



Training for Treasurers November 2017

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Deputy Diocesan Secretary

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Blackburn Diocese
The Church of England in Lancashire



HEALTHY CHURCHES TRANSFORMING COMMUNITIES



Plan for the day

- Archdeacon Mark
- Year End
- Data Developments
- Break
- Parish Share/DBF Fees
- Stewardship
- Parish Investments
- Statistics
- Lunch



After lunch, members of the team, as well as Stephen Hendy from Data Developments will be available to answer your questions

HEALTHY CHURCHES TRANSFORMING COMMUNITIES



The Year End

Stephanie Rankin
Parish Development
Resources Officer



HEALTHY CHURCHES TRANSFORMING COMMUNITIES

The Starting Point – the Treasurer’s Role

- Keep the books straight to maintain accounting integrity
- Manage the money ensuring sufficient to pay the bills
- Plan the finances to support the future work of the church
- Prepare Annual Financial Statements
- Open and transparent



Chapter 1 of blue ACAT Introductory Guide

HEALTHY CHURCHES TRANSFORMING COMMUNITIES

Annual Financial Statements – the end product



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What type of accounts should you prepare?

- If PCC annual income less than £250,000, Receipts and Payments Accounts are recommended
- If income over £100,000, must also Register with Charity Commission
- If PCC income over £250,000 then must prepare Accrual Accounts



Green Book “Charities Act 2011 and the PCC” covers Receipts and Payments accounting on pages 39 to 54 and Accrual Accounting on pages 56-97

HEALTHY CHURCHES TRANSFORMING COMMUNITIES

What should your Receipts and Payments Financial Statements include?

- Profit and loss account?
- Income and expenditure account?
- Receipts and payments account?
- Balance sheet?
- Statement of assets and liabilities
- Notes?
- Auditor's report?
- Independent Examiner's report?
- Annual report?



HEALTHY CHURCHES TRANSFORMING COMMUNITIES

Receipts and Payments Financial Statements include :

1. Receipts and payments account
2. Statement of assets and liabilities
3. Notes
4. Independent Examiner's report
5. Annual report



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Funds and charities

Charities Act says all charities **must** account for different types of funds.

Why? So that people can be confident that money is used for the purpose it is given.

The funds are split into:

- Unrestricted (including designated)
- Endowment
- Restricted

[Chapter 2 of blue ACAT booklet](#)



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Principles of Accounts – Types of Funds

- Unrestricted funds
 - General funds used to fulfil the aims of the charity.
- Designated funds
 - Unrestricted funds earmarked for a particular purpose by the trustees)

More information about funds in
Chapter 2 of blue ACAT booklet
Chapter 2 of the Green Book
"Charities Act 2011 and the PCC"



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Principles of Accounts – Types of Funds

- Restricted funds
 - Money given or raised for a specific purpose
- Endowment fund
 - Capital can't be spent
 - Income usually restricted to a specific purpose

More information about funds in
Chapter 2 of blue ACAT booklet
Chapter 2 of the Green Book "Charities Act 2011 and the PCC"



HEALTHY CHURCHES TRANSFORMING COMMUNITIES

Things to be done ready for APCM

- Produce Financial Statements (including Annual Report, but ask someone else to write this for you)
- Looked at by PCC so they are happy with them
- Examined and signed by Independent Examiner
- Approved by PCC and signed by Chairman
- "Published" by pinning to notice board 7 days before APCM
- Presented at APCM
- Sent to Diocese (with Finance Return)
- Made available to anyone who asks for them



HEALTHY CHURCHES TRANSFORMING COMMUNITIES

Checklist to prepare Financial Statements

- Collect together all bank accounts
- Reconcile each bank account and identify amounts not yet cleared through the bank. The adjusted balances will be your closing balances
- List out totals by category for all the payments and receipts in the year.
- Check opening bank/cash balance from last year plus receipts per cashbook less expenses per cashbook should equal adjusted closing bank balance plus cash balance



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Checklist to prepare Financial Statements

- Prepare Receipts and Payments account (see example in Appendix 1 to the Course Notes)
- Prepare Statement of Assets and Liabilities (see Appendix 1 to Course Notes)
- Liaise with incumbent/PCC Secretary to make sure they are writing the Trustees Annual Report. You might need to write the finance paragraph
- Agree timescale with the Independent Examiner



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Financial Statements - What to show

- Include current year figures for each type of fund
- Include comparative figures for the previous year (presently if use columnar format, only need totals for prior year rather than for each fund)
- No netting off of income and expenditure
- Identify any material items
- Balance simplicity with detail
- Suggested Template in Appendix 4 of the course notes



HEALTHY CHURCHES TRANSFORMING COMMUNITIES

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data developments

SOFTWARE FOR CHURCHES AND CHARITIES



Stephen Hendy

HEALTHY CHURCHES TRANSFORMING COMMUNITIES



HEALTHY CHURCHES TRANSFORMING COMMUNITIES





Parish Share 2018

Ruth McGaughey
Head of Finance
Deputy Diocesan Secretary

HEALTHY CHURCHES TRANSFORMING COMMUNITIES





Vision 2026


'Healthy Churches Transforming Communities'


We desire to make the Good News about Jesus Christ more widely known, because we believe:

- He is the One who brings 'life in all its fullness'
- Healthy church communities have a positive and transformative impact on our society.

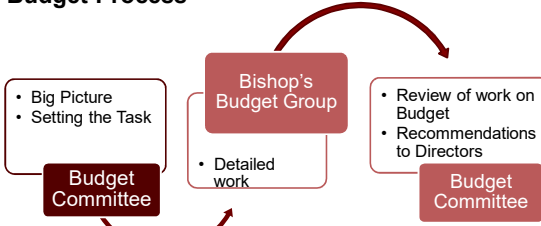
We will work together to achieve this by making disciples of Jesus Christ; being witnesses to Jesus Christ and growing leaders for Jesus Christ

HEALTHY CHURCHES TRANSFORMING COMMUNITIES






Budget Process




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graph LR
    A["• Big Picture  
• Setting the Task  
Budget Committee"] --> B["Bishop's Budget Group  
• Detailed work"]
    B --> C["• Review of work on Budget  
• Recommendations to Directors  
Budget Committee"]
    C --> A
  
```

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Budget Process

Finance Committee


- Review of Budget
- Additional recommendations to Directors


Directors

- Approval of budget

Diocesan Synod

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BUDGET BREAKDOWN

£6m


£8m


£10m

INCOME

EXPENSES

A Parish Share	£7,714,456	E Parochial Staffing and related costs	£8,262,548
B DBF Fees*	£590,000	F Parochial Training	£759,671
C Investments	£844,048	G National/International costs	£282,620
D National Church	£1,244,317	H Parish Focussed work	£530,452
		I Central Team DBF/DBE* and shared costs	£638,818
		J Governance/Legal and Professional/Committees	£182,574
		K Whalley Abbey (Net costs)	£120,000
Total Income:	£10,392,821	Total Expenses:	£10,776,633





Parish Share Assessment

Parish Assessment	£	
Your Stipendiary Ministry Allocation	£36,930	A
Your Self-Supporting Ministry Allocation	£0	B
Your costs allocated by RWA*	£21,439	C
Net Inter Parish Support	£6,599	D
Your 2018 Calculated Parish Assessment	£64,968	

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Parish Assessment continued

Your Ministry Allocation	Unit Cost for all parishes	Your Units	Your Ministry Allocation	
Stipend, National Insurance and Pension	£36,930	x1	£36,930	A
Self-Supporting Ministry Allocation	£6,610		£0	B

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Parish Assessment continued

- In this year's budget there are 12 vacancies budgeted for.
- The parochial staffing is £443,000 less due to these vacancies.
- This equates to £270 per 100 RWA.

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Parish Assessment continued

Your Regular Weekly Attendance cost allocation	Unit Cost	Your RWA Cost (unit cost x 73)	
	£	£	
Housing, clergy grants, clergy retirement housing scheme, university chaplains and other related parochial staffing costs	£170.41	£12,440	
Parochial training; clergy, ordinand, readers and other lay roles	£46.63	£3,404	
National and international costs; National Church and linked dioceses	£17.35	£1,266	

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Parish Assessment continued

Your Regular Weekly Attendance cost allocation	Unit Cost	Your RWA Cost (unit cost x 73)
	£	£
Parish focused work includes Safeguarding, Children, Youth, Parish development and Social Responsibility	£32.56	£2,377
Central Teams include Diocesan Secretary, Director of Education, Finance, HR, Communications and Diocesan Office costs	£39.21	£2,863
Governance and legal includes Registrar, DAC, Diocesan Synod, Audit, Bishop's Council and Committees	£11.21	£818

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Parish Assessment continued

Your Regular Weekly Attendance cost allocation	Unit Cost	Your RWA Cost (unit cost x 73)
	£	£
Contribution to Parish Share Relief Fund	£44.33	£3,236
Investment and Rental Income	-£51.81	-£3,782
Reserves (Net of Whalley Abbey)	-£16.20	-£1,182
Total	£293.69	£21,439

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Impact of changes to Regular Weekly Attendance (RWA)

- The total RWA for the Diocese has dropped for another year
- The rolling average RWA for use in calculating the 2018 assessment has dropped by 3.6% compared to the RWA used for 2017 assessments
- The amount requested per RWA is having to rise by 5.6%

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Parish Assessment continued

Net Inter parish Support	£	
Socio-Economic Factor	£12,175	
Contribution from National Church	-£5,576	
Deprived Parishes adjustment	£0	
Total	£6,599	D

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Parish Assessment continued

- Using deprivation information from the government, National Church calculate the deprivation indices for each parish
- We sort each parish and allocate between 4 and 5 parishes per percentage between 70 and 125 this is called Socio Economic Multiplier (SEM)
- The net costs are multiplied by this percentage

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Parish Assessment continued

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HEALTHY CHURCHES TRANSFORMING COMMUNITIES

Parish Assessment

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DBF Fees

- PCC act as agents of the DBF
- We ask for share and fees to be paid together in 12 equal instalments
- We still need the Fees forms as we have to record this income separately from Parish Share
- Your accounts should only show Parish Share the DBF Fees should net to zero

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Questions
?????

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Stewardship Matters

Stephanie Rankin
Parish Development Resources Officer



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Things we will look at include

- Parish Resources
- Parish Buying
- Legacies
- Gift Aid/Gift Aid Small Donations Scheme
- Registering with Charity Commissioners
- Stewardship
- ACAT
- Data Developments & Liberty Accounts
- Ecclesiastical
- CCLI

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Links for

- PCC's
- People
- Administration
- Parish Finance
- Gift Aid
- Buying
- Giving
- Buildings
- Other

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Parish Buying Service for



Energy



Insurance



Phone and broadband



Office products



Green energy



Photocopiers



IT hardware



IT software



Boilers



Furniture




LED lighting



Fire safety


- Energy
- Green energy
- Insurance
- Phone/Broadband
- Office products
- Photocopiers
- IT hardware
- IT Software
- Boilers
- Furniture
- LED Lighting
- Fire Safety

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Legacies

- In 2016 80 churches in this diocese received legacies totalling £1.6m
- PCC Guide: Encouraging Giving through legacies is in your pack
- Lots of other resources available from
- www.churchlegacy.org.uk including
 - PCC Toolkit
 - Posters
- Parish Resources website has further resources



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Gift Aid and Gift Aid Online

- Help and advice at www.parishresources.org.uk including
 - Registering for online claims if you haven't done this already
 - Useful checklist of what you can and can't claim Gift Aid on
 - Up to date wording for Gift Aid Forms and envelopes
 - Role descriptions for Gift Aid and Planned Giving Officer
 - there is guidance at www.parishresources.org.uk
- Use form CHV1 to let HMRC know about changes in Authorised Officials or Responsible Persons



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Gift Aid Small Donations Scheme

- Claim back up to £2,000 on non gift aided cash up to £8,000
 - Single amounts given must be less than £20
 - Will include envelope giving that is not Gift Aided
 - Not cheques or standing orders
 - Does now include contactless receipts
 - Must have Gift Aid Donations of at least £800
 - Must have banked the amount that the claim is based on
 - From 6th April 2017 all charities are eligible so long as haven't incurred a Gift Aid penalty

giftaid it

- Help and advice at www.parishresources.org.uk including how to make a claim

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Registering with Charity Commissioners

- Income above £100,000 means you are required to register now
- If it's a "one off" you can be excused
- Unless the Government change the date, from 31st March 2021 all churches will need to register
- Help and advice at www.parishresources.org.uk including how to complete the form



CHARITY COMMISSION
FOR ENGLAND AND WALES

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www.stewardship.org.uk

Transforming Generosity

- Quarterly dial in for treasurers
- 40 Acts campaign and Advent Wonder Campaign
- Making Giving Easy with Tax efficient accounts for your giving and give.net for online fundraising
- Payroll Bureau
- Independent examinations
- Deposit accounts
- Consultancy helpline
- Mortgages for churches



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ACAT – Association of Church Accountants and Treasurers

For £12.50 per year, members receive:

- Introductory Guide (also available online at Parish Resources website)
- Quarterly Newsletters
- Annual Treasurers Guidelines (tax card)
- Advice line for members
- Training and conferences
- Handbook



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Software

- Parish Resources have suggestions
- Parish Buying has some offers
- Make sure it can deal with funds
- Some do Gift Aid Claims and some just do accounts
- Some file your Return of Parish Finance
- Data Developments/Liberty Accounts information in packs



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Not just an insurance policy but help and advice including:

- Church Health & Safety
- Church security
- Planning events
- Fire guidance
- Storms & bad weather
- Self assessment tool for how safe is your church



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Check your licensing requirements if you

- Make copies of song words in booklets or a screen
- Record services
- Copy sheet music
- Show films
- Hold concerts
- Play music



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Investments

Ruth McGaughey
Head of Finance
Deputy Diocesan Secretary



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Investments

- This presentation does NOT make any specific recommendations to PCCs as to where and how their reserves should be invested.
- Its intention is to raise awareness of the options available, it does not cover all areas PCCs need to consider
- PCCs should ensure they take reasonable professional advice over their investment policy

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Investments

- Parish resources
<http://www.parishresources.org.uk/wp-content/uploads/investingreserves.pdf>
- Charity Commission:
<https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14/charities-and-investment-matters-a-guide-for-trustees>

HEALTHY CHURCHES TRANSFORMING COMMUNITIES



Why, What and How

All investment carries risk and you need to be clear about:

- The reasons why you are investing
- What you hope to gain from the investment
- How much risk you are prepared to take
- How you will manage your investments and monitor their performance

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Reserves

- Develop a policy on the level of reserves and why they are needed
<http://www.parishresources.org.uk/wp-content/uploads/parishreserves.pdf>

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Time frame for needing reserves

- Quick access
- Medium Term
- Long Term



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Certainty of Return



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Quick Access – Short term cash and deposits

Examples

- Bank current account
- Deposit accounts
 - High street banks
 - CAF Bank
 - Stewardship
 - CBF Church of England Deposit Fund (CCLA)

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Medium Term – notice or fixed term deposits

- Building Societies
- Kingdom Bank
- CAFBank

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Longer Term Investments – shares, property or common investment funds

Ethical Investments

- CCLA (www.ccla.co.uk)
- Ecclesiastical (www.ecclesiastical.com)

Guidance from the Church of England's Ethical Investment Advisory Group can be found at www.churchofengland.org/about/leadership-and-governance

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Reporting and reviewing

- Is your investment policy in your annual report?
- What return have you achieved?

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Questions ????

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Statistics and the Church of England Portal



Stephanie Rankin
Parish Development
Resources Officer



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HEALTHY CHURCHES TRANSFORMING COMMUNITIES







[Enter Your Data](#)
[View Data](#)
[Select Church](#)
[Users Menu](#)

[Log out](#)

Logged in as: Stephanie Rankin

Diocese: Blackburn

Parish: Preston St Stephen

Church:

Welcome to the Church of England's online parish return system

Statistics for Mission and Return of Parish Finance

Entering data?

First, gather your figures from

- Service registers and numbers of baptisms, marriages, and funerals for statistics for mission (due by 31st January 2018)
- Accounts for return of parish finance

If it's helpful to collect the figures on a paper form before you enter it online, you can download the forms below. Then ...

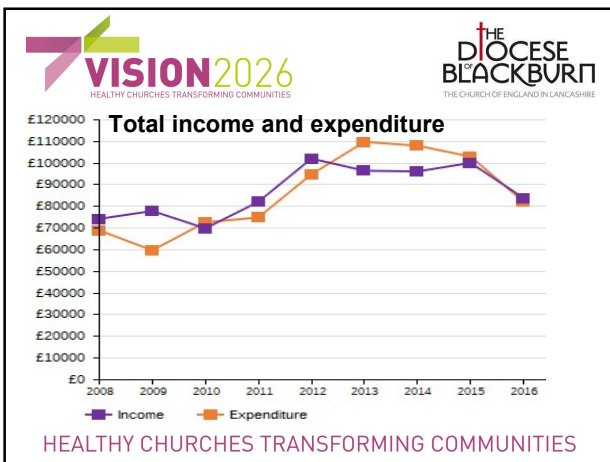
Viewing data?

Are you curious about how things have changed in your parish over time? Or are you wondering what you entered last year?

[Enter your data](#)

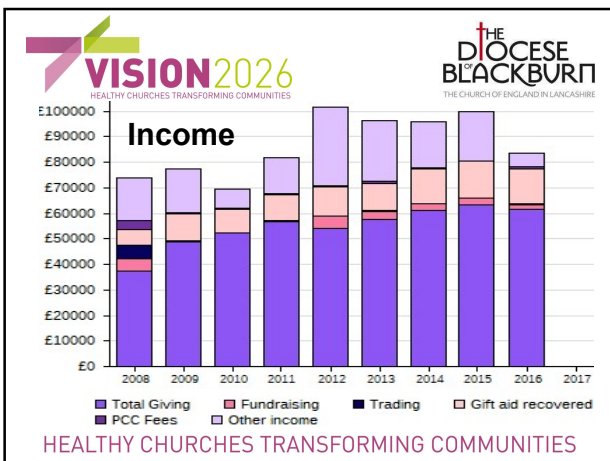
[View your data](#)

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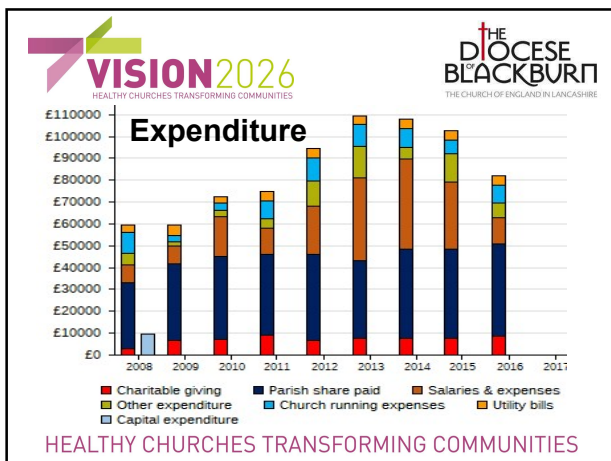
Year	Income (£)	Expenditure (£)
2008	75000	70000
2009	78000	60000
2010	72000	70000
2011	82000	75000
2012	105000	95000
2013	95000	110000
2014	95000	105000
2015	100000	100000
2016	85000	80000

HEALTHY CHURCHES TRANSFORMING COMMUNITIES



Year	Total Giving (£)	PCC Fees (£)	Fundraising (£)	Trading (£)	Gift aid recovered (£)
2008	45000	10000	5000	5000	10000
2009	50000	10000	5000	5000	10000
2010	55000	10000	5000	5000	10000
2011	60000	10000	5000	5000	10000
2012	65000	10000	5000	5000	10000
2013	60000	10000	5000	5000	10000
2014	60000	10000	5000	5000	10000
2015	65000	10000	5000	5000	10000
2016	60000	10000	5000	5000	10000

HEALTHY CHURCHES TRANSFORMING COMMUNITIES





VISION2026
HEALTHY CHURCHES TRANSFORMING COMMUNITIES

THE DIOCESE BLACKBURN
THE CHURCH OF ENGLAND IN LANCASHIRE

After lunch, members of the team and Stephen Hendy from Data Developments, will be available to answer your questions

Name	Role	Q & A about
Mila Farnhill	Finance and Management Accountant	PCC Accounts Parish Share DBF Fees
Kelly Fenwick	Finance and Management Accountant	Finance Returns
Ruth McGaughey	Head of Finance Deputy Diocesan Secretary	PCC Accounts Parish Share DBF Fees
Stephanie Rankin	Parish Development Resources Officer	PCC Accounts Stewardship, Gift Aid

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