GUIDANCE NOTES

###### FOR COMPLETION OF THE 2021/2022

PARISH RETURN

**PLEASE READ THE FOLLOWING NOTES BEFORE**

**PREPARING THE PARISH RETURN.**

If you have any queries, please email Jonathan Gamble or Susan Brumby:

diocesan.accountant@dioceseofnottingham.uk or accounts.assistant1@dioceseofnottingham.uk

telephone: 0115 953 9844 or 0115 953 9801

PLEASE ENSURE THAT ALL PAGES OF THE RETURN AND THE FRONT PAGE HAVE BEEN FULLY COMPLETED AND ALL ATTACHMENTS INCLUDED BEFORE RETURNING TO THE FINANCE OFFICE BY **31st JULY 2022**

# GUIDANCE NOTES ON COMPLETION OF THE PARISH RETURN

**Page 1**

Enter the name of the Parish and Location in the box provided at the top of the page.

Please ensure that the front sheet is signed by the Parish Priest, Finance Committee Chairperson and the Independent Auditor in the relevant boxes on the front page.

**Page 2**

Please enter the name of the Parish and Location in the box provided at the top of the page.

**OPENING BALANCES**:

Amounts brought forward **MUST BE** the same as the closing balances carried forward on last year’s Return.

Where there is more than one set off or loan account, please add these together and enter the combined figure in either the All Sett off accounts box or ALL Loan accounts box depending on which it is.

**PARISH INCOME**

ORDINARY

**Collections**. As shown on the weekly cash analysis sheets, and should include loose plate, envelopes and standing orders whether Planned Giving or otherwise. This amount must, of course, be the total amount collected from offertory collections and not be reduced by amounts paid out of it. A second collection taken to help with the Diocesan Quota and other usual day to day expenses are still ‘normal’ collections.

**Donations Received**. ‘One-Off’ Donations received. Should also include Mass Offerings and Stole Fees as well as Christmas and Easter offerings **even** if retained by the priest under Scheme A. Sundry gifts to a parish by a Social Club etc, should also be included here. Also supply income from other Parishes.

**Repository Income**. Should include sale of candles, papers, newsletters and all sundry items that are to be sold to the congregation. Include Fairtrade.

**HMRC Gift Aid Tax Income.** Amount actually credited to your bank account during the year, irrespective of which year the repayment refers to. Do not adjust for awaited Gift Aid Claims as this will be done by the Finance Office.

**Fundraising Income**. Income from social events, Christmas and Summer Fairs, concerts, bingo, 100 clubs etc.

**Rental Income.** This is to include the rents received from land and buildings owned by the parish and let subject under a formal legal agreement. IT SHOULD NOT INCLUDE INCOME FROM THE HIRE OF A CHURCH HALL OR FOR ROOMS IN UNIVERSITY CHAPLAINCIES; THIS SHOULD BE INCLUDED IN THE NEXT BOX. If hall hire income is allocated here, you will end up paying too much Diocesan Quota. The deductions made for estate agency fees and other letting expenses must not be deducted first These are shown as either Rental Property Maintenance costs or Rental Property Agents Fees.

**Hall Hire & Student Rental Income.** Include any Church Hall Hire and in the case of University Chaplaincies include any amounts received from students for occupation of rooms.

**Interest & Investment Income.** Interest credited to all Set-Off accounts in the year, as shown on the Set-Off Account(s) statement issued by the Finance Office.
Dividend income (If Parish has investments in the Stock Market) received in the year, as shown in the Main Parish set off account.

**Chaplaincy Income.** All chaplaincy income received for hospital or prison chaplaincy (which is required to be retained by the parish under scheme B and not by the priest concerned).

**Sundry Income**. All other income not included in above or in the Extraordinary Income listed below.

EXTRAORDINARY

**Restricted Income.** This represents income received by the parish, but due to be paid over and not retained by the parish. Normally, all second collections (other than ‘Diocesan Quota’ collections) are restricted income and will be paid over later.

**Legacies Received.** Amounts received from the estates of deceased persons. If a parish is aware of a Legacy but it is not actually received in the year, this should be informed to the Finance office with copies of any paperwork.

**Capital Income.** Include Proceeds allocated to the Parish for the sale of any property or asset of the Parish.

**Grants Received.** Include Grants received from the National Lottery, National Heritage, VAT repayments under the Listed Places of Worship Scheme, Local Government etc. Poor and Needy Parishes Fund (including from the Guild of Our Lady of Ransom) are included but marked ID in the analysis.

**Insurance Claims Received.** Include all amounts received for any insurance claims made on behalf of the Parish.

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PARISH EXPENDITURE

ORDINARY

**Church Expenditure**. This includes consumables, furnishings, maintenance (Inc cemetery, car park), utilities, insurance in relation to the church. Where there is no split then apportion accordingly.

**Hall Expenditure** This includes consumables, furnishings, maintenance, utilities, insurance in relation to the hall. Where there is no split then apportion accordingly.

**Presbytery Expenditure** This includes consumables, furnishings, utilities, insurance in relation to the presbytery. Where there is no split then apportion accordingly.

**Housekeeping**. This includes food/drink, cleaning costs (not wages) and sundry items such as TV licence, Sky subscription and similar items.

**Fundraising Expenses**. If a raffle produces a net profit of £200, after paying £75 in prizes, and £25 for the printing of the raffle tickets, then the appropriate entries would be: Fundraising £300 and Fundraising Expenses £100. Similarly, for a ‘200 Club’, the prizes are fundraising expenses. If there is income shown under Fundraising, then almost certainly there should be some cost shown in Fundraising expenditure.

**Payments to Clergy**. Amounts paid under scheme A and scheme B as well as National Insurance, to Clergy (both Parish Priests and supply Priests), Health Care and the Diocesan pilgrimage to Lourdes. Flights for Overseas clergy.

**Staff costs**. All amounts paid in relation to staff (staff costs reclaimed by the Diocese, staff), but not to Priests. Staff training costs, self employed costs and other staff related costs.

**Office Expenditure**. Includes telephone, stationery, postages, copier rental costs, bank charges etc.

**Pastoral Expenditure** This includes Parishioner’s conference and course fees, Parish retreats, days of recollection, pilgrimages, materials for Catechesis, diaconate training costs, seminarian costs on placements and liturgical costs. **Travel Expenses**. Reimbursed mileage claims for Clergy and others in relation to Parish related matters.

**Repository Expenditure**. Should include purchase of candles, papers, newsletters and all sundry items that are to be sold to the congregation. Any items such as Mass Sheets which are not charged should be shown in Church expenditure. Include Fairtrade. Amounts to be entered here are the costs of items purchased for re-sale in Repository Income. There is no need to make an adjustment for opening and closing stock.

**Donations Paid**. Include all sundry gifts and donations made by the parish. Amounts paid to Religious Congregations (e.g. where a Parish Priest is a member of the Congregation or where Parish Sisters are looking after a Parish).

**Diocesan Quota** Amount paid during the year including any one-off Diocesan Quota on interest received.

**Interest Paid on Curial Loans**. Amount charged to Parish Loan accounts and shown on the statement issued by the Finance Office.

**Rental Property Maintenance Costs** Any maintenance costs on property rented out by the Parish. **Rental Property Agent Fees** Agents fees on renting out the property on behalf of the Parish. **Sundry Expenses**. Include all items of expense other than above or in the extraordinary expenses below. Any explanations to go into note 9.

EXTRAORDINARY

**Restricted Expenditure**. All payments made in relation to Restricted income this or previous years.

**Capital / Major maintenance payments**. Amounts shown here should be in respect of additional items, such as a new hall etc., and Major Works. It should not include sundry repairs costing less than £5,000. Major building works, in excess of £5,000, even though not ‘new’ – i.e. Church roof repairs £45,000, would be classed as ‘Major Works’, **PLEASE ENCLOSE WITH THE RETURN, PHOTOCOPIES OF ALL INVOICES OVER £5,000 INCLUDED AS CAPITAL EXPENDITURE** unless the original is already available at the Finance Office, in which case please advise that.

**Investment in Stock market.** Include any investments made on the stock market in the year through the arrangements made with the Finance Office.

**Closing Balances**.

Main Bank and Other Bank Accounts - Cash at Bank must be the CASH BOOK FIGURE, RATHER THAN THE BALANCE AS PER THE 31ST of MARCH BANK STATEMENT (unless, of course, they happen to be the same). This figure will be supported by the bank reconciliation as at that date. The unpresented cheques etc should not include any item over 3 months old. Any late lodgements are to be included as ‘not credited’. Any such late lodgements should be confirmed as having been actually banked.

The total of the closing Set-Off and Loan Account balances are to be as shown (Finance office will provide statements for the year).

Stock Market Investment is to be shown at Cost (The amount invested originally by the Parish)

Petty Cash - It is the responsibility of the Parish Priest to ensure that the amount shown as Cash in Hand is physically correct.

**Remember that the total of brought forward balances and income MUST equal expenditure and carry forward balances. Otherwise some income or expenditure will have gone astray.**

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**Note 1 Donations Received** Please list here the breakdown of Christmas & Easter Offerings, Stole fees, Mass offerings, registrar fees, receipts for supply work and sundry gifts.

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**Note 2 Sundry Income** List only items received over £1,000 and if necessary, include paperwork.

**Note 3 Restricted Income** This represents income received by the parish, but due to be paid over and not retained by the parish. Normally, all second collections (other than ‘Diocesan Quota’ collections) are restricted income and will be paid over later.

**Note 4 Legacies Income** It is a requirement that the Diocese reports to the Trustees on Legacy income and therefore the Parishes need to advise the finance office of any legacies received and send any relevant paperwork, such as copy wills to ensure the wishes of the deceased are abided by.

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**Note 5 Capital Income** Please list here the breakdown of any monies received in relation to property sales or any other assets of the Parish.

**Note 6 Grants Received** Please list here all grants received and the purpose they were received for.

**Note 7 Insurance Claims received** Please list here any monies received from insurance claims and the purpose they were claimed for.

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**Note 8 Payment to Clergy** Please list out all payments made to Clergy (This includes all Scheme A and Scheme B payments) as well as healthcare, national insurance, supply payments, flights for overseas priests and other such items.

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**Note 9 Sundry expenses** This option should only be used if the expenses do not fall under one of the other headings, please list all those that are over £1,000 and where necessary supply a copy of the invoice.

**Note 10 Restricted expenditure** Where income has been received but is not retained by the parish, the payment should be entered here. If all Restricted Income has been paid over in the year, the totals of Restricted Income and Restricted expenditure should be the same. List all second collections where payments have been made.

**Note 11 Capital/Major Maintenance payments** Amounts shown here should be in respect of additional items, such as a new hall etc and major works. It should not include sundry repairs costing less than £5,000. Major Building works, in excess of £5,000, even though not ’new’ – i.e. Church roof repairs £45,000 would be classed as Major works. Please enclose with the return photocopies of all invoices over £5,000 unless the original is already available at the Finance Office (Please state if this is the case).

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**Finance Report** This is where the details of the person who prepared and also audited the Parish Annual return.

**Bank Account(s)** This is where you need to list the bank accounts linked to the Parish and if there are more than two then create a separate sheet and add them to that.

Also show the summary of the bank reconciliation and attach a separate detailed list of all the Outstanding lodgements and unpresented cheques (Including Payee. Amount and purpose).

Attach also the bank statement for each account that shows the closing balance at the 31st of March.

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**Employee and volunteer** On this page we require information on any employees and also any payments made to volunteers and a estimate of the number of volunteers involved in the Parish. We are requested this information from the Office of National Statistics, and we are required to complete these forms.

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**Gift Aid Small Donations Scheme** Each year a Parish can claim gift aid on non-gift aided collections up to a value of £8,000, thus enabling the Parish to reclaim up to a maximum of £2,000 back from the HMRC. This is on the loose plate and any contactless up to £30. Anything claimed this way should not already have a Gift Aid declaration, be banked in the UK or via contactless, this is per building/place of worship as long as not a commercial building and at least 10 people attended the service on at least 6 occasions.

You cannot include monies raised in a fundraising activity.

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**Finance Committee** We require the list of members of the Parish finance committee and also the number of times you normally meet.

Also the contact details of the Chairperson of the Finance committee.

**Further notes**.

If you are in any doubt as to the correct analysis of any item of Income or Expenditure – please email diocesan.accountant@dioceseofnottingham.uk or accounts.assistant1@dioceseofnottingham.uk or telephone the Finance Office on 0115 953 9844 or 0115 953 9801.

PLEASE DO NOT ADD ADDITIONAL BOXES FOR INCOME OR EXPENDITURE AND PLEASE DO NOT ALTER THE ANALYSIS HEADINGS.Neither of these works when all of the parish returns have to be consolidated. If an item is borderline between more than one category, then you may have to split it. Your split will assuredly be better than the Finance Office’s.

Please take particular care with transactions with the Curia. They have to agree precisely with the Curia’s own figures as they are offset against each other in the published accounts!

The odd pence may generally be dropped – except for the Bank Reconciliations – if you find it easier.

The person doing the report MUST be independent of the person who prepares the return. The work required of the person doing the report is similar to that of a charity examiner.