

Third quarter newsletter 2009

Dear Colleague,

Welcome to the new look Treasurer's Newsletter. I'd like to thank all of you who were able to join us for the workshops this year. I hope they were just as informative and useful to you as they were to us. It is always nice to meet people who we often communicate with via the phone or email and see ideas and experiences being shared not just between you and us, but between parishes.

For those of you who weren't able to make this year's workshop, the presentation is available to download from our website (www.gloucester.anglican.org). As always, if you have any comments about the timing of the workshops, please let us know as we do try to make the workshops as accessible as possible, to as many people as possible.

This newsletter contains a number of questions which came up during the workshops that we'd like to share with you. If you have any other questions or require help in any way, please contact us and we will be happy to assist you.



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Giving for life

The Parish Giving Scheme has been through a robust pilot process and is now ready to be launched officially to all the clergy in our diocese on the 3 November at the Clergy Training Day held at Cheltenham Racecourse. Just as a reminder the Parish Giving Scheme is a tool for all who wish to support the life of their church through regular committed giving.

The scheme will be presented in the context of the wider diocesan objective to encourage the effective communication of both our activities and resources to further engage people in 'church' and subsequently in the act of giving.

The scheme has been supported heavily by both our Diocesan and Suffragan Bishop and all clergy, churchwardens and treasurers can expect to receive a letter during the month of November with information about how your church can get involved. A considerable amount of thought and expertise have gone into developing a range of resources created specifically to help parishes to introduce this new method of giving through an event called 'GIVING FOR LIFE'. The main reason for introducing this new tool of giving through an event is because it provides you with a wonderful opportunity to:

- **Teach and preach** – giving in response to God, giving in response to need and giving thanks.
- **Communicate** - opportunity to reiterate or communicate for the first time your vision and mission for the church.
- **Discuss** – look at how the church is funded 'today' and how important regular giving is to its survival and growth.
- **Share** – helping people to assess how much they give to church.
- **Raise awareness** – highlight the importance of why inflationary giving to the church is essential.

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Introducing this tool through an event such as the proposed 'GIVING FOR LIFE' makes it so much more than being just about an administrative switch from one method of giving to another. It provides your community with a unique opportunity for people to reconnect with the vision and future of your church. By understanding the 'need' you can get them to consider reviewing their current level of giving and their commitment for the future.

The Parish Giving Scheme would be ideal for all those who currently give in a regular or planned way either by standing order or envelopes and will be suitable for any church member who would like to support your parish church in a regular, ongoing way.

After you receive your letter from Bishop Michael a pack will be sent directly to every parish towards the end of November. Advice and guidance will be given in both these communications about how you will need to proceed if you wish to take part in the scheme. However if you can't wait that long and wish to join the 50 parishes who have already expressed an interest in offering the scheme to their congregations, please visit this web link:

<http://www.gloucester.anglican.org/finance/trusts/giving/> and download the expression of interest form and return it to me at hliley@glosdioc.org.uk or Parish Giving Scheme, Church House, College Green, Gloucester, GL1 2LY. Alternatively please call me on 01452 835522.

Helen Liley

Parish share 2010

By now your Deanery should have been in touch with you about your Parish Share for 2010. Details of your Benefice's cost for the 2010 was sent to Deaneries in July this year, and we are expecting allocations to be sent back to the Diocese by the end of October.

The reason behind the October deadline is so that not only can we amend and set-up new Direct Debits for the beginning of January, but so we can present a realistic position of 2010 income to Synod in November. This of course allows us to be proactive with any saving we can make as opposed to being reactive at the end of 2010, and drawing on reserves which will ultimately reduce the amount of income we receive from investments and so increase Parish Share in future years.

If you haven't received anything from your Deanery, we suggest that you get in touch with your Parish Share Deanery representative as soon as possible.

Parish share 2009

The Diocese's shortfall at the end of August was 7.96% (compared with 8.09% with August 2008). August tends to be a low month for contributions with people being away, but this year wasn't too bad with contributions at just under £403k. The average contribution needed for an even cash flow is £457k for 2009, which has only been met once this year in July. What this means is that instead of an expected shortfall of £1.8m at the end of August, the Diocese had a shortfall of £2.3m. This difference of £500k is effectively equal to the cost of 10 full-time stipendiary priests.

Types of funds

Just a quick note to remind you and your PCCs of the various types of fund your accounts may contain, and what they actually mean.

Endowment: Endowment funds mean that the capital of the donation/gift cannot be spent, but that any income generated can. Most endowments are through legacies and have a restriction on what the income can be used for.

Should you have an Endowment fund with an income of less than £1,000 it can be wound up. This is a simple process, and you can speak to Joan Pugh for more details.

Restricted: Restrictions on funds can only be placed by the donor **not** the PCC, and they **must** be used for the restricted purpose. If the PCC is advertising that a particular collection or event is being held to raise money for a specific purpose, then all donations received are treated as restricted. In order to unrestrict a "frustrated" fund which you can no longer use for its original purpose, you will need to apply to the Charity Commission. Benjamin or Joan can advise you if you would like more details.

Designated: Designated funds are simply unrestricted funds which have been earmarked by the PCC for a specific purpose. They have **no legal status** and can in fact be used by the PCC for any other purpose. You do not need to keep a written document of how much money has been designated by the PCC, but we advise that it is noted in the PCC minutes for future reference.

Unrestricted: Unrestricted funds, more commonly referred to as General funds, can be used for any purpose of the PCC. We recommend that if at all possible, your PCC holds the majority of its funds as unrestricted.

Cashbook workshop

We will be holding a Cashbook workshop on the 19th November at 11am until 12.30pm in Church House. This workshop will be fairly informal and is primarily aimed at current users of the cashbook, to allow the sharing of ideas, problems and various ways that the cashbook is used. In previous years I have found this discussion invaluable in developing the cashbook, and I know treasurers who have attended have gone away with ideas of their own having discovered something they weren't aware of, or having shared a common problem with others and found a solution. If you are new to the cashbook, then you are also welcome to join us. Depending on numbers, I may extend the workshop on the 19th to allow an introduction to the cashbook, as well as the main discussion.

If you are interested in attending this workshop please contact me, stating whether you are a current user (i.e. someone who has used the Cashbook for either the majority of this year or in previous years), a fairly new user, or someone who hasn't used the Cashbook but is interested to see what it can do. Places will be limited so please contact me as soon as possible if you are interested in attending.

Fees

In our workshops this year, several questions were raised about church service fees and how to account for them.

Fees can be broken down into the following areas:

Statutory Fees: These fees are prepared by the Archbishops' Council and set by parliament for baptisms, marriages, funerals & burials, monuments in churchyards and ...

... searches in church registers. These fees can be found in the Table of Parochial fees which is released by the Archbishops' Council around November each year. They are replicated in our Diocesan form FIN012, which also breaks down the fee split for retired and house-for-duty priests.

These fees cannot be waived (even if a friend of the family is taking the service). There is no fee if the service is for a stillborn infant, or for an infant dying within one year after birth.

Casual Duty Fees: These are fees paid to 'casual duty' priests i.e. retired, house-for-duty, and Non-stipendiary ministers (NSMs) or Readers not assigned to the benefice for taking a service which results in a statutory fee being paid. The current guidelines state that retired priests are due 2/3rds of the stipendiary fee, house-for-duty priests are due 1/3rd of the fee, whilst visiting NSMs and Readers are not due any of the fee. If the PCC wants to pay a fee to an NSM or Reader, then this can't come out of the statutory fee. If a 'casual duty' priest wants to waive their part of the fee then technically they must receive the fee and then donate it back to the church or other party.

Occasional Duty Fees: These are fees payable to visiting clergy for a normal Sunday or weekday service. The fee is set at half the stipendiary fee for a Funeral service in church. For 2009 this is £27 (i.e. half of £54). This fee must always be offered to the visiting priest, but it may be waived. Note that the current policy recommends that NSMs and Readers are not due a fee, but this is at the discretion of the PCC. If the parish is in Interregnum or the current incumbent is on notified sick leave, the Diocese will reimburse any Occasional Duty fees and expenses paid to a retired priest for taking a service on a Sunday or religious festival day to a maximum

... of £27 fee per service (using the appropriate rate for the year the service was taken) and up to 40p per mile for expenses.

Extra Fees: These are set by the PCC and may be waived at the PCC's discretion. They may cover any manner of expenses that the PCC may incur in organising the service, such as the cost of vergers, bells, flowers, music or even special heating or videoing costs. We recommend that the PCC sets these extra fees at a sensible rate. Whilst this is a good source of extra income for your church, it does need to be balanced with what is a reasonable figure to ask from couples and families.

Year-end process

With the end of the year looming, it is a good idea just to go over your accounts during the next three months so that you don't have a huge job to do before the PCC meeting in 2010.

The general timetable once the year has ended is as follows:

1. Prepare the years accounts (note: this is the financial accounts. Strictly speaking it is the job of the PCC Chairman and Secretary to prepare the Annual Report, but we advise that the two are done in conjunction with one another).
2. Have the independent examination done, or if your PCC's income for the year was over £500k then an audit will need to take place.
3. The accounts go to the PCC for approval and signature.
4. The Independent Examiner, or Auditor, signs the accounts. Note: It is only after the PCC have signed the accounts that the Examiner or Auditor must sign.

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5. The accounts must be displayed for 7 days prior to the APCM. This just means that the accounts should be available to anyone who wishes to read them and a note on a notice board or similar place saying where the accounts can be found is acceptable.
6. The accounts are received by the APCM. Note: The APCM does not sign off the accounts, and the accounts cannot be changed after step 3.
7. The full Annual Report and Accounts must be sent to Church House within 28 days of the APCM.

If you have any questions about the year-end process, please contact us and we will be happy to help.

Registration of PCCs

All PCCs with an income of over £100k should have registered by the end of September. If you fall into this category and have not yet registered please call Benjamin Preece Smith at Church House.