

**THE IMPACT ON ROUNDHEGIANS RFC LTD OF HMRC CHANGES TO REGULATIONS
FOR COMMUNITY AMATEUR SPORTS CLUBS (EFFECTIVE APRIL 2016)**

1 **There is now a much stricter definition of “participation”.** Members are deemed to be “participating” (a) if they play a qualifying sport regularly (defined as on at least 12 occasions in a year, counting both match-play and training), or (b) if they are active in volunteer roles that *directly* support the sporting activity.

Volunteer engagement needs to be “regular and substantial” (what this means in practice is not clearly explained, but it seems reasonable to work on the same basis as for playing ie the volunteer activity should happen on at least 12 occasions in a year or to the time-equivalent of that, approximately 12-18 hours in a year)

“Participating” volunteer roles can be any of the following: acting as a committee member; coaching; team management; acting as a first-aider (must have a qualification); helping maintain pitches, managing or helping with match-day activities or tournaments; acting as referee, touch judge or fourth official; maintaining pitches; carrying out match-day support tasks such as setting out post protectors and respect barriers, acting as safety marshalls, or looking after equipment)

2 **Members who are not regular players or active volunteers must be classed as social members.** One implication of this is that annual subscriptions for social members attract VAT. Another is that HMRC consider that social members should be full members ie they should have voting rights. If they do not, then revenue from this source would have to be treated as non-member income.

3 The fundamental CASC stipulation that **at least 50% of members must be “participating”** remains. One effect of the several changes is that we will no longer be able to enrol both parents of junior players as members, because this would jeopardise the required balance.

4 In order to prove that our revenue from non-member sources does not exceed the threshold at which we would need to pay corporation tax, **we are now required to distinguish clearly between member and non-member income.**

LICENSING CONSIDERATIONS

5 We operate under a Club Premises Certificate, which means our sales must be to members, or to guests of members on a limited number of occasions (up to six occasions in a year). We are allowed to sell alcoholic drinks on match days to members of visiting clubs and to their *bona fide* supporters, who are classed as “associate members” for licensing purposes. Sales to associate members have to be treated as non-member income.

6 **We are aware that a number of Senior Rugby players and a few non-playing members have not paid/renewed their membership subscriptions.** This may be because of forgetfulness, or because a renewal notice did not reach some individuals at the start of the season. However, the position is that **if you have not paid your annual subscription you are not a “member” and if you are not a member then you are not entitled to buy alcoholic drinks from the bar, except on a limited number of occasions as a visitor or guest.**

The non-payment of subscriptions is an issue for another reason: it is not fair on paid-up members that non-members should benefit from comparatively low prices offered to members, especially when they do not contribute in a volunteer role.

7 We are therefore introducing a **new till system** which will enable us to distinguish clearly between member and non-member income. We will also operate a different pricing tariff. **Paid-up members will pay a discounted price, but non-members will pay a higher price.**

The discount on offer to paid-up members will vary at times. There will be a standard discount of 10-15% depending on the product. From 1st April this is set at a level that protects paid-up members from the supplier's increases which were imposed in January. There will also be a series of promotions and special offers through the year. The system enables us to track all transactions so we can use that information to give additional rewards to the members who make most use of the bar.

We think this combination of privileges should clearly reward Loyalty to the club. The more often you use the bar facilities, the greater the benefit to you and the greater the value of your membership subscription.

Over the next two weeks we will issue paid-up members with a Loyalty Card. This will need to be presented to bar staff when buying drinks, so that they can allow the discounted price. **No card, no discount. No exception.** Anyone who has not paid the current annual subscription will have to pay the higher non-member price. Also, since they will not have a card to present, bar staff will know they are not paid-up members.

8 Loyalty cards will have an expiry-renewal date which allows a period of grace at the start of the next subscription year. The next annual subscription must be paid within that period (by 26 September 2016) to keep the benefit of the discount.

To avoid issuing cards that will not be used, we need to know which **Badminton members** use the bar facilities. We will then issue them with cards. The same applies to **Junior Rugby parents**, some of whom are entitled to have cards because they are active volunteers, some of whom would need to join as social members in their own right.

Since the discount only applies to alcoholic drinks, there is no point in issuing cards to Junior Players.

9 **Members of the Karate club** are allowed to use the bar because they are members of a recognised sporting club who use the facilities only on training/competition nights ie they class as associate members. If members of the Karate club want to join as social members to benefit from the discounted prices and to use the club on other occasions, they are welcome to do so.

10 **Non-members and signing-in.** During the week, anyone who has not paid the current subscription (and is therefore not a member) will be asked to sign a visitors' book. Our rules allow a visitor to be signed in on up to six occasions. Once that limit is reached, the membership subscription must be paid.

Stafford Smart
Chairman
For The Council of Management

21 March 2016