



Charity Reporting and Accounting (including churches)

All churches must prepare annual accounts, including an annual report in the format set out in the Charity Commission guidelines and regulations. These are public documents and must be available to anyone on request.

For churches which are registered charities (usually those with an annual income over £100,000) an annual return to the Charity Commission is also required.

The way the accounts are to be prepared varies according to the size of the church. The requirements increase the larger the income and assets.

Below is a summary of the requirements:

- All churches must prepare an annual report and accounts
- Churches with receipts below £25,000 are advised to have their accounts examined by an independent person
- Churches with receipts between £25,000 and £250,000 need to have their accounts independently examined by somebody with some financial expertise
- Where receipts are over £100,000 churches should be registered as a charity and need to submit an Annual Return to the Charity Commission
- When income exceeds £250,000 accounts must be prepared on an accruals basis in accordance with the full SORP requirements for charities

- For churches with income between £250,000 and £500,000 the independent examination must be carried out by a person professionally qualified to undertake such examinations.
- Where income exceeds £250,000 and assets exceed £3.26m an audit is required
- Where income exceeds £500,000 an audit is required, irrespective of the value of the assets

Where churches have a company then the company accounts must follow the tighter requirements for Company reporting under the Companies Act.

Further information:

The Baptist Union guidelines include leaflet F6 which sets out in more detail what is required, including suggested formats for the accounts, a letter to be used on the appointment of an Independent Examiner and a copy of the Charity Commission certificate which should be signed by the Independent Examiner and held with the completed accounts.

http://www.baptist.org.uk/resources/resource_downloads/207.pdf

The more complex requirements for churches with income over £250,000 are set out in BUC guidelines F7.

http://www.baptist.org.uk/resources/resource_downloads/208.pdf

The Charity Commission regulations and guidelines are available at:

<http://www.charity-commission.gov.uk/publications/cc15b.asp>

Additional help:

BUC leaflet: ***“C20 Help I’m a Church Treasurer”*** :

http://www.baptist.org.uk/resources/resource_downloads/203.pdf

BUC Guidelines: ***“F10 Annual Reports”*** :

http://www.baptist.org.uk/resources/resource_downloads/290.pdf

BUC Guidelines: ***“F9 Charity Reserves”*** :

http://www.baptist.org.uk/resources/resource_downloads/211.pdf

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