

Fit and proper persons helpsheet for CASC's

Who is this helpsheet for?

This helpsheet and the model declaration are for use by 'managers' of a Community Amateur Sports Club (CASC). These are based on those available on HMRC's website which cover charities and CASCs. The term 'managers' applies to the directors of incorporated companies, CASC officials and any other persons having general control and management over the running of the CASC or the application of its assets. For example:

- In a typical small local CASC a manager for the purposes of the fit and proper persons test could include the Chairperson, Treasurer, Secretary and the rest of the management committee who would have control over expenditure.
- In a larger CASC a manager for the purposes of the fit and proper persons test would include any director of a corporate CASC as well but may also extend to certain employees who are able to determine how a significant proportion of the CASC's funds are spent.
- In a multisports club structure where responsibility for club finances is shared across the various sections or sub committees all the responsible persons in each may well be managers.

If you are a 'manager' of a CASC you should read this helpsheet and, if appropriate, sign a declaration based on the model below. You can use the model declaration below or copy the wording onto your own stationery. The CASC should keep the signed declaration in case HM Revenue & Customs (HMRC) asks to see it. The signed form should **not be sent** to HMRC unless HMRC asks to see it.

CASC's are not obliged to use this helpsheet and the declaration below but they may be useful if HMRC ask the club questions about the 'fit and proper persons' test.

Why is there a 'fit and proper persons' test?

The 'fit and proper persons' test exists to ensure that CASC's are not managed or controlled by individuals who might misuse the valuable tax reliefs the organisation receives. Unfortunately fraudsters have been known to exploit tax reliefs so the fit and proper persons test exists to help prevent that.

What does 'fit and proper' mean?

An individual is 'fit and proper' if they ensure that CASC funds and tax reliefs are used only for qualifying purposes.

In signing a declaration like the one below you are confirming that you will ensure that funds are used for CASC purposes and also disclosing certain information about your past that may impact on whether or not you are indeed 'fit and proper'.

When a CASC 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 CASC funds and tax reliefs. Factors that may lead to HMRC deciding that an individual manager is not a fit and proper person include:

- individuals with a history of tax fraud or other fraudulent behaviour including misrepresentation and/or identity theft
- individuals for whom HMRC has knowledge of involvement in attacks against, or abuse of, tax repayment systems
- individuals who are barred from acting as a charity trustee by a charity regulator or Court, or have been disqualified from acting as a company director

However, just because an individual 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 CASC 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 CASC's tax position. For example any person who has no dealings with HMRC and no control over spending CASC funds, even if the person is not a fit and proper person, is unlikely to affect the CASC's eligibility to tax reliefs.

What do I need to do?

- If you are confident you will do your best to ensure that CASC funds and tax reliefs are used only for CASC qualifying purposes and do not need to disclose any information listed on the declaration then you should sign a declaration and give it to the CASC.
- If you are confident you will do your best to ensure that CASC funds and tax reliefs are used only for CASC qualifying 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 in the final box before you give the declaration to the CASC. The CASC 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 CASC will keep the declaration and in certain cases pass your details to HMRC. If HMRC have any concerns about you they will contact you to clarify the situation.

Model declaration for fit and proper persons

Declaration

Name of club in full.....

Name of individual.....

Role in the club.....

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 is legally regarded as spent)
- I have not been involved in tax fraud
- 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 CASC or charity
- I have not been disqualified from serving as a Company Director
- I will at all times seek to ensure the CASC's funds, and CASC tax reliefs received by this organisation, are used only for qualifying purposes

Signed.....

Date.....

Home address.....

.....

Previous address if moved in 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.

13th September 2011