Dear Treasurers

I hope you are well, and continue to manage through this long and challenging period of the coronavirus pandemic.

You will hopefully have received a letter last week from Bishop James (by e-mail and post), asking you to work with your PCC to give an initial indication of your 2021 Parish Offer – with a deadline of 1st September. You may have joined us on one of our webinars about this – if not it is available to watch on our YouTube channel at <https://www.youtube.com/watch?v=pDqDl_6rPIA>

**We absolutely understand that trying to work out how your PCC finances will be affected this year, and next, is extremely difficult.**

There are so many areas of uncertainty! But it is really important that you start to think about what your finances might look like, partly for your own planning, but also so that the Diocese can start to plan and budget for next year – for us to do so without asking you what your offer might be, we would have nothing on which to base some really important decisions for next year.

So – the most important things is that you give this a go, try you best, but we know that much of this remains at best, informed guesswork – and what actually happens will only be known as the next 18 months unfold.

**Please do your best** – if things turn out worse than you thought, then we will understand that you will have to pay less than this offer – and similarly, if things turn out better,  then you  may be able to pay more. But for now we need to give this a go…..

At this stage – we are looking for an indication of what your offer might be, based on some assumptions and guesses.

With so much uncertainty, the question is ‘how do I even start to work this out?’ – so we have produced two resources – attached – which I hope will be of some help.

1. A two-page sheet which goes through some of the assumptions and thoughts/questions that you may find helpful, thinking about how your income and expenditure may be affected over the next 18 months. I strongly suggest that you talk this through with your clergy and/or other PCC members to get a view on the various issues it raises.
2. A spreadsheet template – this is an OPTIONAL tool - which you might want to use to help think about how your 2020, and then 2021, accounts might be affected by covid-19.

Or you may prefer to make your own version, or alter this one.

We will not be asking you to send this to us – it is just a tool which you might find of some help as you approach this task.

Notes about the template:

The spreadsheet is in the format of the Annual Finance Return which most of you will be familiar with.

It has columns for unrestricted and restricted funds.

(There is a second ‘tab’ which is similar but has additional columns for designated funds – in case you have any.)

It starts with your 2019 accounts (don’t worry if these are still draft/unaudited) so fill this in first. Don’t worry too much about what goes in what rows – it is not a test!

It then gives you a section for 2020 – so this is where you put in what you think your 2020 accounts might look like, bearing in mind those elements of income and expenditure which are being affected by covid-19. We imagine your income will be lower, especially collection, envelope and fundraising income. Elements of expenditures may be higher or lower.

It then gives you a section for 2021 – and again – with 2019 as your ‘normal’, think about what 2021 might look like for each line of income and expenditure.

When you have entered all of your estimates for income and expenditure, you can enter your Parish Offer figure at the bottom.

Put your 2020 offer in full if you believe you will be able to pay it in full, or a reduced figure if you think that is unlikely you will be able to make the full payment this year.

The template should then allow you to enter an estimate of what your 2021 offer could be, and show what the impact will be on your reserves.

*(Thanks to the Treasurers who have had a look at this already and given feedback – I have tried to improve it in line with your suggestions where I could!)*

You may prefer to try to do this in a different way which is fine – but you may find this template a helpful way to think through possible impacts on different areas of your accounts.

We need you to give your initial 2021 Parish Offer indication to your deanery co-ordinator (or MC rep for those in the West Cumberland Archdeaconry) by 1st September.

Ideally you will agree this as a PCC – but we realise that this will have to be by video conference, phone, or e-mail.

If you are unable to ‘meet’ to agree the offer, please submit this as the Treasurer’s indicative figure – and you may want to change it later when the PCC has had a chance to consider it.

We strongly recommend that you chat this through with your local clergy and/or PCC members, to get a sense of how you all think the coronavirus will affect YOUR parish – how quickly might you open up for worship and, based on your congregation, how quickly do you think people will be willing to come back.

Each parish will be different, so you need to think about your local congregation.

None of this is ideal – we are in very challenging times – but having an indication of how you think next year might look will make a huge difference in how we can plan for next year – please do try your best – we know if won’t be ‘right’ and includes lots of guesses and assumptions – but please do your best for now.

Thank you – I know this is difficult. But I also know you are an amazing bunch of Treasurers who do a fantastic job for your local churches. So thank you – give it a go, and we will see how things might look as we navigate through these difficult times together.

We will put copies of all of these resources on the Diocesan website.

I pray that you will continue to find God’s strength and peace in these difficult times, and look forward to better days when we can meet again face to face.

Regards and God bless,

**Ric Jaques**

**Head of Finance**