

# Treasurers' Resource Pack – from 2019 Pea & Pie Suppers

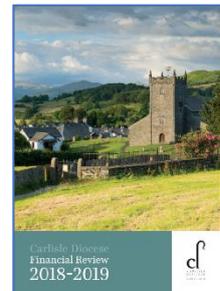
In Autumn 2019, four Treasurer 'Pea & Pie gatherings' were held around the Carlisle Diocese, with a chance for PCC Treasurers to meet with each other, and finance staff from the Diocese – to encourage each other and explore common topics of interest.

This pack attempts to pull together some of the information that we discussed and highlights some of the resources available, much of it based on questions asked by treasurers before or during the events. An electronic version of this pack will be available on the Diocesan Website (in the 'Resources for Treasurers' section – in 'What We Do', Finance) which may help with linking to these resources.

We hope you find this to be of interest and use to you, whether as a refresh for those who were able to join us at the events, or as helpful information to those who couldn't be there.

## Overview of Diocesan Finances

A significant majority of the Diocesan budget is spent on local ministry – the provision and training of clergy, deanery Network Youth leaders and lay leaders, to bring God's love to our communities all around Cumbria. In 2019 we produced a 'Financial Review' document. If you have not seen a copy, it is available as a pdf at <https://www.carlislediocese.org.uk/documents/diocese-carlisle-financial-review-201819/>, or in printed form on request from Church House.



## Questions you have asked...

### 1. Legacies

Legacies are an important source of income for parishes. In Carlisle Diocese, between 2013 and 2017, parishes received a combined average of around £850,000 per annum through gifts in Wills, but with a little work, this number could certainly be increased.

In general, when it comes to legacy giving, the aim is not to directly ask your congregation for gifts in Wills, but instead to make your congregation aware that legacy giving is one way they can support the mission and ministry of the local church.

Ways of increasing awareness of legacy giving includes:

- Celebrating those legacy gifts you have received in the past

If you have had a legacy gift of £5,000 and it helped you fix a leaky porch or pay for a children's worker, tell people about it! These sorts of stories really encourage the congregation and can sow seeds in people's minds to support in similar ways themselves. You could write about it in the parish magazine or e-newsletter, or, share the news at the front of church on a Sunday morning.

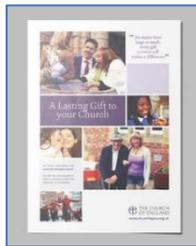
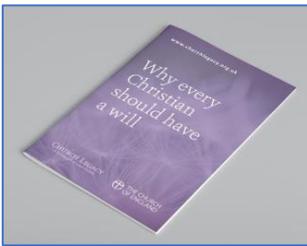
- Order some of the National Church's free legacy resources



A PCC legacy toolkit is available free of charge to all parishes. You can order your toolkit at:

<https://www.churchprintheub.org/?cat=460>

The toolkit provides examples of all the types of free legacy literature available to your churches: bookmarks, posters, solicitor guides, how to make a gift leaflets etc. Once you have had a look at what's on offer you can order more free copies of the leaflets you require and display them in your church.



- Create a legacy policy and publicise it

A legacy policy helps give your congregations confidence that any legacies they make to your church will be well managed. A policy can also encourage givers to make 'unrestricted' gifts to your church, as they understand the type of work the PCC would intend to put legacy gifts to. It can also help prevent conflicts on the PCC once a legacy arrives, as you have already agreed how legacy gifts will be used. Legacy gifts can legitimately be used to support the general mission and ministry costs of the church, but you may want to give examples of the sort of work this would include. Finally, once you have a legacy policy you can publicise it to the wider congregation, which again helps raise general awareness of legacy giving.

- Include legacies in your stewardship programmes/ annual reviews of giving

You may want to mention legacies on the response form of your stewardship programme/ annual review of giving. Your response form could include a tick box which says: "I would like to find out more about how to make a gift in my Will to St Michael's". If someone ticks this box, the treasurer could provide them with the relevant information contained in the legacy toolkit or signpost them to <https://www.churchlegacy.org.uk/> Sometimes people won't tick the box on the response form, but will still have been prompted to include the church in their Will.

Other legacy resources that may be helpful to you:

- For information on how to make a gift in your Will to the church click here: <https://www.churchlegacy.org.uk/>
- To order free legacy resources click here: <https://www.churchprintheub.org/?cat=460>

- A short legacy film from Bishop James outlining the difference legacy gifts can make to the church can be viewed here: <https://www.parishresources.org.uk/legacies/legacy-resources-to-help-you/>



## 2. VAT Claim Back

For some years now, VAT has to be charged on most building and repair work on churches, even if they are listed buildings. However, the Government currently operates a scheme (now extended to March 2021) whereby a sum of money is set aside each year, and PCCs can apply for a grant to offset the VAT on eligible work on their listed buildings. The scheme is operated through:



**Topmark (LPOW), 160 Bath Street, Glasgow, G2 4TB, United Kingdom**  
**Tel: 0800 500 3009 or 0845 013 6601** [lpwscheme.org.uk](http://lpwscheme.org.uk)

In summary:

The Listed Places of Worship Grant Scheme:

- applies only to repairs, maintenance and alteration works to listed buildings that are used principally as places of worship and listed places of worship owned by or vested in a number of specified organisations which look after redundant places of worship;
- applies to listed places of worship throughout the UK which are included on the public registers of listed buildings kept for England, Scotland, Wales and Northern Ireland;
- applies to listed places of worship of all religions and faith groups;
- only accepts applications made in arrears;
- only accepts claims where invoices are submitted within 12 months of the invoice date;
- only accepts applications where the minimum value of eligible work carried out on any one claim to the scheme is £1,000 (excluding VAT).

Full details of the scheme, what work is eligible, and how to apply for funding is available on the scheme website: [lpwscheme.org.uk](http://lpwscheme.org.uk). We do not know how long this scheme will operate for, and would encourage PCCs to claim little and often for eligible projects – to avoid the risk of the year’s fund being fully spent, or invoices going ‘out of date’.

Please also be aware that some forms of work are zero rated for VAT:

#### Zero-Rate Reliefs

- (i) The supply to a charity of the service of the construction of ramps and widening of doorways & passages in any building for the purpose of facilitating a disabled person's entry and movement therein (see Public Notice 701/7 “VAT Reliefs for Disabled People” Chapter 6).
- (ii) The supply to a charity of the service of providing, extending or adapting a bathroom or toilet for use by a disabled person in a building used mainly for charitable purposes (see Public Notice 701/7 “VAT Reliefs for Disabled People” Chapter 6).

I also understand that the installation of hearing/induction loops when installed in a place of worship are eligible for the zero rate of VAT

### 3. Parish Buying



Parish Buying has been set up by the National Church to help parishes in their local buying decisions. Through the bulk buying power of the Church of England, Parish Buying have negotiated competitive prices with suppliers across a range of different contracts. You can register free of charge with the parish buying scheme here: <https://www.parishbuying.org.uk/>

Registering with Parish Buying does not obligate you to use the service. Once registered, you will have access to an online catalogue. Here you can browse prices or get quotes on a whole range of products including: energy; office furniture; photocopiers; phone and broadband; insurance; church supplies etc. The aim of the parish buying scheme is to save churches money, so that more money is released for mission and ministry.

A short video explaining the parish buying scheme can be viewed here:

[www.parishbuying.org.uk/about](http://www.parishbuying.org.uk/about) This page also gives more detail on what the Parish Buying Scheme is, and how it works.

## 4. Types of Funds

One of the key concepts that a church or charity Treasurer needs to understand, is the difference between the types of **funds** in your accounts. These are defined in charity law, and the way in which you use money must follow these rules. The 4 types of fund are:

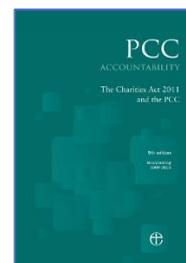
- **Unrestricted** – money is received or earned with no ‘strings attached’ as to how it may be spent. A PCC can therefore use this for anything which falls within its charitable objects. Because of this flexibility, receiving gifts, wills etc that are unrestricted are of most use to a PCC.
- **Designated** - a PCC may decide to ‘ring-fence’ some of its unrestricted money for particular projects - these are then classed as being designated funds. A PCC can change their mind, and ‘un-designate’ money at a later date.
- **Restricted** - money received (eg in a will or from a specific fund-raising event) may be classed as restricted – ie it was given to be spent on a specific project or type of spending (eg the Roof Repair project, for Youth Work etc). These funds have to be accounted for separately, and can only be spent on that area, unless the donor specifically tells you. PCCs may want to encourage unrestricted giving, but fund-raising for a specific project can be a powerful draw – but you may want a caveat like ‘if we receive more money than is required for the project, the excess will be used for general church purposes’.
- **Endowment**- this relates to a capital sum that has to be invested, where the income earned (interest or dividends) can be spent –this spending is often but not always restricted to a particular area/project. In many cases, these will be held on your behalf by the Diocese as ‘custodian trustee’, often in CCLA Deposit or Investment Funds shares.

A few quick things to be aware of:

- Make sure you understand the terms of your restricted and endowment funds, and spend this money (as opposed to unrestricted) where you can. Eg if you have money restricted to looking after the graveyard, make sure you use that money for any graveyard work.
- If you have endowment funds where the interest or dividends are reinvested into the account, make sure you draw down and spend that income where the restrictions allow you to.
- If you have an endowment fund with less than £10,000 of Capital (ie the original sum given), you as a PCC can choose to ‘cash-in’ the capital and spend it (on the same restricted purpose) if you think as Trustees that this is a better way to use the funds. Often small sums sit there earning very little income doing no real good to anyone, so as trustees you may decide it makes sense to spend the capital and do something useful.

There is a really helpful guide on the Parish Resources website that helps to explain all of this – see <https://www.pariahresources.org.uk/wp-content/uploads/restrictedfunds.pdf>

The 'PCC Accountability' guide is also a helpful place for details on how to operate funds. This is available online <https://www.churchofengland.org/more/policy-and-thinking/pcc-accountability-guide> and we have a few spare copies of the 5<sup>th</sup> edition in Church House if you don't have one.



## 5. Securing grants

At one time or another, most churches will find themselves embarking on a large fundraising campaign. Grants can be a valuable part of fundraising campaigns.

Before starting your grant fundraising, you may wish to seek advice from Jayne Potts, the Development Officer for Churches Trust for Cumbria: [jayne@ctfc.org.uk](mailto:jayne@ctfc.org.uk)

Lists of grant funders who support churches (for building projects and for salaries/running costs) can be viewed here:

- <https://www.carlisediocese.org.uk/documents/charitable-grants-churches/>
- <https://www.carlisediocese.org.uk/documents/national-churches-trust-grants-leaflet/>

Carlisle Diocese also has two small grant pots that can support churches.

### The Property Fund

Grants of up to £3,000 or one third of the cost, whichever is the less, are available to churches wishing to make improvements (but not repairs) to their church building. Find out more and download an application form here: <https://www.carlisediocese.org.uk/documents/parish-property-fund-grant-application-form/>

### The Growth Fund

Grants of up to £15,000 split over three years are available for churches embarking on church growth projects. Find out more and download an application form here:

[https://www.carlisediocese.org.uk/documents/diocesan\\_growth\\_fund/](https://www.carlisediocese.org.uk/documents/diocesan_growth_fund/)

The 2 Diocesan funds are reliant on a PCC being up to date with its Parish Offer, and maintaining an inflationary increase to its offer.

For more information on running fundraising projects for your church visit the parish resources website: <https://www.pariahresources.org.uk/resources-for-treasurers/funding/>

## 6. Changes to the Charities Act

There has been some indication that changes to the Charities Act were going to force all PCCs to go through the full registration process with the Charities Commission. Although in some cases (particularly for fundraising) it would be helpful to appear on the list of charities and have a charity registration number, this would also bring with it an unhelpful level of additional admin and reporting, and the national church has been liaising with government in this area.

Most PCCs – those with an annual income of less than £100,000 p.a., are **Excepted Charities**. This means that you ARE a charity – and you will most likely have a Gift Aid reference number and enjoy the benefits of being a charity. But you will not have a charity registration number or appear on the register of charities.

The latest news is that the requirement for all PCCs to go through the full registration process has been at least put back by some years. No final decision has been made but it is hoped that this may not be required after all. If this changes, we will let you know.

One final point on this – if you have a one-off year where a legacy, or big fund-raising project take you over £100,000 income, you can write to the charity commission to explain that this was a one-off year, and they will then not make you go through the full registration process. A template letter is held on the Parish Resources website

## 7. Gift Aid

Church of England parishes collectively receive nearly £90 million in Gift Aid tax rebates each year, around £40 million more than the amount collected in the year 2000, and sufficient to fund 1,600 stipendiary clergy! This is a great tribute to the hard work of volunteers running Gift Aid programmes in parishes throughout the country, as well as a testimony to the value of the Gift Aid scheme.



The Parish Resources website contains loads of information to help you set up and run your gift aid scheme:

<https://www.pariahresources.org.uk/giftaid/>

In particular, we ask treasurers to be aware of the Gift Aid Small Donations Scheme (GASDS) as a new and valuable income source for churches. GASDS allows parishes to claim a Gift-Aid style repayment on small cash and contactless donations of up to and including £30 to a threshold of £8,000 of donated income per tax year per church. This means donations collected through your collection plate will be eligible for this gift-aid style repayment. To find out how to run the GASDS visit: <https://www.pariahresources.org.uk/giftaid/smalldonations/>

## 8. Other Questions

- **Funeral Collections** – this one always divides opinion with Treasurers and Independent Examiners! General thinking is that if money is given at a funeral (or other event) specifically for another charity, then these funds are not to be included in the PCCs accounts as income and expenditure. Obviously they cancel each other out if you do include them, but guidance indicates that you are only collecting this money as an ‘agent’ and so it is never the PCCs money to include as income and expense – even if you put it through your bank account. (See page 27 of PCC Accountability’ 5<sup>th</sup> Edition).
- **Local Banking** – as high street banks increasingly close local branches, access to bank counters is becoming an ever-increasing challenge for churches and businesses alike. Many are now forced to bank via the local Post Office counter, but locally some Post Offices are insisting on coins being banked as full bags only which is troublesome! Keeping some sort of petty cash tin may be required until you have sufficient coins to bank, but you will need to keep good records to keep on top of this. There are no easy answers I’m afraid. NEVER use personal bank accounts for PCC funds.

## 9. Communicating Finances

We were grateful for the discussions we had with you around how we as a Diocese communicate effectively with PCCs and churches. In order to improve communications and transparency around parish offer this year we initiated some new communications:

- The Parish Offer request letter from Bishop James
- The Diocesan Financial Review
- The Bishops Roadshows

We hope you felt these communications were helpful to your local churches, and an improvement on previous years’ communications. However, we are aware we didn’t get everything right this year, and thanks to your feedback, we will be altering some of our communications in the year ahead.

As the Diocese attempts to communicate more effectively and transparently with parishes on finances, we encourage you as treasurers and as a PCC to be equally proactive in the way you communicate with your congregations on your church finances. For your congregations to take ownership of your church’s finances, its important your financial situation is communicated regularly, clearly and transparently with all your congregation in ways they can understand. Our Stewardship Enabler, Sophie Hodge, can help you with this if required:

[Sophie.hodge@carlisle-diocese.org.uk](mailto:Sophie.hodge@carlisle-diocese.org.uk)

## 10. Useful Sources of Information

There are a number of really good sources of information which you, as Treasurers, can access to support you in your work, and to find answers to questions you may have. The list below are some of those we think are particularly helpful:

### Parish Resources

<https://www.parishresources.org.uk/>

This has really great guides on many aspects of a Treasurer's role.

### The (new!) Diocesan Website

<https://www.carlisediocese.org.uk/>

We want this to be a great place to look for information to support you as Treasurers – if you have ideas on what we can add here, do let us know!

### PCC Accountability

<https://www.churchofengland.org/more/policy-and-thinking/pcc-accountability-guide>

### ACAT

(Association of Church Accountants and Treasurers)

<https://www.acat.uk.com/>

For a very small annual fee (£15) you have access to expert advice and regular newsletters. They also provide cheap training courses for Treasurers.

### Parish Buying

<https://www.parishbuying.org.uk/>

### Legacy Resources

<https://www.churchprinthub.org/?cat=460>

### Stewardship

Sophie Hodge: email [Sophie.hodge@carlisediocese.org.uk](mailto:Sophie.hodge@carlisediocese.org.uk)  
telephone 01768 807777

### Churches Trust for Cumbria

Jayne Potts: email: [jayne@ctfc.org.uk](mailto:jayne@ctfc.org.uk)  
telephone 07979 606 131