

*GUIDANCE NOTES*

**FOR COMPLETION OF THE 2015/6**

**PARISH RETURN**

**PLEASE READ THE FOLLOWING NOTES BEFORE  
PREPARING THE PARISH RETURN.**

If you have any queries please email Jonathan Gamble or Edward Poyser:  
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**PLEASE ENSURE THAT ALL 6 PAGES OF THE RETURN  
AND THE FRONT PAGE HAVE BEEN FULLY COMPLETED  
BEFORE RETURNING THEM.**

## GUIDANCE NOTES ON COMPLETION OF THE PARISH RETURN

**Opening Balances:** Amounts brought forward **MUST BE** the same as the closing balances carried forward on last year's Return.

1. **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 is still a 'normal' collection.
2. **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. Please also see Note 16 about Restricted Expenditure.
3. **Fundraising Income.** Income from social events, Christmas and Summer Fairs, concerts, bingo, 100 clubs etc. Please also see note 25 – Fundraising Expenses.
4. **Donations Received.** 'One-Off' Donations received. Should also include Mass Offerings and Stole Fees if retained by the parish. Sundry gifts to a parish by a Social Club etc, should also be included here.
5. **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 shown under "Any other amounts owed to/ (owing by) Parish".
6. **\* Grants Received.** Include Grants received from the National Lottery, National Heritage, VAT repayments under the Listed Places of Worship Scheme, Poor and Needy Parishes Fund (including from the Guild of Our Lady of Ransom) marked ID in the analysis, Local Government etc.
7. **Interest Credited – Set-Off.** Amount credited to a Set-Off account in the year, as shown on the Set-Off Account statement issued by the Finance Office. 'Other Interest' is the amount credited to sundry savings accounts during the year.
8. **Repository Income.** Should include sale of candles, papers, newsletters and all sundry items that are to be sold to the congregation. Include Fairtrade. Please also refer to note 24 – Repository Purchases.
9. **Rents Received.** 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; THIS SHOULD BE INCLUDED IN SUNDRY INCOME – BOX 12. If hall hire income is allocated here you will end up paying too much Diocesan Quota.**
10. **Chaplaincy Income.** All chaplaincy income received for hospital or prison chaplaincy (which is required to be retained by the parish and not by the priest concerned).

11. **Gift Aid Tax Repayment.** 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.
12. \* **Sundry Income.** All other income not included in boxes 1 – 11 described above. In view of the comprehensive analysis available under boxes 1 – 11, then if a parish shows sundry income of more than £5,000, it is likely that this includes income that should be included elsewhere. Included here are proceeds from hire of the church hall, proceeds from the sale of property, amounts of capital received back from the stock market and for residential University chaplaincies the amounts received from students for occupation of rooms.
13. **Church & Hall Upkeep.** Repairs, cleaning, running costs such as heating, lighting etc. Where it is not possible to identify the split of a particular expense between Church and Presbytery, please apportion sensibly. Do not adjust for accrued utility bills as this will be done by the Finance Office.
14. **House and Housekeeping Costs.** All domestic running costs, repairs, cleaning and food etc. This should **not** include any Housekeeping Wages paid. As before, do not adjust for accrued utility bills as this will be done by the Finance Office.
15. **Insurances.** Amount actually paid in the year. Do **not** adjust for amount prepaid as this will be done by the Finance Office.
16. **Restricted Expenditure.** Please refer to note 2. Where income has been received but is not to be retained by the parish, the payment should be entered here. If all Restricted Income has been paid over in the year, the totals of boxes 2 and 16 should be the same. Where a parish receives a second collection of say £180, but rounds this up to £200 and sends it off, the correct analysis of the payment should be Restricted Expenditure £180, Donations Made £20 - box 27. This then leaves Restricted Income at the same figure as Restricted Expenditure. (\* for amounts not paid over at the year- end to be noted in the analysis box).
17. **Diocesan Quota Paid.** Amount paid during the year including any one off Diocesan Quota on interest received.
18. **Payments to or for Clergy.** Amounts paid, including National Insurance, to Clergy (both Parish Priests and supply Priests), BUPA and the Diocesan pilgrimage to Lourdes.
19. **Wages & NIC.** All amounts paid to staff, but not to Priests.
20. **Office Expenses.** Includes telephone, stationery, postages, copier rental costs, BANK CHARGES etc.
21. **Travel Expenses.** Re-imbursed mileage claims for Clergy and others.
22. **Other Quotas Paid.** Amounts paid in the year for schools.
23. **Interest Paid – Loan Account.** Amount charged to the Parish Loan account, and shown on the statement issued by the Finance Office.

24. **Repository Purchases.** 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 and Hall upkeep, box 13. Include Fairtrade. Amounts to be entered here are the costs of items purchased for re-sale according to box 8. There is no need to make an adjustment for opening and closing stock.
25. **Fundraising Expenses.** If a raffle produces a net profit of £100, after paying £30 in prizes, and £5 for the purchase of raffle tickets, then the appropriate entries would be: Fundraising £135, (box 3), and Fundraising Expenses £35 (box 25). Similarly, for a '200 Club', the prizes are fundraising expenses. If there is income shown under Fundraising, box 3, then almost certainly there should be some cost shown in box 25.
26. **\* Capital Expenditure/ Major maintenance/ Stock market investment.**  
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', being in excess of £5,000, and as such included in Capital Expenditure in box 26. **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. Please also include any investments made on the stock market in the year through the arrangements made with the Finance Office.
27. **\* Donations Made.** Include all sundry gifts and donations made by the parish. Amounts paid to Religious Congregations (eg where a Parish Priest is a member of the Congregation or where Parish Sisters are looking after a Parish).
28. **\* Sundry Expenses.** Include all items of expense other than boxes 13 to 27 above. In view of the wide range of analysis available in boxes 13 to 27, then if a parish shows sundry expenses in excess of say £5,000, it is likely that this includes items which should have been included elsewhere. **BANK CHARGES ARE OFFICE EXPENSES AND NOT SUNDRY EXPENSES.** This includes transfers to and from (the latter shown as a negative) the additional set off and loan accounts. (The transactions from the main set off and loan account are consolidated into the annual return).

### **Closing Balances.**

The closing Set-Off and Loan Account balances are to be as shown on the statements issued by the Finance Office as at the year end. Cash at Bank must be the CASH BOOK FIGURE, NOT THE BALANCE AS PER THE 31<sup>ST</sup> MARCH BANK STATEMENT. This figure will be supported by the bank reconciliation. The un-presented 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.

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.

### **Further notes.**

\* Further analysis is requested for these items in pages 3 and 4 of the return.

If you are in any doubt as to the correct analysis of any item of Income or Expenditure – please email [jonathan.gamble@nrcdt.org.uk](mailto:jonathan.gamble@nrcdt.org.uk) or [financial.secretary@nrcdt.org.uk](mailto:financial.secretary@nrcdt.org.uk) or telephone the Finance Office on 0115 953 9800. (PLEASE DO NOT ADD ADDITIONAL BOXES FOR INCOME OR EXPENDITURE AND PLEASE DO NOT ALTER THE ANALYSIS HEADINGS. Neither of these work 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 netted in the published accounts!

**WHERE THERE ARE A NUMBER OF SET OFF ACCOUNTS THEN ONLY THE TRANSACTIONS FROM THE MAIN SET OFF ACCOUNT (AND ALSO THE MAIN LOAN ACCOUNT but not an additional interest free loan account set up for a specific project if there is one) SHOULD BE INCORPORATED IN THE RETURN.** (This is as last year.) If not already clear show which transactions on the additional set off accounts are internal parish transfers which will then be “netted” in the consolidated accounts.

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

Where a return is emailed then the signed hard copy for the front sheet should be sent in by post, faxed or if emailed then scanned first with the signature on it.

The person doing the report MUST be independent of the person who prepares the return.

### **Gift Aid Small Donations Scheme.**

In respect of all places of worship in the 2015/6 return you need to advise in connection with the cash donations in the loose plate amounts of £20 or under but excluding all cash already received under a Gift Aid declaration:

- i) either that the amount of loose plate from 6<sup>th</sup> April 2015 to 5<sup>th</sup> April 2016 is above £8,000 (previous years £5,000), or,
- ii) the actual amount of such loose plate received from 1<sup>st</sup> April 2015 to 5<sup>th</sup> April 2015, from 6<sup>th</sup> April 2015 to 31<sup>st</sup> March 2016 and from 1<sup>st</sup> April 2016 to 5<sup>th</sup> April 2016.

Since this will entitle a parish to a top up of ¼ of such amount received up to £8,000 from 6<sup>th</sup> April 2015 to 5<sup>th</sup> April 2016 it is obviously very well worth claiming.

To emphasise the conditions in relation to this:

- a) the donation is in CASH and of £20 or less (so cheque and credit card donations do not count).
- b) It is not already the subject of a Gift Aid claim.
- c) the amount must be banked in the UK.
- d) up to £5,000 per annum may be claimed per building in which Mass (including a school or University) is said unless it is a part of a building which has primarily a commercial use. An adjacent building to a Church would not qualify where the Church has already been included.
- e) there must be at least 10 people attending a service in the building on at least 6 occasions in the year.
- f) money raised from fundraising activities does not count.

#### **Health and Safety risk assessment**

Please do **NOT** delay submitting the Annual Return until a health and safety risk assessment has been done.