

Newcastle Diocese Supporting Treasurers

Session Notes Feb 2021

A prayer for Treasurers

Almighty and everlasting God, by whose Spirit the whole body of the Church is governed and sanctified: hear our prayer which we offer for all treasurers in your church, that in their vocation and ministry they may serve you in holiness and truth to the glory of your name; through our Lord and Saviour Jesus Christ, who is alive and reigns with you, in the unity of the Holy Spirit, one God, now and for ever. Amen

Contents

1. The Treasurer’s role	2
2. Annual Parish Return of Finance	3
3. Annual Accounts.....	5
An exemplar template for PCC accounts	5
Receipts and Payments Accounts.....	5
3. Parish Share.....	6
4. Bookkeeping and record keeping.....	7
5. Cash payments, cheques and internet banking.....	9
6. Fees for occasional offices, bellringers and organists.....	10
7. PCC Policies Financial, Reserves and Risk.....	14
8. Budget and Cashflow forecast	18
9. Charity Law.....	20
10. Parish Buying.....	21
11. Planning PCC agenda items for Treasurer’s Report	22
12. Continuing Support	23

1. The Treasurer's role

Source: [the Treasurer's role - Parish Resources](#) [Parish Resources](#)

The role of a treasurer is a very important one. Not only will thousands of pounds flow through the Church's funds, but the PCC is also an independent charity, and will need to conform to Charity Commission guidance. Appointing a treasurer is a significant step for both the PCC and the individual, and it should be properly thought through. The treasurer does not need to be an accountant – it's important that a potential treasurer has both the honesty and enthusiasm to want to do the job, and some of the following skills and characteristics would be helpful:

Skills and Characteristics

- Reasonable financial competence, and the ability to maintain a basic accounts book.
- Have an understanding of the parish, its needs and challenges.
- Have a basic understanding of how the parish fits into its wider Deanery, Diocesan and national church contexts.
- Willingness to attend PCC meetings, not only to deal with financial matters, but also in order to be aware of the PCC's plans.
- Be in harmony with the PCC, the parish priest and the wider church.
- Be able to explain financial issues clearly, both within the PCC and to the general church membership.
- Be able to maintain confidentiality, particularly with respect to matters that relate to individual church members; e.g. their personal giving.
- Meet the wider requirements of the Charity Commissioners for all trustees: i.e. not disqualified by bankruptcy or by convictions for financial wrongdoing.

Although PCC members can be 16 or over, the bank is likely to require someone who is 18 or over. Since the role carries significant responsibility the PCC may also feel that it is appropriate to have someone aged over 18.

You may or may not have been a treasurer of an organisation before. For smaller churches, it in many respects is not dissimilar from keeping good control of household finances; whilst for the largest parishes greater understanding of some accountancy practice will need to be acquired. Most dioceses offer some training to new treasurers, and a good handover from the previous treasurer will cover much of what new treasurers will need to know.

Key Tasks for a Treasurer

The size and scope of the Treasurer's job will depend on the size and complexity of the Parish. But key tasks for Treasurers are to:-

- Carry out the financial decisions made by the PCC. The responsibility for both raising and spending money to meet the PCC's responsibilities lies with the PCC. The Treasurer implements their decisions.
- Draft an annual budget to assist the PCC to plan how it will fulfill its objectives for the coming year. Make use of a cashflow forecast
- Record all financial transactions carried out on behalf of the PCC and ensure they are properly authorised.
- Monitor the PCC's finances throughout the year, and alert the PCC if any difficulties are likely.
- Work with the PCC to meet all its financial obligations, especially Parish Share, clergy expenses and insuring the church buildings against fire, theft and public liability.
- Maintain, and set-up if needed, a book-keeping system.
- Prepare the annual financial statements for approval by the PCC and submission to the Annual Parochial Church Meeting, ensuring that they comply with current Charity Commission requirements. Send a copy to the Diocese, and complete the national financial information return.


And...

- Gift Aid claims – working with the Gift Aid secretary
- Listed Places of Worship Grant Scheme – for repairs and building projects
- Contracts for employed or self-employed organists
- Dealing with bellringers fees collected on their behalf
- Overseeing 'the count' for weekly/monthly offerings as well as fund raising events
- Carbon footprint reporting

2. Annual Parish Return of Finance

The Church of England Online Parish Return System [Parish Returns Online \(churchofengland.org\)](http://Parish>Returns/Online/(churchofengland.org)) The Online Parish Return System is to report Finances, Statistics for Mission and Carbon Footprint information.

1. **Parish Finance Return** – PCC treasurer Submit figures for year end 31 Dec 2020 by **18 June 2021** using Parish Returns Online.

 Return of Parish Finance January to December 2020	Parish Name:		If the form is NOT completed for the entire parish, please list below the churches included:	Parish Code (6 digits):	
				Deanery:	
				Diocese:	
30 Are your accounts Receipts and Payments [] OR Accruals [] ? (indicate ONE)					
RECEIPTS/INCOME	UNRESTRICTED (nearest £)	RESTRICTED (nearest £)	PAYMENTS/EXPENDITURE	UNRESTRICTED (nearest £)	RESTRICTED (nearest £)
Voluntary giving			Costs of generating funds		
1 Planned giving			17 Costs of fundraising activities		
3 Collections at services			Church activities		
4 All other giving and voluntary receipts, including special appeals (recurring and one-off)			18 Mission giving and donations		
6 Gift Aid recovered (planned giving and one-off donations)			19 Diocesan parish share contribution		
7 Legacies received (capital value)			20 Salaries, wages and honoraria		
8 Grants (include recurring and one-off)			21 Clergy and staff expenses		
Total voluntary giving	£	£	Church expenses		
Activities for generating funds			22 Mission and evangelism costs		
9 Fundraising activities (gross proceeds)			23 Church running expenses (including governance)		
Income from investments			24 Church utility bills		
10 Dividends, interest, income from property etc.			25 Costs of trading		
Church activities			Major capital expenditure		
11 Fees retained by PCC (weddings, funerals etc.)			27 Major repairs to the church building		
12 Trading activities (gross proceeds), NOT fundraising			28 Major repairs to church hall/other PCC property including redecoration		
Other incoming resources			29 New building work to the church, church hall, clergy housing or other PCC property.		
13 Other receipts/income not already listed PLEASE NOTE BRIEF DETAILS IN BOX E			Other expenditure		
			99 Other payments/expenditure not already listed PLEASE NOTE BRIEF DETAILS IN BOX E		
Totals (from Financial Statements)	Unrestricted	Restricted	Totals (from Financial Statements)	Unrestricted	Restricted
A RECEIPTS/INCOME	£	£	C PAYMENTS/EXPENDITURE	£	£
B COMBINED TOTAL	£		D COMBINED TOTAL	£	
PLANNED GIVERS AND LEGACIES			CASH AND INVESTMENT BALANCES	UNRESTRICTED	RESTRICTED
14 Number of planned givers			31 Cash and deposit balances as at 31/12/20		
16 Number of new legacies received in year			32 Investments as at 31/12/20		
Please refer to the accompanying notes to help clarify what is included in each section. The item numbers refer to RPF notes, consistent with the guidance provided in <i>PCC Accountability</i> , 5th edn.	Name		Date		
	Position				
	Email or telephone				
Looking back across 2020, were there any exceptional circumstances (other than COVID 19) that may have led to unusual figures? Please provide details in this box.					

You can access the notes to help you with the completion of the return [Newcastle Diocese | Collecting Statistics for Mission \(anglican.org\)](http://Newcastle/Diocese/Collecting/Statistics/for/Mission/(anglican.org)) – look for finance return which will give you an excel spreadsheet if you want to use that before going online to submit the Parish Return of Finance, and the notes.

*****Note that the headings in the Parish Finance Return match the accounts template in the Annual Accounts Section, making the Return straight forward to complete*****

Other Parish Returns using Parish Returns Online

2. **Statistics for mission** – usually PCC secretary, sometimes clergy. Were due on 31 Jan 2021

3. **Carbon Footprint** – usually PCC treasurer

Carbon Footprint For information only at this stage.....**Carbon Footprint Reporting** (the energy footprint tool)

This is part of the Church of England's aim to go carbon net zero by 2030, in response to the climate crisis.

Adjustments are being made to the form which is why it is not currently on the Parish Returns Online or the Energy Footprint Tool (EFT) website. It is likely to be open in March 2021.

- The Energy Footprint Tool, which was a new tool last year, has been created for churches to calculate their carbon footprint and help them track their energy consumption and reduce carbon emissions.
- This will reopen, after amendments, most likely in March and can be accessed via Parish Returns Online
- You will need the PCCs energy bills in order to fill it in
- The tool provides the opportunity to fill in your church building's regular attendance numbers and footprint (in square meters), this information should be pre-populated but may need updating
- One of the quickest wins for reducing your church's carbon footprint is to switch to a renewable energy tariff, which they can do through Parish Buying Energy Basket <https://www.parishbuying.org.uk/categories/energy/energy-basket>

To find out more information on reducing a church's carbon footprint there are resources here: <https://www.newcastle.anglican.org/mission/environment/carbon-footprint-energy-buildings/>

Information on the tool:

<https://www.churchofengland.org/about/policy-and-thinking/our-views/environment-and-climate-change/about-our-environment/energy-footprint-tool>

3. Annual Accounts

An exemplar template for PCC accounts

For the exemplar see pages 6-8 of [Microsoft Word - Exemplar Report Mar 2014 \(parishresources.org.uk\)](https://parishresources.org.uk/microsoft-word-exemplar-report-mar-2014)

NB We have written to the Parish Resources team to update the Exemplar Report to include Safeguarding requirements and to include houses owned by the PCC at valuation, not cost. (For parish property only. Does not apply to Vicarages as they do not appear in PCC accounts)

- Receipts and Payments
- Statement of Assets and Liabilities Speaker: Keith Proudfoot

Question: Do your PCC accounts match the exemplar accounts form the PCC of St Emilion ?

PCC Accounts in a standard format.....

- Helps with the Parish Finance Return Online form
- Helps grant making bodies in their decision making when PCCs apply for grants.
- Helps PCCs to engage with the finances of the parish – all PCC members are trustees.
- Helps in good stewardship of PCC monies

Ensures that monies to be spent on charitable purposes are not accumulated over years and become dormant. Eg a fund exists for the 'Purchase of the milk maids aprons!' PCCs might have to ask the Charities Commission to release the restrictions on some funds.

Good presentation points (source: [PCC-Accountability-5th-Edition.pdf \(parishresources.org.uk\)](https://parishresources.org.uk/pcc-accountability-5th-edition.pdf))

Financial statements should be transparent so that nothing consequential is hidden or obscured, but as uncomplicated as possible so that they may be easily understood.

- Avoid too much detail

Detailed analyses of all the individual accounts, even in the smallest parishes, can be confusing. Only make reference to what is material and round all figures to the nearest pound.

- Summarise where possible

Summarising different funds in columnar format gives the reader a better overall picture. It also allows a reduction in the number of comparative figures.

- If preparing summarised financial statements

A non-statutory summary, derived from the full financial statements, may be produced to help parishioners understand the finances. There are no longer any rules about the preparation and publication of such summaries in the Charities SORP 2015, but as best practice this guide recommends that information about both the Statement of Financial Activities and the Balance Sheet should be included. However, the full annual report and financial statements should always be available.

- Put any necessary detail in the notes wherever possible

The reader is less likely to be confused by the details when looking at the overall picture.

Receipts and Payments Accounts

If the Gross Income of your PCC is less than £250,000 you can choose to prepare your accounts on a "Receipts and Payments" basis as shown [Microsoft Word - Exemplar Report Mar 2014 \(parishresources.org.uk\)](https://parishresources.org.uk/microsoft-word-exemplar-report-mar-2014) This is a simpler form of accounting which records money moving in and out of the PCC's bank accounts during the financial year.

Registering as a charity Source: [Excepted charities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/excepted-charities) NB it is excepted not exempt.

Some charities are 'excepted' from charity registration. **This includes PCCs with income under £100,000** This just means they don't have to register or submit annual returns. Apart from that, the Charity Commission regulates them just like registered charities and can use any of its powers if it needs to. A charity is excepted if its income is £100,000 or less and it is in one of the following groups: Check the rules if your PCC income is over £100,000 or is likely to be over £100,000 in any calendar year.

3.Parish Share

[PSRG Final Approved by Synod.pdf](#)

There will be more information regarding the processes for the agreements for parish share available in due course.

The following is an extract from a letter sent out by Phil Ambrose

The budget for 2021 agreed by the Diocesan Synod has been set using the Parish Share request for 2020 as a baseline. In line with last year we will issue a statement (invoice) directly from our accounting system.

In October 2020, parishes were asked to indicate if they could:

- (a) offer more in 2021;
- (b) seek to achieve the same request as had been asked of them in 2020;
- or (c) need to offer a lower amount than the 2020 request.

The statements we are issuing are in line with responses to the budget consultation and fall into three types:

1. For those parishes aiming to contribute to the same request that was made in 2020, this is the amount that will be shown on your statement for 2021.
2. For those parishes able to offer a higher contribution you will see your baseline 2020 Share plus the additional amount you have offered. The two amounts make up the Parish Share for 2021. The total should correspond with the amount you advised in the consultation.
3. For those parishes who needed to offer a lower amount in 2021 we have created a contingency fund to maintain your overall Parish Share at the same amount as requested in 2020. Therefore, your statement will show: (i) the baseline request as the 2020 amount; and (ii) a second amount being a credit from the contingency fund. The net amount is the request to the Parish for 2021. This should correspond with the amount you advised in the consultation.

4. Bookkeeping and record keeping

[Microsoft Word - TG2 financial procedures.doc \(parishresources.org.uk\)](https://parishresources.org.uk)

- a. **Notes to the accounts** – bookkeeping should always be helpful in preparing the accounts, using only headings found in the accounts, both on the receipts and payments page and the notes to the accounts.

See page 8 [Microsoft Word - Exemplar Report Mar 2014 \(parishresources.org.uk\)](https://parishresources.org.uk)

b. Choosing an appropriate system for bookkeeping

Pen and paper/book

Excel spreadsheet

Software eg MyFundAccounting, Quickbooks etc

- c. **Spreadsheet example.** Excel template is in separate file.

If you must, and only if you must, the pages can be unprotected to allow editing using the password Support.

The headings match the budget, accounts and the Parish Finance Return.

Remember to avoid too much detail when reporting.

d. Grants - mostly restricted

- PCC has to agree to set up a restricted fund
- depends on conditions of the grant
- always include in the notes and give credit to the funders who gave the grant.
- Government Furlough Grants

Include the grant as unrestricted if payments to furloughed staff are from unrestricted funds.

If the PCC is using a restricted fund, eg with project funding, then show the furlough grant in the restricted fund.

Include a note in the accounts regarding the grant received.

- e. **Bank reconciliation** [Microsoft Word - TG2 financial procedures.doc \(parishresources.org.uk\)](https://parishresources.org.uk)

f. Financial Policy

Example overleaf

PCC will decide and agree on the limits for each category. To be reviewed annually.

Financial Policy – authorisation and procedure requirements.

PCC of

Policy agreed by PCC Date.....

Assuming budget has been set,

Expenditure to be matched to budget heading.

Where expenditure is likely to exceed the budget heading, the PCC will discuss before any authorisation for payment can be made. Best to do in advance of ordering items or commission work.

<u>Amount</u>	<u>Authority required</u>	<u>Procurement process</u>
< £500	Treasurer or Chair/Lay Chair of PCC or a churchwarden	One quote/estimate, often from internet. Treasurer arranges payment for claims for regular recurring expenditure where invoices/receipts, or a summary are given to the treasurer eg candles, wine, light bulbs, clergy expenses (summary)
£501 - £2,000	2 of any of Treasurer or Chair/Lay Chair of PCC or a churchwarden	One quote or estimate, except if special reasons for fewer agreed
£2001 - £5,000	Standing committee	Two quotes, except if special reasons for fewer agreed
> £5,000	PCC	Three quotes, except if special reasons for fewer agreed. Tendering process often through architect and linked to Faculty process.

Bank Signatories/Authorisation

2 out of 3 signatures required for cheques and authorisation of BACS payments. Requires a PCC decision. Signatories authorised by PCC and completed bank mandates - 2 Churchwardens and treasurer

Name:

Office held:

Date of PCC meeting

5. Cash payments, cheques and internet banking

a. Minimise cash transactions

- Avoid petty cash (Milk for coffee might be the only cash taken from donations)
- Cash handling - the count - segregate duties, always two people, use the safe
- Cash payments – minimise - no cash to pay staff, organists
- Bellringers – collect fees on their behalf, avoid cash. Agree with Tower Captain
- Cheques – two signatories. Never sign cheques in advance.

Two signatories/authorisation reduces the risk of payments following scam e mails, prevents fraud, reduces financial risk.

- Internet banking – two people to login in to authorise
- Church debit/credit card – not recommended

The treasurer will keep a record of all receipts (income) and payments – these are a mixture counting sheets, letters, e mails, invoices, till receipts, notes of phone calls etc.

Copies of invoices for work done under the faculty system are copied to be filed in the Church Log Book, Inventory or Terrier – the work of churchwardens.

b. Example Counting Sheet

Income and Banking Sheet – the parish/benefice of St XXXXXX

Date

	Notes	£	00
Planned Giving Envelopes Gift aided			
Planned Giving Envelopes not under Gift Aid			
Plate Collections at services			
Donations and special appeals			
Fayres			
Coffee Mornings/bookstall etc			
Fees for funerals etc			
Fees for Weddings			
Magazine sales			
Collections at funerals (include % for other charities)			
Total			
Total Cash			
Total Cheques			
Total Banked		£	-

Signature of counter 1

Signature of counter 2

Date banked

6. Fees for occasional offices, bellringers and organists

Occasional offices/Parochial fees

a. Change in legislation 10 years ago!

The legislation relating to parochial fees underwent extensive revision by the General Synod in 2011. The Ecclesiastical Fees (Amendment) Measure 2011 made the following changes to the legal framework relating to parochial fees:

- Replaced of the incumbent's fee by a fee payable to the diocesan board of finance;
- Established a list of services and other matters in respect of which parochial fees may be prescribed;
- Archbishops' Council given power to prescribe fees (including increases) for a period of up to five years;
- Express power to prescribe what costs and expenses are included within the statutory fees.

The full table of fees can be found here <https://www.churchofengland.org/resources/clergy-resources/national-clergy-hr/life-events-parochial-fees-and-guidance> It is updated annually, usually in December.

- b. It is helpful for clergy and treasurers to use a summary of fees for conversations with funeral directors when booking funerals and wedding couples when booking weddings. The summary can also be useful to provide a list of relevant fees for invoices or e mails requesting payments.

This includes DBF and PCC fees as well as fees for organists, choirs and vergers and should be updated annually – usually at the PCC (or standing committee) in December or early January.

Summary of fees 2021						Date and names of bride and groom	
Prepared by JN Jan 2021							
	2021 Funerals in church	2021 Funerals at crem	Baptism Certs	2021 banns	2021 Weddings		
2021 Fees						2021 Fees	
Fee to Diocese						Fee to Diocese	
Funerals	108.00	168.00				Marriage	211.00
Marriage					211.00	Fees to PCC	
Burial or crem on separate occasion	56.00					Banns publication	0.00
Fees to PCC						Banns cert	0.00
Funerals	91.00	31.00				Marriage service	253.00
Burial or crem on separate occasion	14.00					Marriage cert	11.00
burial or crem before/after service	29.00					Sub total	475
Baptism Cert			15.00			Organist	110.00
Banns publication				31.00	31.00	Organist extra work if ch	0.00
Banns cert				15.00		Verger	40.00
Marriage service					253.00	Total	625.00
Marriage cert					11.00		
Sub total	298	199	15	46	506	Heat and light (Sept – April inclusive)	60.00
						Max total	685.00
Travel	10.00	10					
Organist	110.00				110.00		
Organist extra work if choir							
Verger	40.00				40.00		
Total	458.00	209.00	15.00	46.00	656.00		
Recording DVD etc fee to organist							
Heat and light (say Sept – April inclusive)	60.00				60.00		
service with heating	518.00						
Choir	200						
Conductor for complex music							
Bells before and after - if requested					0		
Max total	718.00	0.00	0.00	0.00	716.00		
NB Marriage cert is £11 at other times (fee to PCC)							
Collections 90% to charity if requested							
Minimum 8 singers, maximum 12 singers							
Where couples request music for more than 15 singers then an additional £25 per singer will be charged.							
BACs payment please use sort code xx-xx-xx, account number xxxxxxxx payable to NNNNNNName of bank account							

c. Crem Funeral Fees

1. In the Diocese of Newcastle, The Board of Finance (DBF) agreed to donate £31 (2020) to parishes for crem funerals. This will be reviewed annually by the DBF. This is not the case for every Diocese.

2. The £31 is **not** to be shown as the receipt of a fee in the accounts but as a donation.
Crem Fee of £199 (2021) is shown in bookkeeping as £168 Collected on behalf of the DBF and paid to the DBF and £31 donation in receipts.

3. Crem Fees when 'retired' clergy officiate
When retired, formerly stipendiary, with Permission to Officiate (PTO) clergy take funerals and weddings, they make claim 80% of the DBF fee collected by the parish.

They should be asked to claim via e mail from the treasurer.

No fees for services can be claimed by retired clergy who were not formerly stipendiary or Readers.

All officiants can claim expenses for travel etc and should be paid in full.

Crem Fee bookkeeping in this case is :-

	£
DBF Crem fee collected by parish	199.00
Less donated by DBF to parish	(31.00)
Sub total	168.00
80% claimed and sent to 'retired'	134.4
To DBF	33.60

Which Parish collects the DBF Fee?

In most cases the fees are collected by the parish where the deceased lived as Funeral Directors arrange the funeral with the parish clergy or churchwardens in an interregnum or holiday periods. This is the case too where parish clergy provide cover for each other.

Occasionally, a Funeral Director will contact an officiant directly (Clergy, Readers or others with a licence to take funerals) , in this case the fee might be collected by the parish where the officiant habitually worships.

d. **During an interregnum – see [PAYMENT FOR SERVICES \(d3hgrlq6yacptf.cloudfront.net\)](https://d3hgrlq6yacptf.cloudfront.net)**

See above b.3 regarding 'retired' officiants at weddings and funerals.

e. Example of Return of Fees to the Diocese.

A Word document 'Record of Fees' can be found at [Newcastle Diocese | Parish Fees \(anglican.org\)](http://Newcastle Diocese | Parish Fees (anglican.org))

In addition, an excel document will be available on the site. It will look like the following where only the number of services have to be inputted and can be used as a nil return. It is awaiting an accuracy check and bank details.

Diocese of Newcastle 2021 Parochial Fees Return							
Parish:		Parish/church Ref:					
Benefice:	Month	Or quarter end	31st Mar	30th Jun	30th Sep	31st Dec	
(Please indicate as appropriate)							
Are fees due? YES/NO *delete as appropriate		Standard Fee Payable to DBF			Reduced Fee Payable to DBF**		TOTAL DUE to DBF
Fee Type	Standard Fee (£)	No. of Items	£	Reduced Fee (£)	No. of Items	£	£
Marriages							
Marriage Service in Church	211		0	70		0	0
Funerals, Cremations & Burials							
Service in Church							
Funeral							
Funeral taking place before or after burial or cremation	108			36		0	0
Churchyard - preceding or following church service							
Burial of body	14			4		0	0
Burial or other*	14			4		0	0
Cemetery - preceding or following church service							
Burial of body or burial/other*				9		0	0
Cremation preceding or following church service							
Churchyard - on separate occasion							
Burial of body			0	14		0	0
Burial or other*			0	14		0	0
Cemetery - on separate occasion							
Burial of body or burial/other*			0	19		0	0
No Service in Church							
Funeral service incl burial of body at graveside	108		0	36		0	0
Funeral service incl burial or other* in churchyard	108		0	36		0	0
Funeral service at crematorium/cemetery	168		0	35		0	0
Funeral service at funeral directors premises	168		0	35		0	0
Cremation preceding/following service at funeral directors premises	29		0	9		0	0
Burial of body in churchyard (committal only)	42		0	14		0	0
Burial of ashes in churchyard or other* (committal only)	42		0	14		0	0
Burial of body or other* in cemetery (committal only)	29		0	9		0	0
Monuments							
All monuments and Inscriptions	14		0				0
Other Fees Payable							
Surrogate/Special Licence Fee	52		0				0
		BACS	CHQ			Total Due:	0
(Please indicate as appropriate)							
*lawful disposal of cremated remains		**Fee due to DBF if officiant is retired, previously stipendiary, clergy with PTO					
Fees Treasurer (Print Name):				Signature : (Type SIGNED if submitting via e mail)			
Telephone Contact No.:				Date :			
E-mail Address:							
Notes:							
Please make cheques payable to: Newcastle Diocesan Board of Finance							
and send to The Finance Department, Diocese of Newcastle, Church House, St John's Terrace, North Shields, NE29 6HS							
Alternatively, a bank transfer can be sent to: Newcastle Diocesan Board of Finance							
Sort Code: ??????, Account No.: ????? quoting your Parish/Church Fees Reference No.							
Completed forms may be sent to the above address or e-mailed to ??????????????????							

f. Record keeping for fees

Example of e mail sent out when a funeral is booked.

NB some funeral directors are now asking for an invoice from the parish before making direct banking payments for the funeral. Providing them with a confirmatory e mail showing the amount of fees may speed up internet payments to parishes.

Funeral Details	
Parish/Church
Name of deceasedDate of death
Funeral Director
Date of funeral Church...../Crem
Next of Kin e mail.....
Officiant Retired clergy? yes/no
Organist
Verger
Permission to include in prayer list YES/NO	
Funeral collection/donations/.....
Fee £.....	
Travel expenses, included in the above fee £.....	
Music/Hymn choices for organist (to follow, if not known)	
E mail to	
<ul style="list-style-type: none">• Officiant• Treasurer• Verger• Organist• Pewsheets for prayers	

When fees returns are due to be sent to the Diocesan Board of Finance, the treasurer checks with clergy to ensure that the number of funerals, weddings, etc is correct.

7.PCC Policies Financial, Reserves and Risk

a. PCC Financial Policy - Example PCC will decide and agree on the limits for each category.

PCC of

Policy agreed by PCC Date.....

Assuming budget has been set,

Reviewed date.....

Expenditure to be matched to budget heading.

Where expenditure is likely to exceed the budget heading, the PCC will discuss before any authorisation for payment can be made. Best to do in advance of ordering items or commission work.

<u>Amount</u>	<u>Authority required</u>	<u>Procurement process</u>
< £500	Treasurer or Chair/Lay Chair of PCC or a churchwarden	One quote/estimate, often from internet. Treasurer arranges payment for claims for regular recurring expenditure where invoices/receipts, or a summary are given to the treasurer eg candles, wine, light bulbs, clergy expenses (summary)
£501 - £2,000	2 of any of Treasurer or Chair/Lay Chair of PCC or a churchwarden	One quote or estimate, except if special reasons for fewer agreed
£2001 - £5,000	Standing committee	Two quotes, except if special reasons for fewer agreed
> £5,000	PCC	Three quotes, except if special reasons for fewer agreed. Tendering process often through architect and linked to Faculty process.

Bank Signatories/Authorisation

2 out of 3 signatures required for cheques and authorisation of BACS payments. Requires a PCC decision.

Signatories authorised by PCC and completed bank mandates - 2 Churchwardens and treasurer

Name:

Office held:

Date of PCC meeting

b. Reserves policy [Microsoft Word - Exemplar Report Mar 2014 \(parishresources.org.uk\)](https://www.parishresources.org.uk) Page 3

Example: It is PCC policy to try to maintain a balance on unrestricted funds which equates to at least three months unrestricted payments. This is equivalent to £15,000. It is held to smooth out fluctuations in cash flow and to meet emergencies. The cash balance of £10,450 held on unrestricted (including designated) funds at the year end, together with the amounts payable to and by the PCC, was less than half of this target. It is the PCC's hope to increase this over time, as and when investment income recovers. The balance of £17,050 in the Fabric restricted fund is retained towards meeting the cost of the nave roof repairs detailed above. It is our policy to invest £5,000 of our fund balances with the CCLA Church of England Deposit Fund, and the remainder in the CCLA Church of England Investment Fund.

[How to set a reserves policy for your charity - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Your reserves policy should set out:

- how much the PCC needs to hold in reserve and why
- how and when your PCC reserves can be spent
- how often the reserves policy will be reviewed

You can set aside enough money to meet a potential need, such as an unexpected drop in income. If you set aside money for a specific purpose (a restricted fund) , such as building works, make it clear that this is separate from the charity's general reserves.

Review annually to ensure that you are not setting aside too much or too little.

Reserves Policy pro forma

Reserves Policy PCC of Financial Year 20??			Date reviewed and agreed by PCC
	Reserve Amount (Max) £	Potential Need	Steps being taken to reach the max reserve
General Fund		An average of 3 months unrestricted payments	Will improve when investment income increases.
Fabric Fund	Fund balance at start of year £ , expected to increase/decrease by £	Eg Roof repairs	
Other restricted funds			
	Where held/deposited	Target Balance of funds in investment	
Investments	CCLA/ CBF / COIF/ Other	£	

For information [The CBF Church of England Investment Fund | CCLA](#)

b. Risk Policy – legally required only by PCCs who require an audit of the accounts (more than independently examined)

Source: edited from [Charities and risk management \(CC26\) - GOV.UK \(www.gov.uk\)](#)

PCCs can face a wide variety of risks which could affect their beneficiaries if not dealt with properly.

A risk is any event that could prevent a charity achieving its aims or carrying out its strategies. Some risks charities can face include:

- damage to the charity's reputation
- receiving less funding or fewer public donations
- losing money through inappropriate investments
- change in the government's policy on a particular issue, affecting grants or contracts

Risk category	Examples
Governance risks	<ul style="list-style-type: none"> • inappropriate organisational structure • trustee body lacks relevant skills or commitment • conflicts of interest
Operational risks	<ul style="list-style-type: none"> • lack of beneficiary welfare or safety • poor contract pricing • poor staff recruitment and training • doubt about security of assets
Financial risks	<ul style="list-style-type: none"> • inaccurate and/or insufficient financial information • inadequate reserves and cash flow • dependency on limited income sources • inadequate investment management policies • insufficient insurance cover
External risks	<ul style="list-style-type: none"> • poor public perception and reputation • demographic changes such as an increase in the size of beneficiary group • turbulent economic or political environment • changing government policy
Compliance with law and regulation	<ul style="list-style-type: none"> • acting in breach of trust • poor knowledge of the legal responsibilities of an employer • poor knowledge of regulatory requirements of particular activities (eg fund-raising, running of care facilities, operating vehicles)

Financial risks

Potential risk	Potential impact	Steps to mitigate risk
Budgetary control and financial reporting	<ul style="list-style-type: none"> • budget does not match key objectives and priorities • decisions made on inaccurate financial projections or reporting • decisions made based on unreliable costing data or income projections • inability to meet commitments or key objectives • poor credit control • poor cash flow and treasury management • ability to function as going concern 	<ul style="list-style-type: none"> • link budgets to business planning and objectives • monitor and report in a timely and accurate way • use proper costing procedures for product or service delivery • ensure adequate skills base to produce and interpret budgetary and financial reports • agree procedures to review and action budget/cash flow variances and monitor and control costs • regularly review reserves and investments
Reserves policies	<ul style="list-style-type: none"> • lack of funds or liquidity to respond to new needs or requirements • inability to meet commitments or planned objectives • reputational risks if policy cannot be justified 	<ul style="list-style-type: none"> • link reserves policy to business plans, activities and identified financial and operating risk • regularly review reserves policy and reserve levels
Cash flow sensitivities	<ul style="list-style-type: none"> • inability to meet commitments • lack of liquidity to cover variance in costs • impact on operational activities 	<ul style="list-style-type: none"> • ensure adequate cash flow projections (prudence of assumptions) • identify major sensitivities • ensure adequate information flow from operational managers • monitor arrangements and reporting
Dependency on income sources	<ul style="list-style-type: none"> • cash flow and budget impact of loss of income source 	<ul style="list-style-type: none"> • identify major dependencies • implement adequate reserves policy • consider diversification plans

8. Budget and Cashflow forecast

- Begin with the previous years accounts
- Take into account plans for the parish
- Start with regular commitments eg Parish Share, Insurance, Utilities, Wages
- Increase by at least inflation? Decrease where saving are made and planned giving is set to increase

Budget example

	Actual 2013	Budget 2014	Difference between actual and budget	Reason inflation Uses 3% for inflation
Voluntary receipts				
Planned Giving	29400	32282	2882	2 new regular donors giving £2k in total
Collections at services	9900	10597	697	Campaign for weddings to increase from 2 to 6 , say £100 per wedding
All other giving/voluntary receipts				
Donations	7500	7725	225	
Legacy	1000	0	-1000	Not known
Gift Aid recovered	8700	9200	500	2 new regular donors under Gift Aid
Activities for generating funds				
Parish mag advertising	1100	1100	0	no increase planned
Summer Fete and Christmas Fayre	2400	2500	100	
Investment Income	5550	5550	0	expected to be static
Church Activities				
Fees for weddings and funerals	400	1400	1000	Campaign for weddings to increase from 2 to 6 , £253 per wedding
Parish mag sales	1100	1100	0	no increase planned
Rent - let on curate's house	3900	4017	117	Curate arriving but Diocese will contribute
Total Receipts	70950	75471	4521	
Payments:				
Church Activities				
Parish Share	41500	50000	8500	PCC agreed increase
Clergy and staffing costs	1900	2000	100	
Church Running Expenses				
Sunday School teacher training	1000	500	-500	Course coming to an end
Organ inspection	0	0	0	from organ fund
Costs of services	2950	3400	450	
Printing and stationery	1100	1133	33	
Church building running expenses	4700	4841	141	
Parish Mag printing	1800	1500	-300	new supplier - reduce quote
Church repairs and maintenance	3900	1900	-2000	Painting done in 2013
Hall Running Expenses	1200	3200	2000	Painting quote £2000
Mission giving and donations				
CMS	1200	1200	0	
Southern Africa Famine Appeal	2700	1350	-1350	reduced to 2012 level
Childrens Society		1350	1350	Mission giving agreed by PCC from Christmas collection
Cost of Generating Funds	500	500	0	no increase expected
Total Payments	64450	72874	8424	
Excess of receipts over payments	6500	2597	-3903	

Cash flow forecast example, uses budget heading

Cash flow forecast 2014	Budget 2014	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Opening Balance		400	278	1131	469	2506	359	47	3436	889	227	265	1068	400
Planned Giving	32282	2690	2690	2690	2690	2690	2690	2690	2690	2690	2690	2690	2690	32282
Collections at services	10597	850	850	850	850	950	950	950	950	850	850	850	850	10597
All other giving/voluntary receipts														
Donations	7725	644	644	644	644	644	644	644	644	644	644	644	644	7725
Legacy														
Gift Aid recovered	9200	2300			2300			2300			2300			9200
Activities for generating funds														
Parish mag advertising	1100	275			274			275			275			1099
Summer Fete and Christmas Fayre	2500							1200					1300	2500
Investment Income	5550	463	463	463	463	463	463	463	463	463	463	463	463	5550
Church Activities														
Fees for weddings and funerals	1400	33	33	33	33	283	283	283	283	33	33	33	33	1400
Parish mag sales	1100		110	110	110	110	110	110	110	110	110	110	110	1100
Rent - let on curate's house	4017	335	335	335	335	335	335	335	335	335	335	335	335	4017
Total Receipts	75471	7589	5124	5124	7698	5474	5474	9249	5474	5124	7699	5124	6314	75470
Payments:														
Church Activities														
Parish Share	50000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000			50000
Clergy and staffing costs	2000	158	158	158	158	158	158	158	158	158	158	208	208	2000
Church Running Expenses														
Sunday School teacher training	500			125			125			125			125	500
Organ inspection	0													
Costs of services	3400	850				850			850				850	3400
Printing and stationery	1133	94	94	94	94	94	94	94	94	94	94	94	94	1133
Church building running expenses	4841		1610			1110			1010			1110		4841
Parish Mag printing	1500		150	150	150	150	150	150	150	150	150	150	150	1500
Church repairs and maintenance	1900	158	158	158	158	158	158	158	158	158	158	158	158	1900
Hall Running Expenses	3200	100	100	100	100	100	100	100	2100	100	100	100	100	3200
Mission giving and donations														
CMS	1200												1200	1200
Southern Africa Famine Appeal	1350												1350	1350
Childrens Society	1350	1350												1350
Cost of Generating Funds	500							200					300	500
Total Payments	72874	7711	7271	5786	5661	7621	5786	5861	9521	5786	5661	1821	4386	72874
From Deposit Account			3000						1500					4500
To Deposit Account											2000	2500		4500
Closing bank balance		278	1131	469	2506	359	47	3436	889	227	265	1068	2996	2996

Notes

Balance on deposit of £20650 as at 1.1.2014 includes **£4750** unrestricted funds

During the year transfers from the deposit fund of £4500 will be required for cashflow but will be transferred back to deposit in Oct and Nov.

Extract from Mission Action Plan

For 2014, the PCC agreed a Mission Action Plan with 4 main areas

Growing church, bringing hope

Target 1: increase wedding from 2 per year to 6 per year

by: Joining in with the C of E Wedding Project to increase the number of weddings.

Publicising in the mag, Facebook, website

Sending stories to the Diocese

Building relationships with the local hotel which has 50 weddings per year.

Building relationships with wedding couples and their families

Target 2. Mission Giving Increase our mission giving by promoting Christmas collections

Target 3. Hall use We will redecorate the hall to a good standard (cost £2000)

We will start a monthly lunch club and a monthly film afternoon

For all new initiatives, we will find ways to say 'Come and you will see' John and invite, invite, invite

Target 4. Giving initiatives We will make invite one of the Diocesan Generous Giving Team to talk to the PCC

9. Charity Law

Although many PCCs have income lower than the limit to register as a charity and are exempted from registration by virtue of being a PCC, each PCC should follow appropriate charity law.

This inevitably means adhering to **other laws, policies and guidance too eg accountancy, employment, health and safety, safeguarding, safer recruitment, discrimination etc.**

a. Employment law

This might be relevant for PCCs who pay organists, bellringers, vergers, cleaners and others

Employed or Self-employed or a Worker

An employee has a **contract of service**

Someone who is Self employed has a **contract for services**. (service means what they provide/do, not a Church Service!)

Self-employed Source: [Types of employment status: Checking your employment rights - Acas](#) NB ACAS cannot legally determine the status.

You're usually classed as self-employed if you:

- are responsible for how and when you work
- are the owner of a company or are a freelancer
- invoice for your pay
- get contracts to provide services for clients
- are able to send someone else to do the work for you, if appropriate
- are able to work for different clients and charge different fees
- do not get paid holiday or sick leave

If you are self-employed you have some employment rights including:

- protection for your health and safety on a client's premises
- protection against discrimination

If there is a contract you can use [Check employment status for tax - GOV.UK \(www.gov.uk\)](#) to check whether or not someone is employed, self-employed or a worker.

b. £1,000 Trading Allowance: [Tax-free allowances on property and trading income - GOV.UK \(www.gov.uk\)](#) [This might apply to organists, choir directors, bellringers and cleaners who are self-employed.](#)

From 2017: You can get up to £1,000 each tax year in tax-free allowances for property or trading income from 6 April 2017. If you have both types of income, you'll get a £1,000 allowance for each.

If your annual gross property income is £1,000 or less, from one or more property businesses you will not have to tell HMRC or declare this income on a tax return. You may be required to complete a tax return for other income.

If your annual gross trading income is £1,000 or less, from one or more trades you may not have to tell HMRC, however there are circumstances when you must register for [Self Assessment](#) and declare your income on a tax return.

Records must be kept.

c. TUPE and cleaning contracts – either contract of service or contract for services

If the PCC employs cleaners or uses a cleaning company, TUPE is likely to be relevant when changes are made.

TUPE stands for The Transfer of Undertakings (Protection of Employment) Regulations 2006.

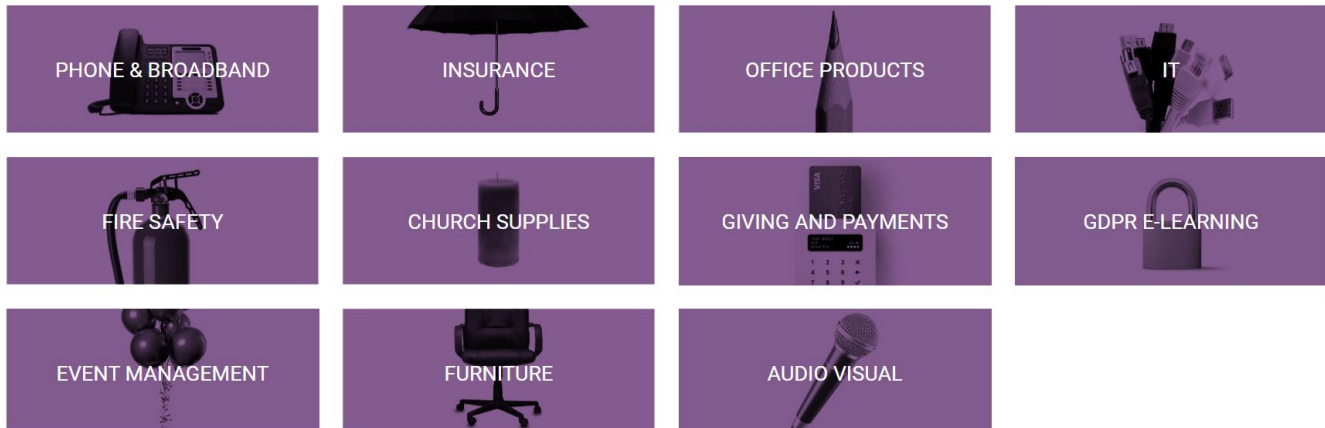
What does TUPE do?

TUPE is a government legislation that is designed to protect employees' rights, pay rates and hours, Ts and Cs, and continuous service when an employer changes in a service contract. [All You Need To Know About TUPE: The Clean Space Guide](#)

The Archdeacons are working to see if a standard contract for services can be a Diocesan wide template for self employed organists, choir directors etc. If in doubt, contact your Archdeacon

10. Parish Buying

[Parish Buying - Parish Buying - Buy together Save Together](#)



Examples: Energy – over 5,700 meters in the scheme and an Oil contract in place.

The Generous Giving Team [Newcastle Diocese | Generous Giving \(anglican.org\)](#) or Contact Joanne Christie j.christie@newcastle.anglican.org

Generous Giving
Forms of generosity
Volunteering Hub
Fundraising
Sustaining donations (COVID-19)
Generous Giving Newsletter
Giving reviews
Contactless giving
Legacy giving
The Generous Giving Challenge
Parish Giving Scheme
Digital giving (COVID-19)
Preaching and teaching
Volunteering opportunities (COVID-19)
Top tips for good stewardship
Meet the team

And, finally

11. Planning PCC agenda items for Treasurer's Report

Template for PCC Agenda

There will be a meeting of ??? Parochial Church Council on ??? at Time?? The meeting will be held in Place.... Or via Zoom and will end by Time.....

AGENDA

1. Opening prayer
2. Apologies
3. Minutes of the meetings held on ???, previously circulated.
4. Matters arising not on the agenda
5. Churchwardens fabric matters
 - a. Measures in place to keep the church and hall covid secure
 - b. To consider a quotes for work
 - c. Outstanding matters on QI Report.
6. Treasurer's report, attached
 - a. Parish Share update
 - b. Update on finances
7. Hall
8. Mission Action Plan - update
9. Worship
 - Review of (could be last major festival in the life of the church) What went well?
 - Music
 - Plans for upcoming festivals
10. Sunday School Report, attached
11. Pastoral Group Report, attached.
12. Deanery Synod Report, attached/no meeting to report
13. Safeguarding update from PSO, report attached
14. AOB - to be notified to the Chair in advance
15. Date of next meeting(s)

Agenda Item Treasurer's Report - Every meeting – update on parish share, bank balances and highlight issues.

Add the following to the Treasurers Report section of the agenda when appropriate.

Nov/Dec PCC meeting ? Preparations for the following year.

- i. Agree payments to organists, choir directors, bellringers and vergers for following year
- ii. Budget prepared and agreed from PCC plans for the following year(s)
- iii. Cashflow forecast prepared from budget (update actual from previous year)
- iv. Update fees using Archbishops Council fees (Published in Dec)

Jan/Feb PCC meeting ? Getting ready for the APCM (APCM must be before 31 May)

- i. PCC approve accounts and Annual Report for the previous year ended 31 Dec (NB the narrative is for the period to the date of the APCM) - to be sent to Independent Examiner
- ii. Review Financial Policy and agree any changes
- iii. Review Reserves Policy and agree any changes

NB , included for completeness, Safeguarding Policy to be reviewed

12. Continuing Support

We aimed to give treasurers and incumbents confidence in the Governance of PCCs in relation to finances, by

- a. the introduction of a receipts and payments set of accounts template which should be an exemplar in the Diocese (not over £250K etc)
- b. understanding how to record receipts and payments with an audit trail and reduction in cash payments
- c. refreshing knowledge of fees - occasional offices, organists, bellringers and to flag up employed, self-employed and workers.
- d. reiterating and embedding the changes in the parish share system

Documents will be available on the Diocesan website to support treasurers, clergy and lay chairs to increase the confidence of PCC members in financial matters.

1. A link to the template for the **Annual Report and Accounts** which match the Parish Finance Return [The Annual Report - Parish Resources](#) (NB as at Feb 2021, this is to be updated to include Safeguarding and an update about valuation of houses owned by parishes)
2. A template for excel **spreadsheet for bookkeeping** with headings that match the Annual Report above and the possibility of a Diocesan wide computer programme package for accounts. MyFundAccounting.
3. A template **budget and cashflow spreadsheet** for the PCC
4. A pro forma to help with the **Reserves Policy**
5. A template for the **return of DBF fees** in Excel in addition to the existing Word document
6. A template for **keeping records for funerals** – used by clergy and treasurers

Continuing Support Phil Ambrose and Gillian Green at the Diocesan Office are there to help. We have had offers from some who have attended the Supporting Treasurers Sessions who are willing to help treasurers.

We record our grateful thanks too to Shane Waddle, Phil Ambrose, Peter Brown, Keith Proudfoot and Robin Brims for their help and support in providing the Supporting Treasurers Sessions.