

## CHURCHES AS CHARITIES

Churches whose income is over £100,000 per annum are legally required to register as charities. This arises under the Charities Act 2006. In due course the figure of £100,000 will be reduced until all churches - other than those with a very low income, currently under £5,000 per annum – have registered. Therefore all church officers should give serious consideration to the following information, but those whose income is over £100,000 per annum should do so as a matter of priority.

However, if a church's income is over £100,000 one year because of an exceptional reason, say the receipt of a very large legacy or gifts in connection with a building project, and the church's income is usually less than £100,000, the church should not register. Instead, the church should write to the Charity Commission explaining the situation and enclosing a copy of their previous year's accounts showing that their normal income is less than £100,000 and the [Charity Commission](#) will confirm that the church does not need to register.

The requirement for churches to register as charities deals only with the “working funds” of the church. A church's property assets - such as the chapel and manse - are covered by separate trusts having their own trust deeds and trustees. These particular trusts are not affected by the issues raised in this Fact Sheet.

The technical point at issue is that, in the past, churches have been afforded charitable status by virtue of “excepting regulations” (a Statutory Instrument passed under the authority of Parliament) whereby they are treated as charities but “excepted” from having to go through the formalities of registration. Following the passing of the Charities Act 2006, “excepted status” is coming to an end and churches have to retain their charitable status by the normal means of registration.

Some churches have expressed concern over state interference in church life, but the Charities Act 2006 does not give rise to any fundamental considerations that are any different from those that have existed since 1601 under what was then the 1601 Charitable Uses Act, when the advancement of religion was first recognised as a charitable purpose. The Charity Commission have always had jurisdiction over churches and so, from that perspective, the situation has not changed.

A Church Charity Constitution (devised by the Grace Baptist Trust Corporation in conjunction with the Area Associations of Grace Baptist Churches) has been recognised and approved by the Charity Commission. This means that Grace Baptist churches that apply for registration using this particular constitution will be fast-tracked through the registration process without being asked detailed questions by the Charity Commission – unless there are obvious errors in the paperwork.

A copy of the Approved Church Charity Constitution is available to [download or print](#) from our website or may be obtained on request from the office, in addition to [explanatory notes](#) on the same.

The constitution is a minimalist document that sits alongside a church's existing constitution. It covers the very least that is legally required in a charity's governing document and excludes an enormous amount of internal regulations that govern the day to day life of a church. To avoid confusion, churches that use this constitution will have to rename their existing "constitution" as their "Rules and Regulations" but normally will not need to make any other changes. Very occasionally it may be necessary to alter a church's "Rules and Regulations" so that they are not in conflict with the Approved Church Charity Constitution, but such alterations are likely to be minor.

Some churches have expressed concern at having to revise existing constitutions which they might have spent a number of years producing. However, that will not be necessary. All that is required is for a church to rename its constitution as its "Rules and Regulations", make sure that there are no conflicts with the Approved Church Charity Constitution and then apply for registration as a charity. Churches that may not have a comprehensive set of "Rules and Regulations" may [download or print](#) a model set from our website or obtain a copy on request from the office.

Churches are at liberty to disregard the Approved Church Charity Constitution and proceed in a manner which they consider to be appropriate. However, churches that take this approach will not be fast-tracked through the Charity Commission's registration process and their applications will be scrutinised very closely by the Charity Commission's registration department.

The Approved Church Charity Constitution must be used exactly as it is, subject to relevant information being inserted or options being selected, as appropriate. Any alteration, however slight, will alter its status from being an Approved Church Charity Constitution (resulting in fast-tracking) to that of a general constitution (resulting in Charity Commission scrutiny).

Churches must register on-line using the Charity Commission's On Line Application for Registration routine (OLAR). Technical guidance notes that sit alongside each screen on the Charity Commission's Website, explaining how each question needs to be answered, are available on request from the office. However, before a church reaches the stage of registering, they will need to have various documents and information to hand – see **APPENDIX A** of this Fact Sheet for a comprehensive list.

Some churches suppose that because they are registered with the tax office for gift aid tax refunds (with a number like XN12345) they are also registered charities. That is not the case. Such churches are 'excepted charities' not 'registered charities', and will have to go through the process of registering with the Charity Commission when their income reaches the compulsory level.

Once a church is registered as a charity, the law requires that the church indicates their registered charity status on all official documents, such as letterheads, cheques, information leaflets seeking funding for projects and so on. Incidentally, it is not a legal requirement for churches to state their charity registration number on such documents but many charities choose to do so. Similarly a church's website should make it clear that they are a registered charity.

Please also refer to our Fact Sheets:

[‘CHURCHES AS CHARITIES – UPDATE JULY 2012’](#)

[‘CHURCHES AS CHARITIES – UPDATE NOVEMBER 2020: REGISTRATION EXTENSION’](#)

FS\CAC\07\12 – Updated November 2020; April 2021

***Disclaimer:** This Fact Sheet has been prepared carefully from the information available; however GBTC accepts no responsibility for its complete accuracy, and would encourage the consultation of professional advisors. All rights to the resource material are reserved. The material is not to be published in other media or mirrored on websites without written permission.*

Pg 2 of 2

Grace Baptist Trust Corporation • 19 Croydon Road, Caterham, Surrey CR3 6PA

Tel: 01883 345488 • Email: [info@gbtc.org.uk](mailto:info@gbtc.org.uk) • Website: [www.gbtc.org.uk](http://www.gbtc.org.uk)

## APPENDIX A

### Prior to Starting On-line Registration: List of Required Information and Documents

#### Have the following information to hand:

- Details of the church's **bank or building society account** (sort code etc.)
  - Contact details for the **church correspondent**, including postal address, and (if applicable) the church email and web address
  - Details of the **church's public address** – i.e. where the church meets for worship
  - Your **\*church trustees** full names, dates of birth, contact details and dates of appointment to the position.
- \* **Note:** In this context, *trustees* are the *church officers* i.e. pastor, elders, secretary etc. *not the chapel trustees.*

#### Prepare the following documents beforehand in PDF format:

- Church's **Governing Document:** i.e. '*Constitution for Grace Baptist Church Charities Version 7.0*'.
    - Contact **GBTC** for a Word copy or visit [www.gbtc.org.uk/ChurchesasCharities.html](http://www.gbtc.org.uk/ChurchesasCharities.html) and ...
      - Download '*Constitution for Grace Baptist Church Charities - Approved by the Charity Commission*'
      - Also download the '*Notes on the "Constitution for Grace Baptist Church Charities"*'
    - The submitted Constitution (i.e. **Governing Document**) must have:
      - **Sections 2; 6.1; and 11.1** completed
      - **Schedules 1, 2 & 3** inserted (see '*Notes on the "Constitution for Grace etc."*' for explanation)
      - Be **signed and dated by the church trustees** (i.e. church officers).
  - A standalone **PDF of Schedule 1** (see above) i.e. the church's Basis of Faith
  - **Proof of Income:** for example the church's latest accounts signed off by an Independent Examiner
  - Church **Minutes** wherein the pastor (if there is one) was appointed. ***If there are no Minutes of the appointment***, or the date is unknown, a members' meeting must record that the date of appointment cannot be traced but the appointment is reconfirmed as of said meeting. (Same applies to next two bullet points).
  - If anyone else is employed (e.g. church secretary), the **Minutes** wherein the church agreed to this.
  - The **Minutes** wherein any current church trustees (i.e. church officers) were appointed to the position.
  - If any church trustee is **trustee of another organisation** (e.g. a charity), the details of that organisation.
  - **Trustee Declaration:** download directly from the Charity Commission website.
    - Go to: [www.gov.uk/government/publications/confirmation-of-charity-trustee-eligibility](http://www.gov.uk/government/publications/confirmation-of-charity-trustee-eligibility)  
Scroll down to the PDF: **Charity trustee: declaration of eligibility and responsibility**, \*open and print a copy. \*Before completing and signing the *Declaration*, you and the church trustees must have read ***the guidance: 'The Essential Trustee: What you need to know, what you need to do (CC3)'***. Download at: [www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3](http://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3)
  - Part of the **Trustee Declaration** covers working with vulnerable people. During the application, the trustees will need to confirm that they have read and understood the Charity Commission's **Safeguarding Guidance** found at: [www.gov.uk/guidance/safeguarding-duties-for-charity-trustees](http://www.gov.uk/guidance/safeguarding-duties-for-charity-trustees)
    - For *Children* - under **Contents** select the heading **Safeguarding children or adults at risk**. Under the heading **Safeguarding children** select the link '**In England follow Working Together to Safeguard Children 2018**'; then print and read the PDF **\*'Working together to safeguard children 2018'**
    - For *Adults* – follow steps as above for *Children* but scroll past **Safeguarding children** to **Safeguarding adults at risk** and select the link **\*'In England follow guidance on the Care Act 2014'**; then read the guidance.
- \* **Note:** Whoever completes the application must also have read ***both*** of these guidance papers.
  - Once the church trustees have **read** all the guidance papers, **completed** and **signed** the **Trustee Declaration**, and a **PDF version has been created of it**, the church is ready to start the application.- Contact GBTC for an up-to-date copy of the **guidance notes** that explain how to answer each question of the Charity Commission's on-line registration process.

*List confirmed November 2023*