

31<sup>st</sup> October 2013

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

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Dear Treasurer,

**Encl (Paper version):****I - Parish Share Statement of account to 31<sup>st</sup> October**

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

**Parish Share 2013**

I enclose the statement of account for Parish Share which includes cheques and BACS payments received from you up to **Thursday 31<sup>st</sup> October 2013** and also an entry showing your PCC's contribution towards the parish share for the fourth quarter of the year.

As in previous years, there will be a period of time after the 31<sup>st</sup> December for parishes to make cheque payments in respect of the 2013 Parish Share before any shortfall is determined. The cut-off date for this will be **Friday 17<sup>th</sup> January 2014**. However it would be greatly appreciated if you could do what you can to ensure that any outstanding payment for 2013, or earlier, is sent to the Diocesan Office in time for the end of December.

**PCC Members as Charity Trustees**

At a recent Deanery Synod, a question was asked about PCC membership and charity trusteeship. Only a quarter of those present realised that, as PCC members, they were also Trustees, as *all* PCCs have charity status, *including those PCCs which have not yet become obliged to apply for separate registration with the Charity Commission*.

A useful leaflet on this topic can be downloaded from the diocesan website at:

<http://www.stalbans.anglican.org/finance/charity-registration-for-pccs/>

(Look for the link labelled "Trustee Leaflet 08")

Further information about the PCC as a charity can be found at:

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

**Harvest Appeal 2013**

Any cheques for the donations made for this appeal through the parish should be made out to "**St Albans Diocesan Board of Finance**" and sent to Abbey Gate House, Abbey Mill Lane, St Albans AL3 4HD, (*not* the Diocesan Office).

**Accounting Guide**

A useful guide for PCC Treasurers, "PCC Accountability: The Charities Act 2011 and the PCC - 4th Edition", has recently been published by Church House. This book provides essential and up to date guidance for all PCCs in the preparation and scrutiny of their annual financial statements and reports. This new edition is fully updated with regard to the Charities Act 2011 and the Charity

## SORPs' Regulations.

It includes guidance on:

- Technical compliance issues for larger PCCs aligned with current best practice
- Correlation with the current annual Return of Parish Finance
- Restructuring to clarify in clear and accessible language what smaller PCCs need to know

Additional features include:

- A complete guide to Receipts and Payment accounting
- Reworked specimen Annual Report & Accounts for small and large PCCs.

The Diocesan Office has pre-ordered a limited quantity of the new edition at a discounted price of £5.50. If you would like to purchase a copy, then please write to me at the Diocesan Office, enclosing your cheque, payable to St Albans DBF, for £7.00 per book (£5.50 + £1.50 to cover postage and admin)

### **The Hodgson and PASC reports: the Government response**

The Government has published its [response](#) to the Hodgson Review of the Charities Act and the subsequent Report by the Select Committee on Public Administration (PASC).

Some extracts of particular relevance to PCCs are..

#### *Registration*

The Government appears to support the suggestion that the processes for registering an organisation with the Charity Commission and for tax relief with HMRC should be joined up into a single process. HMRC and the Charity Commission are working together to explore options for creating a single application process.

The Government (in agreement with the select committee) rejects Lord Hodgson's proposal to raise the threshold for *compulsory* registration with the Charity Commission to £25,000. Equally, given that all excepted charities with an income of over £100,000 are already required to register, the Government feels that **now is not the right time** to require smaller excepted charities to register with the Charity Commission. *This is extremely important in relation to the Churches, large numbers of whose congregations currently have excepted status.*

#### *Public benefit*

The Government accepts that there has been a lack of certainty in relation to religious charities and public benefit following the Charities Act 2006 and supports the Public Administration Committee's conclusion that it would be reasonable to consult the Official Report (*Hansard*) to find out the ministerial intent behind the statute. However, the Government takes the view that it is for Parliament, not for the Charity Commission or the Government of the day, to define the criteria for charitable status, including what is meant by "public benefit". And it is for the Charity Commission, not for Parliament or the Government, to determine whether organisations meet those criteria in individual cases.

## Trustees

The Government has reiterated its opposition to a general relaxation of the rule against paying trustees, even trustees of large charities “for the time-being at least, and until there is stronger evidence that would support an easing of the general presumption against trustee remuneration”.

The Government also believes that Lord Hodgson’s recommendation that trustees should not normally serve more than three years is a matter of best practice rather than something that should be made a legal requirement and that, in any case, it would not always be practicable. Which is just as well for small congregations where it is quite often the case that the same people serve as trustees for much longer than that, simply because there is no-one else available or willing to replace them.

A fuller briefing paper on the Hodgson report can be downloaded from:

<http://www.stalbans.anglican.org/finance/briefing-notes/>

## Late filing by charities

The Charity Commission has announced that it is launching a class inquiry into charities that have failed to file annual reports, accounts and returns for two years or more. The Commission is starting by looking at charities with a last known income over £500,000. They include charities that have submitted an annual return but failed to submit a Trustees' Annual Report and accounts and vice versa.

Probably the vast majority of church congregations in England and Wales are unaffected by this because they are currently excepted from the requirement to register with the Commission unless their annual income exceeds £100,000. However, those that are registered need to be punctilious about filing by the due date of 31 October. Late filing is something that – not unreasonably – annoys the Commission intensely; and once it has dealt with the big charities that are in default it will no doubt turn its attention to the smaller ones.

[Source: Charity Commission What’s New - 26 September 2013]

## Listed places of worship scheme

The Government has announced changes to the scope and operation of the [Listed Places of Worship Grant Scheme](#) (LPW) which took effect from 1 October.

From 1 October 2013, works to pipe organs, turret clocks, bells and bell ropes are eligible for claims under the scheme. Possibly more important, fees for professional services directly related to eligible building work (such as architects’ and surveyors’ fees) will also become eligible. These changes apply to works supplied from 1 October 2013.

More information can be downloaded from:

<http://www.stalbans.anglican.org/finance/briefing-notes/> and from the LPOW scheme [website](#)