



'COMMUNITY AMATEUR SPORTS CLUB'

Support Pack



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What is a CASC?

A 'CASC' or Community Amateur Sports Club was introduced as a structured scheme in April 2002. It enabled local amateur sports clubs to register with HMRC and benefit from a range of tax relief's including Gift Aid, without the formality and paperwork associated with being a charity.

It is well recognised that sports clubs play a valuable role in their communities and society as a whole. The CASC scheme recognises this important role by distinguishing between clubs and businesses for rates and tax purposes, ensuring money is kept in sports clubs.

The significant advantage of the scheme is that both facility (Dedicated) and non-facility (Non-Dedicated) owning clubs can realise benefits by becoming CASC registered.

What kind of clubs can register as a CASC?

Sports clubs must be formally constituted so that the conditions of the CASC scheme become binding on the members and their governing committees. This means that clubs wishing to apply for CASC status will need to look carefully at their constitutions, to make sure these fit in with the CASC requirements before they apply to HMRC.

Sample constitutions are available through this BG CASC support guide. The conditions for becoming a CASC are easy to meet. Your club must fit in with these in practice, as well as having these as requirements in the club rules. Your club must:

-  Be open to the whole community (open to all without discrimination, including membership, facilities and fees/cost)
-  Be organised on an amateur basis i.e. no payments made to gymnasts and non-profit making

Example 1. A cricket club pays a member for his services as a groundsman. The rates of pay are reasonable and negotiated at arms' length. This would be acceptable.

Example 2. An amateur football club pays two professional players to play in a league. In addition to their playing duties the two players have coaching and development roles with the club's junior squads which are open to all, regardless of ability. Again, this would be acceptable.

Example 3. A rugby club fields three teams that play in league tournaments. The first team players are engaged on full-time professional playing contracts. Whilst they are required to undertake a small number of promotional activities, they do not have any coaching or junior development roles. This is unlikely to be acceptable for a CASC.

-  Have as its main purpose providing facilities for, and promoting participation in Gymnastics
-  Be a constituted group with a dissolution clause (see example constitutions and dissolution clause section)
-  Meet the location requirement (established in a member state or relevant territory i.e. The UK)
-  Meet the management condition (fit and proper person/people running the club (when relating to items such as anti-fraud, ID theft, tax misrepresentation etc.).

(These requirements are provided in further detail on the HMRC website www.hmrc.gov.uk/casc/casc_guidance)

Benefits of a CASC

-  **80% mandatory business rate relief.** Local authorities can offer up to 100% relief to clubs at their discretion. However the local authority contribution is most likely being phased out over the next 2-3years due to cost saving measures and the current economic climate.
-  **The ability to raise funds from individuals under Gift Aid.** A registered CASC can reclaim up to 25p in every £1 donated. This applies specifically to donations and **NOT** sponsorship. It can include, but is not limited to, equipment, facility donation and the donation of services such as plumbing etc..
-  **JustGiving** for Sports Clubs **scheme** enables CASCs to raise money through the JustGiving website. This includes free membership for the first year worth £180. This is aimed at helping clubs raise money online and making it easier for them to take advantage of Gift Aid on donations. All administration and financial work for Gift Aid on donations is also done through JustGiving (subject to an administration charge in the amount you can reclaim).
-  **CASCs are exempt from Corporation Tax** on profits derived from trading activities if their trading income is under £30,000 pa.
-  **Profits derived from property income are also exempt** for CASCs if gross property income is under £20,000 pa, of particular relevance following the abolition of the nil rate band.
-  **Profits derived from bank and building society interest and Capital Gains Tax are also exempt**
-  CASCs whose income does not exceed these thresholds will no longer be required to complete an **annual Corporation Tax return.**

Did you know?

Relief on business rates alone is estimated by the Chancellor of the Exchequer to be worth £2,000 per year. Whilst this only benefits facility-owning clubs, non facility-owning clubs can still significantly benefit from Gift Aid , support through Just Giving and exemption from Corporation Tax.

Just Giving

Sport England partnered with JustGiving in 2009 with the twin aims of getting more of JustGiving's 700,000+ users playing regular sport and to increase both the number of Community Amateur Sports Clubs (CASCs) and the amount of funds raised on their behalf.

The benefits of the partnership with JustGiving to registered CASCs include:

-  The waiving of the £15-a-month registration fee
-  The ability to raise money more easily, quickly and efficiently
-  The burden of claiming GiftAid (an extra 25p for every £1 raised) is removed. JustGiving do all of the administration – saving time and money
-  Payments are made weekly and directly into club bank accounts
-  Help and advice from JustGiving's experienced helpdesk
-  Access to JustTextGiving – a free text donation service allowing clubs to create their own text codes to receive funds e.g. CLUB99

And the cost?

Just Giving charge a 5% administration fee on the benefit realised to you as a club.

For further information on the partnership and how it can benefit you and you're your club please contact your local club development co-ordinator. Details of who this is can be found on the British Gymnastics home page.

Potential Drawbacks?

Registration with HMRC - Normally this involves changing the club's constitution. Once it has become a CASC, a club cannot undo the process. ([See FAQ section](#))

Compliance with CASC Rules - The club must continue to comply with CASC rules and stringent criteria. This compliance will need to be under continuous review, particularly as the club progresses or grows, and a serious transgression of CASC status could lead to an investigation by HMRC into claimed tax relief and possible de-registration from the scheme leading to tax disadvantages.

Open Membership - The club must allow anybody to become a member, unless they would be a disruptive influence, or the level of facilities means that the club cannot physically accept any more members i.e. the club is at capacity for membership.

Amateur Players – Your club must be amateur therefore gymnasts cannot be paid, although they can receive their away travel expenses.

Case Study

Club – Abingdon Gymnastics Club

Disciplines – General Gymnastics / Pre-School / Women's Artistic / Men's Artistic

Venue – Privately owned purpose-built facility

Members – Approx 150

Abingdon Gymnastics Club was formed in 1976. Affiliated to both the Oxfordshire Gymnastics Association and British Gymnastics. They were awarded GymMark, showing a safe, effective and child friendly club, and more recently became registered as a Community Amateur Sports Club and have since been reaping the rewards.

How long did it take to become 'CASC' registered and how easy was it?

It only took us a couple of months to complete the process after we'd made the decision to go ahead. It was very straightforward to do with support and examples available online.

Is there anything to be aware of?

There are very strict rules on what you can and can't do as a CASC. Make sure you understand and are comfortable with these.

We did have to take a couple of goes at changing our constitution due to the very precise wording necessary and would advise checking this thoroughly before submitting the application.

(Further advice and support on constitution amendments can be found in this support pack on pages 7 and 8, or by contacting your local development co-ordinator)

What benefits have you realised from the scheme?

We get 80% rate relief for the club and another discretionary 10% from our local council (we had to ask for it and complete application forms separately to applying for CASC status), which saves us almost £7,000 each year alone. We also don't have to pay any corporation tax. At the moment we don't use Gift Aid but we will be looking into it next year.

Would you recommend becoming 'CASC' registered?

Yes. You should be happy that it's the right thing for you and your club set-up, but after 3 years we've yet to find any negatives from being a 'CASC'.

Constitution Amendment Examples and Dissolution clause

This section of the support pack will provide you with a Dissolution Clause that has been written to standardise constitutions for CASC clubs. It also will provide some example and guidance clauses that can be added into a club's constitution to support a CASC club application.

“Upon dissolution of the club any remaining assets will not be distributed or otherwise shared between the members of the club but will be transferred to another registered CASC, a registered charity or the sport's governing body for use by them in related community sports”

Even slight deviations from this precise wording may mean this requirement is not met. (Dissolution Clauses that include the repayment of grants are accepted, but once that grant has been repaid then the residual surplus must be distributed as outlined above).

CASC Model Clauses

Purpose and Object

'The purposes of the Club are to promote and provide facilities for participation in, the amateur sport of Gymnastics in [insert area eg. Barnet]'

Membership

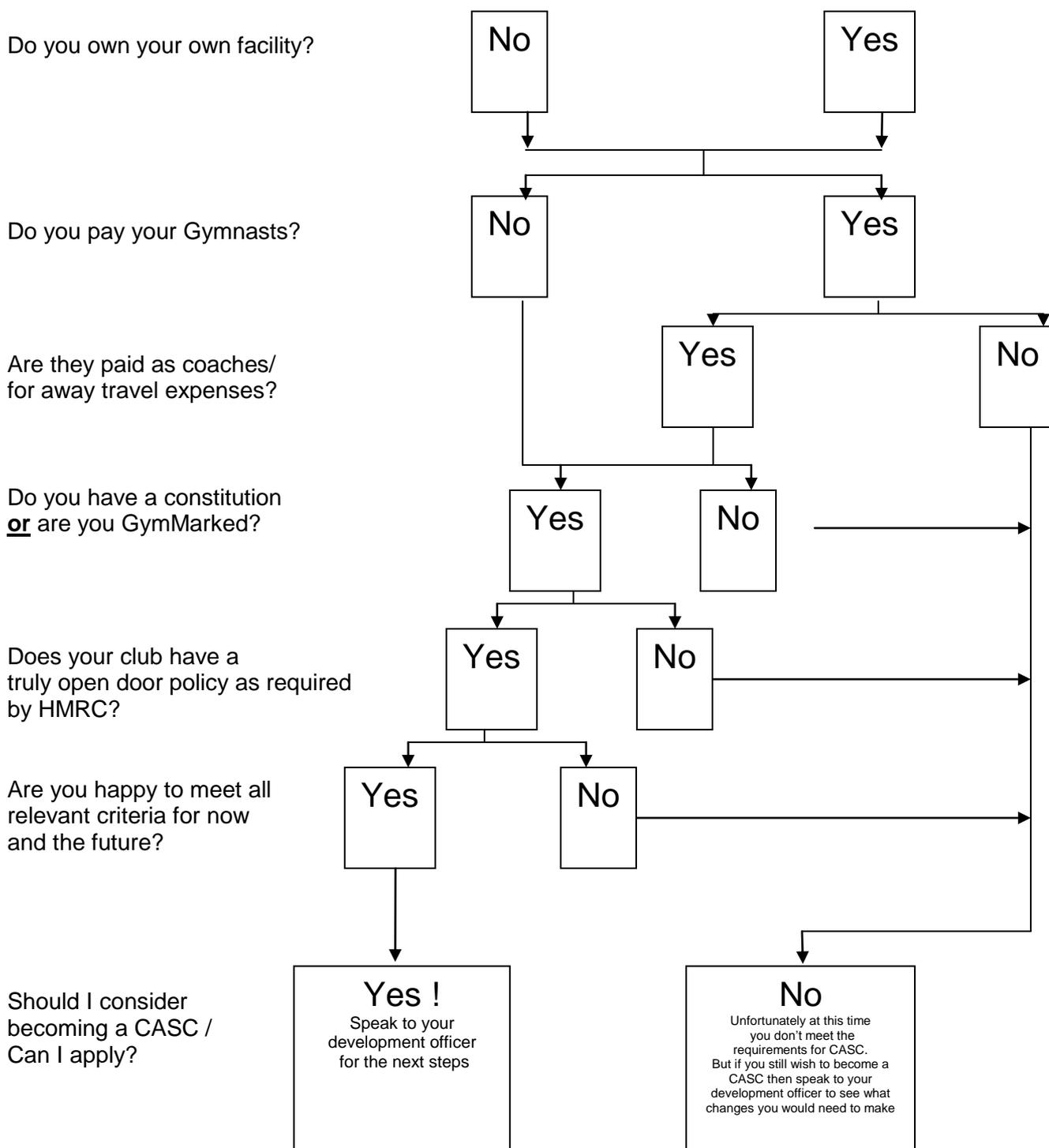
- (a) Membership of the Club shall be open to anyone interested in the sport on application regardless of sex, age, disability, ethnicity, nationality, sexual orientation, religion or other beliefs. However, limitation of membership according to available facilities is allowable on a non-discriminatory basis.
- (b) The Club may have different classes of membership and subscription on a non-discriminatory and fair basis. The Club will keep subscriptions at levels that will not pose a significant obstacle to people participating.
- (c) The Club Committee may refuse membership, or remove it, only for good cause such as conduct or character likely to bring the Club or sport into disrepute. Appeal against refusal or removal may be made to the members.

Non-Profit Making

All surplus income or profits are to be reinvested in the club. No surpluses or assets will be distributed to members or third parties.

Should I consider applying / Can I apply?

This flow chart will provide you with a few basics of what is required of your club to become CASC registered. Although this does not cover all the points of becoming CASC registered, it should give you a good idea whether your club should consider applying or can apply.



How to Apply

Entering the CASC scheme is a decision that should not be taken lightly. For some clubs, joining the scheme may not be the best option. So it is essential for you to gain additional advice and information before making your decision.

All the relevant documents for your application to become a CASC can be found at the following link, it also provides you with guidance notes, which we strongly advise you to use whilst completing your application.

<http://www.cascinfo.co.uk/applyingforcasc/cascdocuments>

Links for further support

For more specific CASC club support contact your local Club Development Co-ordinator or alternatively;

CASC Info Website for the general overview of the scheme
www.cascinfo.co.uk

Specific HMRC CASC Guidance
www.hmrc.gov.uk/casc/casc_guidance.htm#1

Current UK sports clubs registered as a CASC
www.hmrc.gov.uk/casc/clubs.htm

HMRC Info on Gift Aid
<http://www.hmrc.gov.uk/individuals/giving/gift-aid.htm>

JustGiving Website (For Sports Clubs)
<http://charities.justgiving.com/justgiving-for-sports-clubs/>

Sport and Recreation Alliance
<http://www.sportandrecreation.org.uk/>

Running Sports
<http://www.runningsports.org/>

Frequently Asked Questions

Are CASCs charities?

A registered CASC cannot be recognised as a charity for tax purposes. However, it is open to any sports club which is not a registered CASC to apply to the Charity Commission or other charity regulator to be registered as a charity as an alternative. Clubs proposing to seek charitable status should not apply for CASC status.

If you are already registered as a Charity and apply to become a CASC you will no longer be entitled to operate as a Charity.

Comparison of a Charity and a CASC– [CLICK HERE](#)

Further and more in-depth answers to this question can be found on the following HMRC link www.hmrc.gov.uk/casc/casc_guidance.htm

What if we operate as a Multi Sports Club?

Not all of the different structures will qualify for CASC purposes.

Integrated single entity

i.e. a single club run by a single Management Committee (MC) that admits and removes members, organises the sporting activity and manages the property and financial affairs of the club.

This type of club **can be accepted** by HMRC as a CASC, provided that it meets the statutory criteria, including having an appropriate constitution.

Single entity with integrated sub-sections

Here the club has a single MC that is responsible for running the club. The MC delegates responsibility to different sub-committees to organise the various different sports and may also choose to delegate responsibility for admitting members to their sections.

This type of club can **generally be accepted** by HMRC as a CASC, provided that it meets the statutory criteria.

Lead or 'mother/hub' club with independent affiliated clubs

Here your club may own and manage the facilities, but allow affiliated clubs to use its facilities.

Each individual club would need to decide whether to register as a CASC in its own right. The lead club would benefit from mandatory non-domestic rates relief if registered.

Each affiliated member club **can each be accepted** by HMRC as a CASC, provided that it meets the statutory criteria.

'Mother/hub' club with affiliated member clubs

Where the mother club has no individual membership, but has as its members the affiliated clubs (ie it is a club of clubs), then it **will not be accepted** that the 'mother' club can register as a CASC, though the affiliated clubs will be able to apply for CASC status.

This structure does not comply with the CASC requirements as membership is only open to organisations (the affiliated clubs) and not to individuals. It is therefore not open to the whole community.

Further and more indepth answers to this question can be found on the following HMRC page www.hmrc.gov.uk/casc/casc_guidance.htm

Can we de-register from being a CASC?

There is no provision in the legislation for a club to de-register. **Once a CASC always a CASC.** Before applying to be a CASC, members need to be agreed, that what they really want is to maintain the club for the continuing use of the community. If members have one eye on selling off the ground for building a supermarket and sharing the profits, then CASC status is not for them. If a CASC ceases to operate, its assets would have to be passed on, in accordance with the legislation, to another CASC, the governing body of an eligible sport or a charity; they would not go back to the members.

Is a CASC status best for me?

Your club can form numerous structures in order for it to operate, and before you make a decision on which one is best for you make sure you have considered all the options and read up on the pros and cons of a CASC status before going ahead. You can get further advice from your local development co-ordinator or obtain separate legal advice on the matter. The Business Support Pack on the BG home page runs through each status in brief for you to gain further information on the subject.

Is there going to be a large amount of paperwork involved?

As with any change in governance or status of a club there is a certain amount of paperwork that needs to be completed before you become a CASC club. However you can gain further support in writing your application from your local development co-ordinator. Rest assured that any extra time taken to complete the application can be cancelled out by the potential benefits realised by becoming a CASC registered club.