains further information.

Manse maintenance

Expenditure incurred on the external maintenance of a church-owned manse does not give rise to a taxable benefit. In the case of a manse owned by a minister and leased to the church the responsibility for such expenditure will be specified in the lease agreement and will normally rest upon the minister (and spouse if the property is jointly owned) but will normally be deductible for tax purposes against the rental income.

Internal decoration and maintenance is usually the responsibility of the occupying minister and will give rise to a taxable benefit if paid for by the church except where it is carried out between pastorates.

VAT on church energy supplies

When a church decides to change an energy supplier it should not overlook the need to make the appropriate declaration (obtainable from the supplier) entitling it to the 5% domestic rate of VAT on energy supplies. The declaration asks for the registered charity number, but where a church is not yet required to register you should indicate 'excepted from registration'. If VAT has been charged at the standard (20%) rate the excess can be reclaimed within four years.

Ministers in receipt of income from property

Ministers receiving rental income from the letting of their property (including property leased to a church) are reminded that relief in respect of any loan interest paid is now given separately, rather than as a property expense. Further information can be found in the updated document X02 Self-Assessment and the Minister (www.baptist.org.uk/resources/X02).

Accommodation provided for youth or community workers

Churches are reminded that the tax exemption which applies to ministers of religion who are provided with manse accommodation for the better performance of their duties does not extend to youth or other community workers - though a person who has been called, appointed and inducted



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.

CURRENT RATES (from 6 August 2018):
1.25% interest on 1 year fixed rate deposit
1.1% interest on 3 month notice account
0.85% interest on 7 day notice account
(all rates subject to regular review)

For more information visit

www.baptist.org.uk/depositaccounts



as, for example, a youth pastor or minister and is recognised as a full member of the ministerial team, should qualify for the exemption. See section 1 of document X03 Taxation Guidelines for Churches and Ministers (www.baptist.org.uk/resources/X03) for further information.

Ministers' tax returns

It is still not possible for ministers to use HMRC's self-assessment tax return software for online filing because it does not embrace the Minister of Religion pages but more and more ministers are using the facility offered by Go Simple - see document X01 online filing of minister's tax return (www.baptist.org.uk/resources/X01) for further information. In completing the return, whether online or by paper, ministers are advised to read our leaflet X02 Self-Assessment and

the Minister (www.baptist.org.uk/resources/X02) for a reminder of some of the deductible expenses - such as computer and other equipment, books and ministry aids and hospitality - which might be applicable.

Lease to church of minister-owned property for use as a manse

At the risk of repetition, it is again emphasised that the 'manse annual value' (which is a figure which applies ONLY for the purpose of quantifying pension fund contributions and benefits and is currently £6,000 pa) is NOT an indicator of the rent which should be paid where a minister-owned property is leased to a church to enable it to provide manse accommodation. The rental should ideally reflect a market rental though it is acknowledged that this may not always be possible, in which event it will be necessary

for church and minister to agree a mutually acceptable figure.

Rent received by a minister (and spouse if the property is jointly owned) as income from property and will be taxable in their hands (and included in their respective tax returns) subject to relief for any deductible expenses.

It is again emphasised that the annual value of manse accommodation (including associated council tax and water charges) provided for a minister, either by way of a church-owned manse or a lease entered into by the church, does not give rise to a taxable benefit or charge, but payment of a housing allowance will be taxable. Further explanatory notes relating to the leasing of a minister-owned property are available on application.

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.