The PCC as a Charity
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AGENDA

• Background : “Excepted Status”
• Registering : An overview
• Applying for Registration
• Other topics :
  - Trusteeship
  - Accounting and Reporting
  - Independent Examination/Audit
“Excepted Status”

- Charity law applies to PCCs
- In 1993 Charities Act, maintained the exception from the requirement to register with the Charity Commission.
- This continues for PCCs under £100,000 income.
Registration

- 2006 Charities Act removes “excepted status” from charities with incomes over £100,000.
- This means that PCCs over £100,000 income will need to register with the Charity Commission. The window for registration is October 2008 to September 2009.
- C of E has worked nationally to agree Approved Governing Documents and guidance.
In practice, very little ....

- Amend official documents to show registered charity.
- These include letterheads, cheques, notices, advertisements, invoices and receipts

- Any of the following are acceptable:
  A Registered Charity
  Registered Charity no.....
  Registered as a Charity
  Registered with the Charity Commission
What changes?

In practice, very little ....

- Annual Information Return

  Information to be submitted annually (online) to the Charity Commission

  Copy of annual report and accounts to be sent to Charity Commission
What if our income is exceptional?

- You can apply for a written determination from the Charity Commission that you need not register.
- This year > £100k
- 3 previous years income all below £80k.
Resource to help.....

This symbol shows that additional guidance is available on-line

www.parishresources.org.uk/registration.htm
OVERVIEW: What you need to do....

1. Preparation - gathering the necessary data for registration
2. Opening a User Account
3. Entering details about your PCC, about what it does, and about the Trustees.
4. Checking that the data is correct, and then submitting it to the Charity Commission electronically.
5. Returning to the Commission a signed Trustee Declaration.
Process overview

Preparation

Get Trustee Details sheets completed

Complete and sign Trustee Declaration

Read through the Guide, print out Trustee details sheets, get the Accounts.

It is suggested that these are done at a PCC meeting with those PCC Members that are there – this will allow questions to be answered. Then follow up with PCC members who were not present.

Complete OLAR process and submit to Commission

Send Trustee Declaration with cover sheet
Trustee Details

- Need to submit information on each PCC member
- Easiest way to do this is by copying the relevant page, and asking each person to fill their own sheet in. A page of notes is also provided for you to copy. These can either be copied from the Guide or downloaded from Parish Resources.
- Suggest simultaneously get the two-page Trustee Declaration signed as well.
- Start at a PCC meeting. Then take to PCC members not present.
Trustee Declaration also needs signing

- Physical signature required.
- Hold onto this – don’t send it in until you have submitted the application and received an e-mail back with a cover sheet.
- Download from the Charity Commission site direct, or via a link from the Parish Resources website.
Applications should be submitted online. The benefits of this include:

a) Greater accuracy and fewer follow up enquiries.

b) Faster turn around by the Commission.

c) Easier support from your diocese.
Key Issues ....

1. Getting the name right!
2. Governing Documents
3. Public Benefit
4. Private Benefit
5. Vulnerable Adults
Getting the name right!

• The Parochial Church Council of the ecclesiastical parish of ....

• Usually then add Dedication, Town. For example, The Parochial Church Council of the ecclesiastical parish of St Emilion, Anytown

• Occasionally may need to add diocese at the end to ensure uniqueness (check Crockfords & Wales!)

• Parish (level of PCC) not Benefice

• Ask diocese for help if not sure

• Can also have working name e.g. St Emilion’s PCC, Anytown.
PCCs are governed by two “Church of England Measures”

- *the Parochial Church Councils (Powers) Measure 1956 as amended*
- *the Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969 as amended)*

These are available on the web from either the Church of England website or the Parish Resources site.
• Approved Governing Document ensures our objects meet the public benefit test.
• Registering PCC needs to demonstrate that its activities are consistent with this and deliver public benefit.
• Traditional C of E activities do deliver public benefit:
  - acts of public worship open to all
  - provision of sacred space for personal reflection and contemplation
  - pastoral work, including visiting the sick and bereaved
  - teaching Christianity through sermons, courses and small groups.
• Need to be careful about phrasing, so suggest you pick from list provided and only add additional ones when a major area of activity is not represented. Note: you only have 400 characters!
• Some major activities may be better run through a separate legal entity.
Private Benefit

- PCC members can receive payment for services provided to the PCC, if a certain procedure is followed. This is a new power created in the 2006 Charities Act.
- PCC members (or connected persons) cannot become employees of the PCC unless the Charity Commission gives permission.
- CC have told us that registration is not about this - you should list the situation as it currently stands.
- Further guidance available on the Parish Resources website.
CHILDREN’S WORK

- Child Protection policy needed - as per House of Bishops policy “Protecting All God’s Children”.
- C of E legal guidance says that we believe the PCC is not a “children’s charity” as defined by the legislation. This means that PCCs do not have power to make CRB checks on all their trustees simply because they are trustees, but should carry out checks on people who work with children.
- You should mark the boxes as per the guidance.

VULNERABLE ADULTS

- PCCs do not normally work with vulnerable adults as defined by the Care Standards Act 2000. The Charity Commission accept this.
Some other issues

- Trusteeship
- Reserves
- Report & Accounts
- Annual Information Return
Trusteeship

- PCC Members are Charity Trustees
- Trusteeship intrinsically linked with Stewardship
- Build capability.
- Trusteeship booklet being launched alongside registration of larger PCCs, joint between C of E and Charity Commission.
Annual Information Return

- Each year, Registered Charities are required to complete an annual information return. You can do this online using the same user account you created to register.
- You will also need to send a copy of your Trustees Report and Accounts to the Commission, as well as to your Diocese.
Report and Accounts

- Values of transparency and accountability
- Important to communicate with donors and community
- SORP(2005) sets out the required approach.
- Independent Examiners
- PCCs aggregate annual turnover is over £0.75 billion.
Developing a Reserves Policy

• Whether you’ve got reserves or not!
• Clarity on the reserves you need, and what they are being reserved for!
• Guide to support this on Parish Resources website.
Opening up restricted funds

- 2006 Charities Act also eases freeing of outdated restricted funds.
- Slightly time-consuming, but thorough guide to support this on Parish Resources website. Also talk with Diocesan trusts officer.
Where to get help

- Diocesan contact for registering parishes is the Finance Advisers (details on front of guide)
- There is plenty of online help:
  - www.parishresources.org.uk/registration.htm
    - Guidance notes
    - Links to Forms
  - Template of letter for
determination re exceptional income
  - The Charity Commission website
    - Full guidance on all topics relating to PCCs as Charities.
    - Forms
    - Contact numbers