



 THE CHURCH
OF ENGLAND

DIOCESE OF
GLOUCESTER

DIOCESAN CASHBOOK v.1.6

About the Diocesan Cashbook

The Diocesan cashbook has been developed as a simple way of recording receipts and payments, and tracking Gift Aid donations for the average PCC. It uses the information entered to produce a generic Receipts and Payments Account and Finance Return.

The cashbook has been produced using Microsoft Office 2000 Excel.

Cashbook Layout

The cashbook is divided into seven worksheets (which can be found at the bottom of the workbook).

Transactions

This is the main worksheet used by the cashbook. All PCC transactions are entered here, and this information is then used to populate the other worksheets.

Accounts List

This is a generic list of headings for all types of transactions. The code is entered into the *Transactions* sheet to represent the transaction type. A space is provided for any additional information the cashbook user wishes to note.

Balances

The various bank and cash accounts are entered here. The account code is entered into the *Transactions* sheet to represent the bank or cash account that is affected by the transaction. This sheet also gives current account balances and allows the user to reconcile with bank statements etc.

Parish Fund Codes

Similar to the *Accounts List*, this sheet allows the user to enter their own codes for different funds, special appeals, or anything else that the PCC may wish to keep track of, for example, which clergy expenses went to the Parish Incumbent and which expenses went to the Parish Curate. This code is then entered into the *Transactions* sheet.

Gift Aid

This sheet simply records regular gift aid donors, tracking donations made and giving monthly and annual totals.

Receipts and Payments

This is a generic Receipts and Payments account that is automatically populated by the entries in the *Transactions* sheet.

Finance Return

This produces the Finance Return as required annually by the Archbishops Council. It is automatically populated by the entries in the *Transactions* sheet.

How to use the Cashbook

Income

The cashbook is not designed to track every single incoming transaction (although it may be used to do this), but instead to record similar transactions, banked on the same date.

This is best described through the following example (duplicated on the cashbook):

- A Sunday service is held at which a collection is taken. This collection is made up of loose cash (£30) and Gift aid envelopes (£45). There is also a special appeal plate at the back of the church, which comes to £25. A cheque is handed to the treasurer after the service for £100, which goes to the same appeal.
- The PCC treasurer banks these amounts using the same paying-in slip on the following Monday, whilst also holding back £20 of the cash for sundry purchases later in the week.
- A single line in the cashbook is used for each transaction type, with extra details being added in the Transaction Details column. The date is filled in as per the date Cash held back or the date of the paying-in slip. The account code matches the account that the transaction affected, as entered in the *Balances* sheet.
- Type refers to how the transaction is classed. This must be one of three options U (for Unrestricted monies), D (for Designated monies) or R (for Restricted monies). In the example, three entries are unrestricted, but the appeal collection is restricted.
- The code refers to the transaction type, and matches the code listed on the *Accounts List* sheet.

- The P Fund Code is only used if the user wants to track the particular transaction by designating a unique Parish Fund Code and matches the code listed on the *Parish Fund Codes* sheet.
- These entries can now be tracked in the *Balances, Receipts & Payments* and *Finance Return* sheets.

Expenditure

Unlike income, it is recommended that all outgoing transactions be recorded, especially those affecting bank accounts.

The following example takes you through dealing with expenditure (duplicated on the cashbook):

- At the January PCC meeting it is decided to make the final payment of the 2006 Parish Share (£1,000). In addition, the Treasurer pays the heating bill for the last quarter (£240), and uses the cash in hand to buy some stamps (£10).

The same procedure is used as above, except the amounts are entered into Money Out, instead of Money In.

Reconciling the Cashbook

The cashbook is designed to record the transactions of a single year. At the start of every new year, a new cashbook must be opened and saved (preferably with a different name to the previous year).

The following example takes us through reconciling the cashbook (duplicated on the cashbook):

- The Treasurer receives the first bank statement for the year early in January and decides to reconcile the cashbook.
- On the bank statement it shows that there was an opening balance of £1,500, a closing balance of £1,640, and that cheque 0002 has cleared the account, along with paying-in slips 00002 & 00003.
- On the *Transactions* sheet, the Treasurer puts an ' x ' in the 'Rec' column against the transactions that have cleared. To make this easier, press the 'Sort List' button. This will sort the list first by account and then by date.
- On the *Balances* sheet, the Treasurer fills in the opening balances. The Treasurer realises that paying-in slip 00002 relates to something he banked at the end of 2006 and included in the 2006 accounts. Therefore, under 'Opening Balance' for actual balances, £1,700 is entered (being the actual amount carried forward from last years accounts).
- Under 'Opening Balance' for bank statement, £1,500 is entered (being the amount on the bank statement).

- £200 is entered under 'Unreconciled previous year' as the amount paid in on slip 00002, as it is not recorded on the Transactions sheet.
- Finally, £1,000 is entered in the 'Parish Share Balance - B/Fwd' box as the amount of parish share outstanding from 2006, and £4,000 is entered under 'Gross Current' as the amount due for 2007.
- The amounts can now all be reconciled with the bank statement and the cash in hand. £1,640 matches the bank statement, and £1,000 is still outstanding leaving the PCC a balance of £640 in the bank. £10 of the £20 cash has been spent and so the Treasurer has £10 left in hand.

Gift aid

It is important that Gift Aid donors are kept confidential and therefore the *Gift Aid* sheet does not automatically populate any other sheets.

The following example takes us through how this sheet is intended to be used (duplicated on the cashbook):

- There were two gift aid envelopes received in the Sunday collection, making the £45 that was banked.
- These came from Mr A Smith (£15) and Mrs P Jones (£30)
- These amounts are filled in next to the donors name under January, and the collection type of both is marked as 'Envelope'.
- The Treasurer has also received a standing order notification from Miss L Brown, that she intends paying £25 every two months starting in February. He fills in these details as well.
- Finally, the Treasurer reconciles the January balance with the balance on the *Receipts & Payments* sheet.

Transfers between funds (and using the Parish Fund Codes)

Transfers must be recorded on the Cashbook even if the money doesn't actually move from one Bank account to another. This is so that the PCC knows how much unrestricted, designated and restricted funds it has at any one time. This is done in the same way as entering income and expenditure, except the code used will be from the 36 to 41 range on the *Accounts List* sheet.

The following example takes us through a transfer between funds and shows how the Parish Fund Codes are intended to be used (duplicated on the cashbook):

- At the January PCC meeting, it was decided that a new appeal should be launched to repair the Church Bells. It was agreed that £500 of the PCC's general funds (i.e. unrestricted) should be designated to this fund to cover any initial costs whilst the main appeal was taking place.

- Because the PCC already have a special appeal running, and that the new Bell appeal would have a mixture of designated and restricted funds, the Treasurer decided to use the *Parish Fund Codes* sheet to separately identify these balances.
- On the *Parish Fund Codes* sheet, the Treasurer creates three codes, Tr for Tower appeal (restricted), Bd for Bell appeal (designated) and Br for Bell appeal (restricted). The Treasurer could have used just one code for the Bell appeal, but decided to keep the restricted and designated funds separate in case the PCC decides to undesignate the original £500 at any time.
- The Treasurer updates the *Transactions* sheet, adding Tr next to the collection for the Tower appeal.
- The Treasurer then enters the transfer details for the £500. The actual money will remain in the same bank account, so they make an expenditure entry using the code for the bank account, and use the type ‘ U ‘ and code 37 - “Transfer from general fund”. Then they make an equal income entry using the same bank account code, type ‘ D ‘ and code 42 - “Transfer to designated fund”.
- The Parish Fund Code, Bd, is entered next to the income entry, as this is the first payment into the appeal. Any future special appeal income can now be split between the Tower appeal and the Bell appeal using the Parish Fund Code, and any expenditure against these appeals can also be tracked by using the same code.

Printing

The cashbook is designed to be printed at anytime. The *Receipts & Payments* sheet can be used to show the PCC’s current position and where money has been gained and spent throughout the year.

- If the detail from the *Transactions* sheet is needed as a printout, this has also been designed to printout in a reasonable format. **Note: The *Transactions* sheet contains a lot of pages. Simply selecting print will waste a lot of paper. Please select File then Print, and choose the pages that you wish to print to save both ink and paper.**

Installation instructions for Windows 2000 and 95/98/NT

- Insert the CD into your drive.
- Go to Windows Explorer, either by double-clicking the shortcut on your desktop or by right-clicking the Start button and selecting Explore.
- Select your CD drive and double-click on the Diocesan Cashbook to open it.
- Once Excel opens, you should receive a warning telling you that this document contains macros. If not, then excel security settings are set to either high or low*.
- Select either 'yes' or 'enable macros'.
- Once the cashbook is open, select 'File', then 'Save as' and select the destination on your PC where the cashbook is to be saved.
- Note: The examples on the sheets must be deleted before using the cashbook. The examples are used in the 'how to use...' guide

*to check the security settings on excel for macros, open excel and select 'Tools' then 'Macro', then clicking on 'Security'.