



July 2011

**Martin Bishop**  
**Financial Secretary**

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Dear Treasurer,

**Encl:** 1 - Common Fund Income and Expenditure Summary for 2010; 2 - Parish Share account statement to 22<sup>nd</sup> July 2011; 3 - 2012 Parish Share estimates for your PCC and Deanery; 4 - Latest newsletter from ACAT; 5- Archbishops' Council Budget 2012; 6 – General synod paper concerning parochial fees

Items for potential action, are indicated by side lines

### Results for 2010

I have enclosed for your information a summary of the Common Fund Income and Expenditure Account for 2010, (<http://www.stalbans.anglican.org/Resources/Help-for-Parish-Officers/PCC-Treasurers/Common-Fund>). This shows a surplus of £98,000 for the year (2009 surplus of £36,000) on budgeted expenditure of £12.9m.

### Church Commissioners Accounts 2010 and Archbishops' Council's Budget 2012

The Church Commissioners' annual report can be downloaded from:

<http://www.churchofengland.org/about-us/structure/churchcommissioners/annual-and-quarterly-reports.aspx>

and the Archbishops' Council's Budget for 2012, can be downloaded from here:

<http://www.churchofengland.org/media/1188863/ac%20budget%202012%20leaflet.pdf>

### Parish Share 2011

I enclose the latest statement of account that includes an entry showing your Parish Share for the third quarter of the year. Payments received up to **22<sup>nd</sup> July** have also been included.

### Annual Budget Presentations to Treasurers, Incumbents and Churchwardens

You will shortly be receiving from the Archdeacons, an invitation to this event with fuller details including a copy of the draft budget for 2012. In the meantime you might like to make a note of the following dates and venues in your diaries.

<u>Archdeaconry</u>	<u>Date</u>	<u>Venue</u>
St Albans	Tuesday 6 <sup>th</sup> September 2011	<a href="#">St Albans, St Stephen AL1 2PX</a>
Hertford	Thursday 8 <sup>th</sup> September 2011	<a href="#">Hertford, All Saints SG13 8AE</a>
Bedford	Wednesday 21 <sup>st</sup> September	<a href="#">Goldington, St Mary MK41 0AP</a>

Each meeting will start at **7:45pm** with a break for tea or coffee at around 8:30pm. We aim to close the meetings by approximately 9:30pm. If you are unable to attend the meeting in your own archdeaconry, then you are welcome to attend one of the other two meetings.

**Parish Share 2012 provisional figures**

(<http://www.stalbans.anglican.org/Resources/Finance/Parish-Share> )

These provisional figures **do not yet include any figures for Pastoral Aid Support grants**, as these will not be finally confirmed until the November meeting of the Diocesan Parish Shares Committee.

The intention behind sending these to you now, is to give an indication of the *potential* level of contributions required for next year. By the time 1<sup>st</sup> January 2012 comes, your parish share might be a little **lower** than the figure now indicated, **if** it becomes the case that our initial assumptions concerning vacancies and first-post curates are revised in the light of actual developments notified to us. I will therefore be sending out revised figures in early December, once the situation becomes clearer, and also once Pastoral Aid Support grants (see below) have been allocated.

I would be grateful if you could, in particular, review the Usual Sunday Attendance and Electoral Roll figures shown for your parish. These are taken from data provided to us, usually by your parish priest. To date just over 80% of the Mission Statistics forms for 2010 have been returned. In cases where we have yet to receive this form for 2010, we have had to use the same figures as for 2009. **If you feel that these figures, which are used in the Church Membership calculation, do not properly reflect the size and composition of your congregation**, then please let either myself or Tony Boon know as soon as possible, as there is a small window of opportunity to correct that data before next year's parish share figures are finalised.

**Vacancies**

**For parishes currently in vacancy, it has been assumed for the purposes of these provisional figures, that an appointment will have been made in time for the start of next year.**

**First-post curates**

**For those parishes with first-post curates that were priested after 1 January 2007** the contribution rate is based on the following table by reference to the number of shares according to the following table:

<u>Shares</u>	<b>Proportion of full annual cost</b>	<u>Additional Stipend Contribution</u>
0-99	<b>15%</b>	£ <b>4,381</b>
100-199	<b>20%</b>	£ <b>5,841</b>
200-299	<b>25%</b>	£ <b>7,302</b>
300-399	<b>30%</b>	£ <b>8,762</b>
400 or higher	<b>50%</b>	£ <b>14,604</b>
(Total Annual Cost (@100%))		£ 29,208)

**Pastoral Aid Support grants**

Parishes seeking financial assistance with their parish share, by applying for a PAS grant, should do so by contacting their Deanery Standing Committee **as soon as possible**. The Deanery Committee, if they decide to recommend such a grant, will then need to forward your

application to the Diocesan Office no later than **Friday 28th October**, for consideration by the Diocesan Parish Shares Committee at their meeting in November.

Application forms and guidance notes will be available from your Deanery and can also be downloaded from the Diocesan website at:

<http://www.stalbans.anglican.org/Resources/Help-for-Parish-Officers/PCC-Treasurers/Finance-Forms>

Applications will only be considered if this form is duly completed and also if the latest set of annual accounts, annual finance return, and mission statistics form accompany the application, or already have been submitted.

As part of this process, Deaneries may also receive requests from parishes for parish share amounts outstanding for more than three years to be written off. For example, this Autumn the parish shares committee will consider applications to write-off parish share shortfalls relating to 2008 and/or earlier.

### **PCC Registration with the Charity Commission**

As the 2010 Accounts are now being signed off, some parishes may now find that their latest annual income also crosses the **£100,000** registration threshold for the first time. If this applies to you then I hope that you will find the following page of the Diocesan website a useful starting point as you begin to organise your own registration application:

<http://www.stalbans.anglican.org/Resources/Finance/PCC-Registration-with-the-Charity-Commission>

Please note that PCCs have special (“excepted”) status under Statutory Instrument, such that the £5,000 registration threshold for charities in general, does **not** apply here.

### **Gift Aid: online filing**

As is the trend now with many government departments, HMRC are taking steps to replace the use of paper-driven systems with online ones. Their recent announcement, below, focuses on their intentions with regard to the administration of Gift Aid.

HMRC have announced that, in the tax year 2012-13, they will introduce a new online system for charities to register their details for Gift Aid and to make Gift Aid claims.

As a first step towards this, HMRC will publish four new “intelligent” forms for charities to use. The forms contain automatic checks to improve the accuracy of information and to reduce administrative burdens. HMRC has worked with the charity sector to develop the new forms and will work with the sector to develop the new online system. HMRC will also work with the charity sector to develop a supporting electronic gift aid database for Gift Aid declarations.

[Source HMRC Budget 2011 bulletin]

The National Stewardship Office has been liaising with HMRC about this and is in the process of preparing some guidance notes for parishes and dioceses, as to how to manage the practicalities of the intended changes. I am also aware that companies, such as Data Developments, are working with HMRC with a view to adapting their existing financial software products to be compatible with the proposed HMRC online system, when it is introduced. I will keep you informed of further developments and circulate the paper from the National Stewardship Officer as soon as it becomes available.

### **Time limits for claiming Gift Aid**

HMRC's Gift Aid help-sheet, [What are the time limits for claiming Gift Aid?](#) Includes the following:

*Q. "Are there time limits for transitional relief?"*

A. The time limits for the payment of transitional relief to your charity are different from those for making a Gift Aid claim. You do not have to claim transitional relief; it is an automatic payment. However, it will only be added to your repayment if you make a relevant Gift Aid claim within 2 years of the end of the period or year to which it relates.

For example, suppose a charitable trust wishes to claim Gift Aid for the year ended 5 April 2009:

If the claim is made by 5 April 2011, the trust will receive transitional relief in addition to its Gift Aid repayment.

If the claim is made after 5 April 2011 but before 5 April 2013, the trust will receive its Gift Aid repayment but no transitional relief will be paid.

### **HMRC - Employee status for tax purposes**

This is a matter which I receive enquiries about from time to time, including enquiries received within the last couple of weeks. I therefore thought that I would repeat the information given in an earlier circular letter.

If your PCC is paying someone for services provided, then HMRC (formerly Inland Revenue) may require the PCC to deduct National Insurance Contributions and Income Tax, (under the PAYE scheme). This will only apply if the relevant thresholds are exceeded, and the person concerned is regarded as an employee of the PCC rather than a self-employed person. The primary threshold for the current tax year (2011/12) is £139 per week or £602 per month.

As to whether someone is an employee or self-employed depends on the specific circumstances of the engagement, particularly if a contract of employment exists either explicitly or implicitly.

There is a useful guide available from HMRC (IR56) written for taxpayers which includes a checklist of questions which test self-employed status and employed status respectively:

Broadly, you are

- self-employed if you are in business on your own account and bear the responsibility for the success or failure of that business, and
- employed if you personally work under the control of someone and do not run the risks of having a business yourself.

If you can answer 'Yes' to all of the following questions, you are probably an employee.

- Do you have to do the work yourself?
- Can someone tell you at any time what to do, where to carry out the work or when and how to do it?
- Do you work a set amount of hours?
- Can someone move you from task to task?
- Are you paid by the hour, week, or month?

- Can you get overtime pay or bonus payment?

If you can answer 'Yes' to all of the following questions, it will usually mean you are self-employed.

- Can you hire someone to do the work for you or engage helpers at your own expense?
- Do you risk your own money?
- Do you provide the main items of equipment you need to do your job, not just the small tools many employees provide for themselves?
- Do you agree to do a job for a fixed price regardless of how long the job may take?
- Can you decide what work to do, how and when to do the work and where to provide the services?
- Do you regularly work for a number of different people?
- Do you have to correct unsatisfactory work in your own time and at your own expense?

In cases where PAYE should have been operated but gross payments were made to an individual, HMRC may seek to recover the tax and NICs from the employer in the first instance.

If you are in any doubt whether someone being paid by your PCC should be regarded as an employee or a self-employed person, then you should contact the HMRC for further advice. The new employer helpline is 0845 60 70 143.

I am aware of the following organisation which specialises in providing payroll bureau services to churches and other charities:

Stewardship, PO Box 99, Loughton, Essex. IG10 3QJ

tel: 020 8502 5600 or: 08452 26 26 27; fax: 020 8502 5333

Email: [enquiries@stewardship.org.uk](mailto:enquiries@stewardship.org.uk)

website: [http://www.stewardship.org.uk/payroll\\_bureau.htm](http://www.stewardship.org.uk/payroll_bureau.htm)

### **Ecclesiastical Investment Management - Amity Investment Funds for Charities**

Whilst the Board cannot make any specific recommendations to PCCs concerning investment advice, you may like to know that, in addition to general insurance, Ecclesiastical also has an established investment management business. Ecclesiastical Investment Management has launched two new investment funds specifically designed for church and other charity investors with £1,000 or more to invest. They have been developed to produce a quarterly income (which is paid gross) and capital growth over the medium to long term.

The funds are socially responsible and “screen” investments in a similar way to the Church of England ethical guidelines. If you would like further information on these funds please contact Mark O’Connor on 020 7680 5839 or [mark.oconnor@ecclesiastical.com](mailto:mark.oconnor@ecclesiastical.com).

### **Parochial Fees**

I enclose a copy of a note from William Fittall, the Secretary General, circulated on 20th July to General Synod Members and to all diocesan secretaries. The note provides an update following the Synod's decision to decline to approve the Draft Parochial Fees Order 2011 at the July session.

(Here is a link to an area of the Church of England website: <http://churchofengland.org/clergy-office-holders/clergypay.aspx> which takes the reader to the document. Please see, under the heading "Quick Links" the item described as "Draft Parochial Fees Order 2011 GS Misc 999")

## ACAT

*(Recent Newsletter enclosed. Those receiving this letter electronically will have to login to the ACAT site, as explained below, in order to read the Newsletters past and present )*

Dear ACAT member,

Members who have consulted the ACAT Website recently will note the new look and several potential new features.

- An online version of the Handbook with the chapters listed under three group headings, for a more user friendly approach, and each chapter bookmarked for quick access to individual sections.
- A comprehensive index with direct links to the current and past editions of the newsletters.
- The Treasurer's Guide.
- Details for contacting the "Advice Line". You can only receive details of, and changes to, the Username and Password if ACAT communicates directly with you.

We do not have email addresses for the majority of our block members(e.g. most of those in St Albans diocese). If you are one of these then please follow the instructions detailed below.

Please go to our website [www.acat.uk.com](http://www.acat.uk.com) , enter

**the temporary Username: June to August  
and the temporary Password: Proverbs 28:6**

(please note that both username and password are case sensitive and that there is a definite space between Proverbs and 28). This will give you access to the Members' Area.

When there, please register your details, including your email address, via the yellow button.

For those members who do not have access to the internet, please be assured that we will continue to provide you with the support you need in the ways you currently enjoy.

It is our ultimate aim that all members, whether a block member or an individual, will be issued with their own User name and Password as the Members' Area grows to contain sensitive material (for instance, we are working on an on-line Training Programme, and Updates to the Handbook can be obtained more speedily than at present).

Susan Bye ACAT Database Administrator [www.acat.uk.com](http://www.acat.uk.com)

Email: [membership@acad.uk.com](mailto:membership@acad.uk.com) Tel: 0115 9526710

## **Abolition of cheque-clearing: update**

[An extract from the Churches' Legislation Advisory Service (CLAS) Newsletter July 2012]

The Payments Council has announced that cheques will continue for as long as customers need them and that the target for possible closure of the cheque-clearing system in 2018 has been scrapped.

The use of cheques has been declining by ten per cent year-on-year; and there will undoubtedly come a time when so few cheques are being written that it will become totally uneconomic to keep the system going. However, the voluntary sector (including CLAS) has been pressing the argument that we have not yet reached that point and that to set an arbitrary date for closure before a simple, fool-proof alternative system is in place would be entirely unreasonable.

Where we go from here is not yet clear. The e-mail to the Charity and Voluntary Sector Liaison Group from the Payments Council announcing the change of heart said that "further details on our next steps will be shared with you in due course along with details of how we would like to work with you to ensure that the charity and voluntary sector has the full range of payment options for its needs". We will continue to take part in the Liaison Group and keep you informed of developments.

### **Recent case concerning unsanctioned Direct Debit collection**

Recently, I have been contacted by a couple of Church Treasurers who have noticed unsanctioned direct debits charged to their PCC's account. I include details below of one of these instances.

In this particular case the PCC's bank account was debited with an amount of just over £5,000 quoting the beneficiary as ZOPA LTD FIRST PAYMENT. The transaction was purporting to be a direct debit set up by the PCC, although the Treasurer had no record of having any dealings with this company.

After contacting the PCC's bank to challenge the item, the amount was readily reimbursed in accordance with the direct debit guarantee scheme. The bank also gave the Treasurer the contact telephone number for the apparent originator of the Direct Debit: ZOPA Ltd.

The Treasurer phoned ZOPA to enquire why the PCC had been debited and they were unable to answer, saying they would investigate and ring back. This they did not do, so the Treasurer followed this up, when he was told that the matter was in the hands of the police.

Concerned that somehow details of bank sorting codes and account numbers of charities had been leaked, the Treasurer contacted the Inland Revenue Charity Division who are also now investigating.

The cases reported to me appear to be isolated ones. Provided regular checks of bank statements are performed, these matters should be readily detected and remedied.