

TAB January 29, 2010

TO ALL BODIES OF ELDERS IN ENGLAND AND WALES

Re: Congregation annual accounts—Charity Commission requirements

Dear Brothers:

There have recently been some changes to financial thresholds that affect financial reporting by congregations to the Charity Commission. We are therefore pleased to provide the following guidance. This letter replaces the letter dated TA:TSD May 15, 2001, to all bodies of elders in England and Wales regarding congregation annual accounts. That letter, along with the accompanying guidance notes and sample forms, should be removed from the congregation's file of letters and be destroyed.

1. A single congregation has sole use of the Kingdom Hall property (either owned or leased) and is responsible for all outgoings.

In this situation, the congregation will not have a separate operating committee, or a separate bank account for Kingdom Hall operation and maintenance. All income and expenditure for the hall will be shown on the Monthly Congregation Accounts Report (S-30) and Accounts Sheet (S-26) and entered on the Annual Receipts and Payments Accounts Report, as appropriate (form C-ARP).

2. Several congregations use a Kingdom Hall property (either owned or leased) and collectively are responsible for all outgoings.

In this situation there will be a Kingdom Hall Operating Committee, members being drawn equally from all congregations using the building. The committee will have its own bank account, this being a No. 2 account in the name of the congregation that, for legal purposes, records ownership of the Kingdom Hall property.

A. Operating Committee Account

The operating committee is responsible for:

- Day-to-day running and maintenance of the Kingdom Hall;
- Where there is a loan for Kingdom Hall construction, the monthly repayment;
- Maintaining a list of assets of the Kingdom Hall for the Annual Statement of Assets and Liabilities (form O-AAL).

The operating committee maintains its accounts in a similar manner to the congregation accounts.

- Individual transactions are recorded on the ledger [the congregation Accounts Sheet (S-26) can be used for this purpose].
- Monthly Receipts and Payments Accounts Reports are prepared summarizing activity (form O-MRP).
- Annual Receipts and Payments Accounts Report is prepared (form O-ARP).

- Annual Statement of Assets and Liabilities is prepared (form O-AAL).

Following the completion of the annual forms, a signed copy will be handed to the secretary of the congregation that records ownership of the Kingdom Hall, who will add the operating committee accounts to their own for possible submission to the Charity Commission.

B. The congregation that records ownership of the Kingdom Hall property

The operating committee chairman will hand to the secretary the completed annual forms Annual Receipts and Payments Accounts Report and Annual Statement of Assets referred to in the preceding section (forms O-ARP and O-AAL).

You will have already completed i) Annual Receipts and Payments Accounts Report and ii) Annual Statement of Assets and Liabilities for your congregation based on your own congregation accounts (forms C-ARP and C-AAL).

To arrive at a new set of annual accounts for possible submission to the Charity Commission, add the two sets of accounts together to produce a new combined set of annual accounts incorporating both the congregation and the operating committee accounts. Please see the Guidance Notes for additional information.

The inclusion of the Kingdom Hall Operating Committee accounts in the annual accounts of the congregation that records ownership of the Kingdom Hall property, may push the congregation's income and expenditure above the threshold of £25,000. In this situation, the congregation must appoint an independent examiner who will examine both the congregation and the operating committee accounts (see Guidance Notes).

C. Congregations meeting in a Kingdom Hall but that do not record ownership of the Kingdom Hall property

Complete all annual forms in the same way as for a congregation having sole use of a Kingdom Hall. In your case, the monthly payment to the operating committee will be shown under "Payments" "Kingdom Hall Operation and Maintenance." It is unlikely that you will have any other receipts or expenses relating to the Kingdom Hall operation as these are all done through the operating committee (see Guidance Notes).

Included with this letter are, in addition to the Guidance Notes, sample forms that the Kingdom Hall Operating Committee and congregation can use as a guide. These sample forms are not intended for your direct use, but are provided solely as an example of a suitable format that you may wish to use. Please keep all of these in the congregation's file with other letters related to accounts.

We hope the information enclosed will help to answer your questions relating to your obligations as a registered charity. Should you have further questions, please write to us rather than telephone as this helps us to give a better service to congregations generally. We commend you for your fine efforts to comply with these legal requirements.

Your brothers,

Watch Tower B. & J. Society
OF BRITAIN