# **FIT AND PROPER PERSON’S DECLARATION**

The Fit and Proper Person’s Declaration is a requirement by HMRC to ensure that charities that benefit from tax relief (particularly gift aid) are managed in such a way that they can be confident that the tax relief is spent appropriately.

## ***Who should complete the declaration?***

Everyone on the list below should read these notes and complete a declaration.

* All members of the PCC (included co-opted)
* The treasurer
* The gift aid secretary
* Anyone who manages or has an influence on how the church spends significant sums of money.

If someone falls into more than one of the above, they only need to complete one declaration.

***What should happen to the completed declarations?***

The parish should keep them securely until they are required. The most likely reason for needing them is a Gift Aid audit from HMRC. If this were to happen, and the auditors wanted to see the declarations, the diocese would contact you.

***Why is there a 'fit and proper person’s' test?***

The 'fit and proper persons’ test is a statutory requirement. The test requires that individuals who are ‘managers’ of the church are ‘fit and proper persons’ to carry out their duties. It exists to ensure that all charities (and any other organisation that is entitled to charity tax reliefs) are not managed or controlled by individuals who might misuse the tax reliefs the organisation receives. Unfortunately fraudsters have been known to exploit charity tax reliefs so the fit and proper persons test exists to help prevent that.

***What does 'fit and proper' mean?***

**An individual is 'a fit and proper person' if they ensure, or are likely to ensure, that charity funds and tax reliefs are used only for charitable purposes.**

In signing the declaration you are confirming that you will ensure that funds are used for the charitable purposes of the church and also disclosing certain information about your past that may impact on whether or not you are 'a fit and proper person'. When a charity notifies HMRC of certain new managers, HMRC cross-checks that person’s details against any information it has and will raise any concerns it has if there is anything to indicate the person may misuse the charity funds and tax reliefs. Factors that may lead to HMRC deciding that an individual manager is not a fit and proper person include where:

* the individual has been involved in tax fraud or other fraudulent behaviour including misrepresentation and/or identity theft
* HMRC has knowledge of the individual’s involvement in attacks against, or abuse of, tax repayment systems
* the individual has used a tax avoidance scheme featuring charitable reliefs or using a charity to facilitate the avoidance
* the individual has been involved in designing and/or promoting tax avoidance schemes
* the individual has been barred from acting as a charity trustee by a charity regulator or Court, or has been disqualified from acting as a company director.

However, just because a person has been, say, barred from acting as a charity trustee or one of the other points above applies, it does not always follow that the charity will not be eligible for tax reliefs. When considering the application of the fit and proper persons test to particular managers, HMRC will take account of the likely impact on the charity’s tax position. For example any person who has no dealings with HMRC and no control over spending charity funds, even if the person is not a fit and proper person, is unlikely to affect the charity’s eligibility to tax reliefs.

***What do I need to do?***

If you are confident you will do your best to ensure that Church funds and tax reliefs are used only for the charitable purposes and do not need to disclose any information listed on the declaration then you should sign a declaration and give it to the PCC Secretary.

If you are confident you will do your best to ensure that Church funds and tax reliefs are used only for the charitable purposes but you do need to disclose any information listed on the declaration then you should sign the declaration suitably amended - for example by crossing out the relevant bullet point - and provide details on the form before you give the declaration to the PCC Secretary. The Church will then need to decide what to do.

If neither of the above applies you should not sign the declaration.

***I’ve signed the declaration so what happens next?***

The parish will keep the declaration and in certain cases may pass your details to the diocese and/or HMRC. If HMRC have any concerns about you they will contact you to clarify the situation.

**Declaration for fit and proper persons**

***Declaration***

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| --- | --- | --- | --- | --- |
| Canterbury Diocesan Board of Finance Company Registration 145650  Charity Number 249972 | | | | |
| Parish: |  | | | |
| Name |  | | | |
| Role(s) within parish | |  | | |
| I, the undersigned declare that   * I am not disqualified from acting as a charity trustee * I have not been convicted of an offence involving deception or dishonesty (or any such conviction legally regarded as spent) * I have not been involved in tax fraud or other fraudulent behaviour including misrepresentation and/or identity theft. * I have not used a tax avoidance scheme featuring charitable reliefs or using a charity to facilitate the avoidance * I have not been involved in designing and/or promoting tax avoidance schemes * I am not an undischarged bankrupt * I have not made compositions or arrangements with my creditors from which I have not been discharged * I have not been removed from serving as a charity trustee, or been stopped from acting in a management position within a charity * I have not been disqualified from serving as a Company Director * I will, at all times, seek to ensure the charity’s funds and charity tax reliefs received by this organisation, are used for the charitable purposes of the Church of England. | | | | |
| Signed | | | | Date |
| Home Address | | | | |
|  | | | | |
| Previous Address if moved in the past 12 months | | | | |
|  | | | | |
| Date of birth | | | National Insurance number | |
| National Identity Card Number (if you have one) | | | | |

**If you have signed this declaration but want to make any information known or clarify any points please add them in the space below; continue overleaf if necessary.**

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