

February, 2016

Martin Bishop
Financial Secretary
Tel: 01727 818111
mbishop@stalbands.anglican.org

Dear Treasurer,

Enclosed (Paper version only):

- [1] Annual Return of Parish Finance 2015 including guidance notes
- [2] PCC Accountability and SORP 2015 – technical update produced by the Archbishops' Council
- [3] Annual Stipends Letter to stipendiary clergy, accredited lay ministers and PCC treasurers
- [4] Bankers Order form
- [5] Direct Debit form

Items included below, for potential or immediate action, are indicated by side lines

Annual Return of Parish Finance for 2015 and Annual Reporting



For those of you with internet access, this return and copies of your parish's accounts can be filed online through our portal at:
<https://myd.io/stalbans/>

Before you use this portal for the first time, you will need to need to register with the website. To help with this, we have compiled some step-by-step instructions, which you can download from this page on our website:
<http://www.stalbans.anglican.org/finance/annual-returns-finance/>

The information provided will be automatically transferred to the diocesan database, so that it can be shared more easily with the Bishops, Archdeacons and other diocesan officers. From there, the information will also be passed electronically to colleagues at the National Church (who devised the returns). Our aim is to build up a clearer, and more up to date, view of the state of the diocese's financial and missional health at the individual parish level.

For those who do not have access to the internet, and therefore receiving this letter in the post, please find enclosed proforma for the annual Return of Parish Finance and accompanying guidance notes. We would be grateful if this form could be submitted to us no later than **Sunday 24th April 2016**.

In addition to the annual return, please make sure that your independently examined/audited accounts are submitted within 28 days after the APCM, and in any case no later than **Sunday 29th May 2016**.

Thank you, in anticipation of your help with this exercise.

Registration with the Charity Commission

If your parish has crossed the £100,000 threshold in terms of income last year, you are reminded that you will now need to register with the Charity Commission. The Archbishops' Council have produced a guide on how to do this:

<http://www.parishresources.org.uk/pccs/registration/>

If your PCC parish has registered with the Charity Commission, it is important that the contact details for the “registered correspondent” are kept up to date and that the annual returns to the Charity Commission are also up to date.

Update to the new Charities SORP for those parishes who undertake accruals accounting Issued by the national Church Institution

With the replacement from 1 January 2015 of all the old accounting standards by the new composite standard, FRS (Financial Reporting Standard) 102, together with a new version of the FRSE (Financial Reporting Standard for Smaller Entities) for 2015 only, the Parish Accounting Guidelines are changing.

SORP 2005 is replaced by SORP 2015, which comes in two standalone versions: SORP (FRSSE) for eligible parishes, unless they choose SORP(FRS102), which is for those that are larger. Most parishes can choose SORP(FRSSE) for 2015, as the gross income limit has been raised to £10.2m instead of the old £6.5m, while the gross assets limit has gone up from £3.26m to £5.1m

For accounting periods starting on or after 1st January 2016 FRS102 will apply to all charities. The company law based FRSE reliefs, subsumed in a new Section 1A of FRS102 effective from 1 January 2016, are then to be disapplied by new amendments to SORP (FRS102) from that date. This means that for 2016 onwards, only parishes up to £500,000 gross income will be eligible for the SORP's reliefs for the "smaller" charity, which will also include opting out of FRS102's Cash Flow Statement. We are awaiting new Charities Act Regulations for 2015 onwards to replace those making SORP 2005 mandatory, so that the related Church Accounting Regulations 2006 can in turn be amended. Subject to that, the Parish Accounts Guide will be made available in a new or updated version. In the meantime we have produced a technical update [*see below] to facilitate your compliance with SORP (FRSSE) for 2015 and thus keep your options open for 2016 when compliance with SORP(FRS102) will be required.

The move from SORP 2005 to SORP(FRSSE) for 2015 is likely to have little, if any, effect on a PCC's accounting figures. However it is important to be aware of how the accounting rules have changed, as well as where extra or new disclosures are required for 2015 onwards. **One significant change is that the audit threshold has risen from £500k gross income to £1m gross income.**

Among FRS102's changes to the old accounting rules are:

- Definitions of the basis of recognition of assets and income and of liabilities and expenses
- Impairment rules relating to tangible fixed assets for a parish's own use
- Reporting of transactions with members of the PCC and other related parties
- Disclosures concerning employees' emoluments
- Allocation of support costs to include governance costs
- Valuation of gifts in kind
- Reporting of reserves
- Reporting of arrangements for setting pay for key personnel

*Find a full guidance note here:

<http://www.parishresources.org.uk/wp-content/uploads/2015-SORP-Update-Accruals.pdf>

Stipends Letter

Please find enclosed a copy of the annual letter from the Diocesan Secretary that was sent in a recent “bundle” to Stipendiary and Clergy and Lay Ministers

(Electronic version available at: <http://www.stalbans.anglican.org/diocese/stipends-letter>)

ACAT Replacement Handbooks

If you need a replacement Handbook then ACAT we a limited number in stock. Please send a cheque for £22.00 made payable to ACAT to the address below and they will post one to you.

Please send your cheque, together with your name and address to:

Mrs S Bye
ACAT Handbook
22 Byrne Court
Arnold
Nottingham
NG5 6RN

Extracts from a recent newsletter from the National Stewardship Office

Introducing Nick Jenni

As National Procurement Officer based at Church House, Westminster, Nick Jenni brings extensive business, project and financial experience, both online and offline – as well as seven years as a Parish Treasurer in Clapham.

Nick supports and complements the work of fellow Parish Buying team-members Rob Kissick and Russell Stables, with a particular focus on providing easy-to-use services to parishes, and developing access to training and services for larger projects and spending. You can contact Nick by email:

nicholas.jenni@churchofengland.org

Roof Repair Fund Reminder

Just a quick reminder that if you're currently applying for the second round of the Listed Places of Worship Roof Repair Fund, the deadline is Friday 26th February 2016.

If you require further information or guidance on your application, please visit the Churchcare website

<http://www.churchcare.co.uk/churches/funding-and-grants/roof-repair-fund-2>

Parish Share 2016 - Monthly Payment of Parish Share

Regular payment to us of parish share by either Standing Order or Direct Debit helps us in turn to meet our monthly commitments, in particular the monthly clergy stipend and pension payments.

For PCCs who have previously been paying the Parish Share by Direct Debit, you will have received a separate letter, last month, giving details of the planned collections for the coming year.

If your PCC would like to start paying parish share by Direct Debit, then please use the enclosed Direct Debit Mandate (<http://www.stalbans.anglican.org/finance/finance-forms/>) This should be returned to the Diocesan Office in the first instance. We will then write to you to let you know when the collections will start and confirm the amounts concerned.

If, however, you would like to pay some of the Parish Share in regular monthly amounts by Standing Order instruction to your PCC's bank, then please use the enclosed Banker's Order form (<http://www.stalbans.anglican.org/finance/finance-forms/>)

It would help us, when choosing the transaction date for your Standing Order, if you could avoid a period of 2-3 days at either end of the month. In some cases it can take up to 3 working days after the debit date on your statement for the funds to reach the DBF account. This may lead, at the year-end especially, to misunderstandings as to which accounting period a particular standing order payment was intended for.