

03 March 2015

To all Club Secretaries

### **Payment to anyone providing support / services to your Hockey Club**

As the world of sport continues to develop into a place where payment for casual or employed work is increasing, Hockey Wales would like to ensure that our member clubs are aware of their responsibilities and potential risks that paying individuals may cause. We are also keen to ensure that we protect the voluntary nature of our sport and the many thousands of volunteers that run our game week in, week out across Wales.

Hockey Wales has been made aware that HMRC are working more closely in the sports sector and will be identifying sports and their clubs over the next 12 months with a view to ensuring clubs are operating appropriately in relation to payment of individuals.

The purpose of this letter is to raise awareness and provide some guidance to our clubs. Our advice is to be aware of the following:

- **Bookkeeping** – a club should ensure it has evidence of day to day bookkeeping that details who has paid what to the club and should ensure that it is producing acceptable end of year accounts, independently verified by an external qualified accountant, and subsequently approved by members at the AGM
- **Club Status** – if they are not a limited company, the club committee should be aware that they could be personally liable for any tax bill if the club is unable to pay – it is therefore critical to ensure relevant records are maintained (for at least 7 years) and all payments are made appropriately
- **Non-member income** – a club should be aware that member income (e.g. affiliation fees) is not taxable, whereas non-member income is. It is recommended that any club that has significant non-member income (for example sponsorship, gifts) should consider registering as a CASC (Community Amateur Sports Club) club, thereby giving themselves a tax free allowance of £30,000 non-member income. More information can be found about CASC here - <http://www.cascinfo.co.uk>
- **Payments to self-employed workers** – a club needs to ensure that their workers would pass the self-employment guidelines, failure to do so could result in them being declared employees and the club liable for any unpaid tax/penalties/interest. <http://hockeywales.org.uk/about/how-can-we-help> and then see 'HMRC tax and NI issues'
- **Payments to volunteers** – clubs should ensure that it is only paying approved expenses and that those expenses are 'out-of-pocket' expenses only. Any other form of payment may be deemed to be a payment for services and tax could then be an issue. It is recommended to ensure a claim form is used for expenses and relevant receipts are retained by the club
- **Payments to casual workers** – clubs should ensure that it completes the required paperwork for casual workers and ensures that said workers do not turn into employees because of the pattern or regularity of the work provided by the club. Clubs should also tax said workers at source via a payroll if the workers are working elsewhere

- There is a 'employment status calculator' available on the HMRC website which is a useful tool to help determine, this is available at - <http://www.hmrc.gov.uk/calcs/esi.htm>
- **Payments to children** – clubs should ensure that it has a work permit for each child it pays. Failure to do so could result in a maximum fine of £1000 per child.

### **Club Life**

As part of the Club Life support to Hockey Wales clubs, we will be adding a new section to Club Life that will summarise the above and provide a series of templates and guidance sheets for clubs to use. You can access these resources here - <http://hockeywales.org.uk/play/club-life>

The following documents are available:

- Guidance document to help determine employment status
- Template for those that are employees
- Template for those that are casual and hourly paid people
- Template for those that are self employed

### **Training and Support**

We are conscious that the responsibility of getting legal and employment/tax matters right can be daunting. To assist clubs with this, the Welsh Sports Association have made available a free workshop for club members to attend across Wales. Details of these workshops are below:

23rd March 2015: Metropole Hotels, Llandrindod Wells, LD1 5DY

24th March 2015: Eirias Park, Colwyn Bay, Conwy, LL29 7SP

Fuller details of the workshop can be accessed here ([Tax forms\How to Pass a Tax Inspection - Workshop 2015 - clubs.pdf](#))

If there is a demand from clubs beyond these workshops please let us know and we will endeavour to find a solution to help.

If you have any specific queries you think we may be able to help with please contact your Regional Delivery Manager as a first point of contact:

North – Debra Barker ([debra.barker@hockeywales.org.uk](mailto:debra.barker@hockeywales.org.uk))

South West – Amanda Roberts ([amanda.roberts@hockeywales.org.uk](mailto:amanda.roberts@hockeywales.org.uk))

South East – Richard Jones ([richard.jones@hockeywales.org.uk](mailto:richard.jones@hockeywales.org.uk))

I hope this resource is of assistance to you.

Yours sincerely



**Helen Bushell**

Chief Executive Officer