

DIOCESE OF PORTSMOUTH



DIOCESAN OPERATING PROCEDURES

Issued by

**The Bishop of Portsmouth and the Trustees of the Portsmouth Diocesan Trust
St Edmund House
Edinburgh Road
Portsmouth
PO1 3QA**

(Additional copies may be downloaded from www.portsmouthdiocese.org.uk)

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DIOCESE OF PORTSMOUTH



DIOCESAN OPERATING PROCEDURES A (DOP A)

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FOR

FINANCE AND ACCOUNTING

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FOREWORD

These Diocesan Operating Procedures are an important step forward in providing clarity for all those concerned with administration in all the communities that together form the Diocese of Portsmouth. We have a responsibility to ensure that people, buildings and money are treated carefully and with respect and to perform our duties “with the diligence of a good householder.” (Canon 1284§1)

As a diocese we must always ensure that the matters we deal with fulfil the requirements of both civil and canon law. It should be clear that these Diocesan Operating Procedures are not ‘guidelines’ or in any way optional. They have the status of particular law for this diocese and therefore must be adhered to in the broad areas of personnel, schools, buildings and finance. They reflect the vision of the Church contained in our diocesan Pastoral Plan.

I am grateful to those who have given so much of their time to compiling these procedures and who will ensure their regular review and updating.

+Crispian Hollis
Bishop of Portsmouth

May 2010

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DOP A1

FINANCIAL CONTROL AND BANKING

Introduction

- 1.1 All organisations need sound financial management systems and procedures, in order to record and monitor their financial position, to plan and budget for the future, and to satisfy the requirements of external bodies, such as HM Revenue and Customs (formerly the Inland Revenue and HM Customs and Excise) and banks.
- 1.2 External bodies are becoming more demanding in the information they require, and this inevitably impacts upon the level of sophistication the Diocese must adopt in internal control and reporting. The Diocesan Department for Finance and Property has a key role to play in assisting parishes to meet the necessary standards, and in recommending structures and procedures suitable for that purpose.
- 1.3 This DOP sets out those recommendations, and details the current arrangements for banking and bank account operation, and the investment of surplus funds.

Diocesan banking arrangements

Centralised banking

- 1.4 The Diocese operates a "centralised banking system" at LloydsTSB, under which all the diocesan and parish accounts are maintained. An "offset" system is operated, which means that the debit balances on overdrawn, and loan, accounts are offset against the credit balances on other accounts, for interest calculation purposes.
- 1.5 It should be stressed, however, that under this system, each parish does have its own individual bank account, or accounts. Parish priests are provided with the usual cheque books for paying bills or drawing cash, and paying-in books, and statements detailing all movements recorded on the bank accounts are sent directly to him. The management of each parish account is the responsibility of the parish priest, helped by the parish finance committee (Canon 5.32 and 5.37).
- 1.6 Transactions on the parish account(s) may be conducted by the parish priest alone, or by an individual nominated by him, or both. Cheques for payments of £5,000 and over must be authorised by two signatures, having been first authorised by the parish finance committee – see paragraph 1.18 below. The Bishop, the Diocesan Trustees, the Diocesan Financial Secretary and the Diocesan Finance Manager are automatically entitled to authorise payments from parish accounts. When changes are required to the signatories for an account, an authorised signatures form should be requested from the Diocesan Department for Finance and Property.

Overdrafts

- 1.7 A parish current account must not be overdrawn, unless specific prior permission has been obtained from the Diocesan Financial Secretary. Procedures for obtaining loans vary according to the size, and purpose, of the facility being requested, and full details of these can be found in DOP A4. If a short-term overdraft is required for a particular reason, an application with all relevant facts should be submitted to the Diocesan Financial Secretary, who may need to refer it to the Diocesan Finance and Property Committee.

Investments

- 1.8 Where a parish has accumulated moneys surplus to its immediate requirements it can place them in an interest-bearing deposit account, but **only within the central banking system**. Such deposits enable interest-free, or low interest, loans to be made to parishes undertaking development projects.
- 1.9 Consequent to the above, interest paid on deposit balances is low, relative to rates obtainable in the money market. In effect, many parishes participate in the development of the Diocese by accepting a low rate of return on investments as a means of assisting other parishes.
- 1.10 Parish moneys for long term investment from, for example, a large legacy or the sale of property, should be used to purchase units in the higher-yielding Diocese of Portsmouth Investment Fund (DOPIF). DOPIF is similar to a managed unit trust fund, with a spread of gilt-edged and equity investments. Dividends are paid directly to parish current accounts quarterly, in respect of income earned in the previous quarter.

Parish financial management

The basic elements of financial control

- 1.11 Canon law requires both care and accountability in administering church resources at all levels (See Canons 1254 - 1310). Canon 1282 states 'All persons, whether clerics or laity, who lawfully take part in the administration of ecclesiastical goods, are bound to fulfil their duties in the name of the Catholic Church, in accordance with the law'. Canon 1284 §1 adds, 'All administrators are to perform their duties with the diligence of a good householder.' In particular, the following basic elements of financial control must be satisfied:
- a) Accurate records of income and expenditure must be maintained (Canon 1284 §2.7°) (see DOP A2 for further information).

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- b) A diocesan annual return must be completed accurately, and submitted promptly to the Diocesan Department for Finance and Property. (Canon 1284 §2.8°) (see DOP A3 for further information) The diocesan annual return, or extracts from it, should be published for the information of parishioners.
- c) It is earnestly recommended that each parish should prepare an annual budget, and the diocesan annual return should enable a comparison of actual and budgeted expenditure and income, to identify major variations. (Canon 1284 §3).
- d) Correct procedures must be followed when authorisation is sought for major capital expenditure and/or loans to fund major projects. (Canon 1281) (see DOP A4 for further information)
- e) Adequate records must be kept in relation to offerings and gifts made under gift aid, in order to satisfy HM Revenue & Customs. (Canons 1284 §2.3° and 1290) (see DOP A5 for further information)
- f) All parishes must maintain adequate insurance cover for buildings and equipment and for liability towards third parties. (Canon 1290) This is normally provided via the diocesan combined risks insurance policy.
- g) Employment contracts must comply with employment legislation. (Canon.1286) (see DOP D for further information)
- h) Remuneration of the clergy must be operated in accordance with the detailed instructions issued by the Bishop. (Canon 281 §1) (see DOP A9 for further information)
- i) All fund-raising activities must comply with civil law, and must be properly managed. (Canon 1284 §2.3°) (see DOP A10 for further information)
- j) Parish buildings and equipment must be regularly inspected and maintained, and a routine for achieving this must be established. (Canon. 1284 §2. 2°) (see DOP B2 for further information)

1.12 In addition to the above, codes of sound practice and essential instructions to be followed are also established concerning the operation of licensed and unlicensed club funds, youth clubs, playgroups, the hiring out of parish property, and for the disposal of church property.

Reference can be made to the relevant DOPs for further information.

The mandatory organisation for financial control

The parish finance committee

- 1.13 Canon law makes it clear that, under the Bishop, the parish priest is responsible for the proper financial administration of the parish; it is recognised, however, that, without the support of experienced, qualified laity, the burden of work involved in this task will prove intolerable. (Canon. 532)
- 1.14 Therefore, Canon 537 makes it obligatory that in each parish there is to be a finance committee, "to help the parish priest in the administration of the goods of the parish".
- 1.15 Membership of the parish finance committee should consist of at least two people. In practice, the size of the parish finance committee will be related to the size of the parish, and the burdens of administration and control related to it.
- 1.16 The parish finance committee should be constituted with the following officers:
- a) A chairman, to arrange and control meetings and to draw up agendas.
 - b) A secretary, to keep a record of decisions.

In addition, it is recommended that the parish treasurer and the gift aid organiser (see below) should both be ex-officio members of the parish finance committee. But neither the parish treasurer nor the bookkeeper should be the chairman of the committee.

The parish priest is not a member of the parish finance committee, as he cannot be a member of a consultative body to himself, but he will normally attend its meetings.

- 1.17 Members should be sought with some experience of finance, property management, etc. However, even without these, many parishioners have sufficient skill to master the needs of the parish and can provide valuable support.
- 1.18 It is strongly advised that the parish finance committee meets at least quarterly in each accounting year, in order to review the parish finances including parish accounts and the diocesan annual return (before it is sent in), and to approve the budget for the following year. The finance committee must also approve any expenditure of £5000 or over before it is incurred – see also paragraph 1.6 above.
- 1.19 Under civil law the parish priests' powers of financial management must comply with the public benefit requirement and the Charity Commission's guidance on meeting the requirement, available from the Charity Commission at:

Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG, Tel. 0845 3000 218 or www.charity-commission.gov.uk/publicbenefit/publicbenefit.asp.

1.20 The public benefit requirement requires charity trustees to account for the public benefit provided by their organisation under two key principles:

Principle 1: there must be an identifiable benefit or benefits:

- Principle 1a: it must be clear what the benefits are
- Principle 1b: the benefits must be related to the aims
- Principle 1c: benefits must be balanced against any detriment or harm

Principle 2: benefit must be to the public, or section of the public:

- Principle 2a: the beneficiaries must be appropriate to the aims
- Principle 2b: where benefit is to a section of the public the opportunity to benefit must not be unreasonably restricted:
 - by geographical or other restrictions; or
 - by ability to pay any fees charged
- Principle 2b: people in poverty must not be excluded from the opportunity to benefit
- Principle 2c: any private benefits must be incidental.

Parish accounts personnel

1.21 The parish accounting systems must meet minimum accounting standards acceptable for audit and provide easily usable tools for planning and control. Inevitably, a variety of different tasks must be accomplished in each parish in order that these requirements can be met and, thus, a team of people will be required to carry out these tasks. Whilst in some, small parish tasks can be combined, it is desirable that, as a safeguard both for the individuals concerned and for the parish, a degree of separation of responsibilities is maintained.

1.22 A parish should have a team of cash counters, couriers to the bank, a gift aid organiser to administer income received under gift aid, a bookkeeper to record transactions and a parish treasurer to oversee the whole procedure, to produce accounts and to compile the diocesan annual return.

1.23 **The minimum recommended structure requires two cash counters, (who can also act as couriers), a gift aid organiser and a parish treasurer.**

The duties and responsibilities of parish accounts personnel

1.24 *Counters* undertake responsibility to tally all moneys received through offertory collections, special collections, payments for books, papers, repository items, etc., in the detail required by the needs of the parish accounting system, and gift aid schemes. At no time should any one person be held responsible for counting and recording moneys or count or record moneys without at least one other person present, as a safeguard both for the individuals, and for the parish. Each parish

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must use a *rota* of teams of at least two people. Both counters should sign the weekly cash sheets to show that they were present at the count; they should be countersigned by the parish priest or another senior parish employee who is not one of the counters for the week and then kept on file. See also paragraph 2.12.

- 1.25 *Couriers* are responsible for ensuring that all such moneys mentioned above are deposited as soon as is practicable, after counting and recording, in the parish bank account, and that confirmation is received of the amounts deposited and the date.
- 1.26 *Bookkeepers* must ensure that all financial transactions are recorded accurately according to the prescribed methods, that supporting documentation is retained in order to provide clear audit trails, and that accounting records pertaining to parish finances are periodically reconciled to external documents (e.g. bank statements).
- 1.27 *Parish treasurers* are required, principally, to see that all the above tasks are carried out in accordance with diocesan DOPs, and/or regulations, and in accordance with the requirements of external authorities. In addition, the parish treasurer is responsible for preparing the diocesan annual return and submitting this to the Diocesan Department for Finance and Property within the time limits given. Finally, the parish treasurer is expected to play a major part in compiling the parish budget, is expected to prepare periodic reports detailing the parish financial position, and to advise the parish finance committee and the parish priest on financial matters.
- 1.28 The role of gift aid organisers is dealt with in detail in DOP A5. Whilst their responsibilities relating to gift aid schemes are necessarily independent of those of the parish treasurer, it is essential that a close co-operation exists between the two offices, as the duties of each impact on the tasks of the other.
- 1.29 All the parish accounting records, including recording, banking, bank reconciliations, documentation retention etc., should be regularly reviewed by someone other than the parish treasurer. This should be either the parish priest, a senior parish employee who has not been involved at any stage of the accounting procedures or a member of the parish finance committee.

DOP A2

PARISH ACCOUNTING PROCEDURES

Introduction

- 2.1 Our accounting procedures are designed to meet the requirements of Canon 1284, regulations introduced under Charities Act 1993, the Standards of Recommended Practice (SORPs), currently SORP 2005, and IFRSs (when introduced). The Diocesan Trustees need to account for all funds in their name and report on those funds.
- 2.2 The funds being accounted for are used for different purposes, and the systems being used need to define those different purposes, separating the different types of income and expenditure. Some income received is defined by the donors for restricted purposes, which income cannot be used for any purpose other than defined. This includes certain legacies and third party collections.
- 2.3 Parishes need to operate a consistent minimum approach to accounting procedures, which provide an acceptable basis for audit whether external and/or HM Revenue and Customs, the production of the parish annual return, and adequate financial planning and budgetary control.
- 2.4 The parish annual return is described in detail in DOP A3. The format used in this return is the basis of analysing receipts and payments in parishes.
- 2.5 Parishes may wish to extend their analysis of individual receipt and payment categories, which is proper, but must be capable of summarising efficiently for the production of the annual return.
- 2.6 Although parishes account for their receipts and payments on a cash basis, diocesan accounts are prepared on a traditional accrual basis, and parishes are asked on their annual return to provide additional information to enable this to be achieved.

Accounting systems

- 2.7 Parishes do use a variety of accounting systems, the manual analysed cash book, spreadsheets, and proprietary accounting systems. The Diocesan Department for Finance and Property has from time to time sourced specialist systems, which have been provided to parishes, and are continuing to do so. Whatever system is utilised it must provide the analysis set out in the Annual Return, and an adequate audit trail. Use of the coding system set out in the Annual Return forms the basis for analysis, in whatever system is being utilised.

2.8 Primary Records

- **Cashslips.** The cashslip, numbered in sequence, is the basic document used to deal with the weekly collection and collection boxes (flowers, candles, poor boxes, etc.), analysing cash and cheques received between categories. The counters responsible will sign this cashslip
- **Paying in books.** Issued by the bank, this book in duplicate, records the cash and cheques paid in and equates to the cashslip.
- **Cheque books.** Payments made by cheque are made from the cheque book issued by the bank, and on the stub is recorded the date, payee and amount.
- **Credit cards.** Parishes are being issued with corporate credit cards, to be used for payments where cheques are not appropriate.
- **Bank statements.** Statements are issued by post monthly from the bank, recording all items in the paying in book, cheques issued, standing orders, both receipts and payments, direct debits, and telephone, credit card and internet transactions.
- **Credit card statements.** Monthly statements are issued which are reconciled to the vouchers issued by the retailer.
- **Cash vouchers.** When cash is used for whatever purpose, a voucher is prepared to show the expenditure, and signed by the recipient. The person authorising the expenditure should not be the same person as the recipient.

2.9 Secondary Records

- **Cash book.** Whether manual or spreadsheet, records and analyses the different categories of receipts and payments.
- **Invoices.** Filed in date order and marked with date paid, how paid, reference.
- **Correspondence.** Where money is received and a letter accompanies, to confirm purpose, and cheque or other remittance is sent with no other document, then this is the record.

2.10 Whether manual, spreadsheets or proprietary accounting systems are being used, the above are the basis for all parish records. The exception is the cash book, where a proprietary system will have its own cash book.

2.11 These records are to be kept for a minimum of 6 years, and can then be destroyed securely.

Parish Accounting Procedures

Receipts

- 2.12 All cash and cheques received should be counted as soon as practical, by two counters, and analysed into the appropriate category. Cash included in envelopes should be marked with the amount enclosed, and either entered on a numbered sheet, or the envelope (without the cash) handed to the gift aid organiser. Third party collections should be separated and counted, as all cash taken from emptied boxes for candles, flowers, poor boxes, etc. Cash for Holy Souls should be handed intact to the parish priest, and should not be included in the cashslip, unless the parish priest directs otherwise. Christmas and Easter collections are part of the priests' income and for the sake of protecting the integrity of the priests' taxation return, it is recommended that this is counted and recorded in the parish bank account. In particular, if any of this income is gift aided, then it has to be processed through the parish. Once counted and analysed the cashslip should be completed and signed by both counters and countersigned by the parish priest or a senior parish employee who is not one of the counters for that week. See also paragraph 1.24.
- 2.13 Cashslips should be numbered either using date or week or whatever system identifies the sequence. Where cash is required for housekeeping and office cash, this can be deducted from the cash received, and entered on the cashslip, for the purpose required.
- 2.14 The counters can also complete the paying in slip, reconciling the cash to be banked. As the cash has been counted, and is therefore insured, it is also acceptable for another volunteer to complete the paying in slip, together with any cheques received in the post, and pay in at the nearest convenient branch of the bank. If there are any errors in the counting, the paying in slip will be altered by the bank cashier, before being stamped, but any alteration needs to be recorded on the cashslip. If it is not material, loose cash offertory is the obvious category to utilise for these corrections. If more substantial, further enquiries will be required.

Cash Book

- 2.15 If the cash book is manual, or on spreadsheet, there are certain requirements that are needed. First, a manual cash book will need numerous analysis columns, and if it is not possible to purchase an analysed cash book that will be suitable to enter both receipts and payments, and therefore two books are required. The same requirements are needed where two books are used.
- 2.16 The analysis columns should be headed with the categories used in the annual return, and the total column should be the actual item that appears on the bank statement, from whatever source, and the analysis will add to that total. The sources will be the paying in book, cheques, standing orders, direct debits, credit card, and transfers through the Diocesan Department for Finance and Property, as loan repayments, insurance, tax refunds, diocesan levy, deposit account movements, third party collections, transfers to other parish accounts and investment income.

- 2.17 The cash book should be no more than one month before being totalled and reconciled to the bank statement. Where two cash books are used (receipts and payments), a facility needs to be used in one of the books to summarise the total receipts and total payments, with the previous month's balance to create the end of month balance. Copies of bank reconciliation statements should be kept on file.
- 2.18 Where cash is withdrawn from bankings, this is entered either as a negative in receipts, or entered in the payments with the gross income shown in the receipts. Where cash is used for office cash, the amount withdrawn should equate to exact expenditure requirements, eg. postage. This should not be a major or regular item, as there are other means replacing cash.

Payments

- 2.19 The use of cheques is diminishing, and parishes should only utilise direct debits for settling utilities, but not on budget accounts, only correct readings of metered supplies. Where internet banking is introduced, this facility should be used in preference to cheques, and the use of corporate credit cards is another preferable route. Where transfers to other parish accounts are needed, instead of writing a cheque, contact the Diocesan Department for Finance and Property in writing to make the transfer. The payee of a cheque and the signatory should not be the same person, e.g. the parish administrator should not sign cheques in his own favour.
- 2.20 All paperwork associated with payments, should be marked when paid, the method of payment, and cheque number, if appropriate. This paperwork is filed in date order in a permanent file.
- 2.21 VAT is not reclaimable, and therefore the tax is included in the category of expenditure that is appropriate.

Month End Procedures

- 2.22 At the end of each month, the records need to be reconciled to ensure their completeness and accuracy. Where there is a manual cash book, a summary, as described above, is required, and spreadsheets, however designed, need to incorporate a means of identifying the balance at the month end.
- 2.23 The balance on the bank statement is used, and needs to be reconciled to the balance on the cash book. The areas of difference are cheques issued, but not presented through the bank, receipts entered in the cash book, but not yet on the bank statement, and errors and omissions in entering items in the cash book. Once identified the errors and omissions can be corrected in the cash book, leaving the other items as the reconciling difference between the bank balance and the cash book balance.
- 2.24 Proprietary systems will have a reconciliation procedure built into the system.

Other Procedures

- 2.25 Where computer systems are utilised, then regular back up procedures need to be in place. This should ensure that all data is backed up onto a suitable storage medium, at least weekly. The media should be either CD or external drive. Any back up should be tested from time to time to ensure it is correctly backed up and retrievable.
- 2.26 The back up should be retained in a secure environment, preferably in a fire proof safe or off site in another parish office. It is currently not recommended that the products utilising cloud based systems are utilised, as their security is not certain.
- 2.27 Hard copy of all computerised accounting documents should be produced, and filed securely providing documentation available for external auditors, and/or HM Revenue and Customs.
- 2.28 The procedures above are primarily for the main parish bank account. However many parishes operate more than one account, and the procedures outlined above are appropriate for any account, although the analysis will not be as the main annual return, as their purpose will not be standard, although there still needs to be sufficient analysis to identify the main categories of receipts and payments, whatever they are. For example if an activity is subject to a grant from a statutory body, that needs separating, as are any charitable grants made. Each additional account is returned on a supplementary return, and still needs reconciling and analysing.

DOP A3

DIOCESAN ANNUAL RETURN

Introduction

- 3.1 As has been mentioned in the two previous DOPs, it is an essential requirement of both canon law and the charity law that we produce, each year, aggregated accounts for **all** funds.
- 3.2 This means that every parish **must** supply the Diocesan Department for Finance and Property with an annual summary of its financial transactions, and, in order to simplify the aggregation procedures, the same format - the diocesan annual return - must be used by all parishes for that purpose. The Diocese prepares accounts for the year to **31st August** and, in view of the time constraints placed upon the Diocesan Department for Finance and Property, diocesan annual returns should be received in Portsmouth no later than **31st October** each year.
- 3.3 The principal features of the diocesan annual return (see appendix A) are the analysis of receipts and payments into easily-understood categories, or types; the clear separation of general and restricted receipts and payments; and simplified tabulations for the reconciliation of bank account balances.
- 3.4 The format of the diocesan annual return is, of course, the basis of the record-keeping already discussed under parish accounting procedures (DOP A2), so that the completion of the year-end summary should merely be a matter of transferring totals from the accounting records to the diocesan annual return.
- 3.5 The present format is not designed to cover every eventuality, and there will be cases where unusual aspects of parish finances do not fit into any obvious category on the diocesan annual return. Advice is available from the Diocesan Department for Finance and Property, or an explanation can be sent with the diocesan annual return to detail how such cases have been dealt with.
- 3.6 The diocesan annual return is available in two formats:
 - (a) as a hard copy for manual completion,
 - (b) as a spreadsheet for completion and return by e-mail, which has the advantage for parishes that total figures are calculated automatically.
- 3.7 As explained in DOP A2 parish accounts are administered as "cash" accounts - in other words, on the basis of actual money movements - whereas diocesan accounts are "accruals" based, recording costs or income as they are incurred. Therefore, in order to allow for consolidation at the diocesan level, information is required from the parishes regarding significant unpaid bills at the end of each year, and the diocesan annual return includes a section for this purpose.

- 3.8 Separate bank accounts should be kept for parish clubs, youth clubs, playgroups, book shops, substantial hall lettings etc. A supplementary diocesan annual return will need to be completed for each such account giving details of receipts and payments during the year (see appendix B).

Analysis of receipts (page 2)

Offertories

- 3.9 *Planned giving* includes both gift aided and non gift aided offerings. Further information about gift aid and record keeping can be found in DOP A5.
- 3.10 Other *offertory income* is all unidentified offerings.
- 3.11 *Income tax reclaimed* represents the total moneys received back from HM Revenue & Customs in the current year. These are normally paid directly into the parish current account, and advices are sent to the gift aid organiser. No allowance should be included on the diocesan annual return for income tax to come.
- 3.12 *Christmas and Easter offerings* according to the custom of this Diocese are payable to the parish priest, for division as he decides. However, as they are potentially gift aidable, they are an integral part of the receipts from the parish, and are handled as such. The amounts taken by the parish priest are to be entered in "Ordinary Payments - Clergy" in the payments section of the diocesan annual return.
- 3.13 It must be noted that moneys collected through special collections and appeals for charities, etc, should not be entered in this section of the diocesan annual return, but analysed separately in the appropriate summary on page 6.

Other ordinary receipts

- 3.14 The categories included under this heading are fairly self-explanatory, and any item not identified separately can be included in "Other Items" line 337a on page 4, including amounts received in respect of foundation Masses, payment out of which will be included in the "Other Items" payments line 337b when they are invested in DOPIF. Amounts over £1,000 shown in "Other Items" and any foundation Masses must be listed separately in the analysis section in appendix 1 on page 8

Fund raising

- 3.15 *For the benefit of the parish only*, including 200 clubs, bazaars, fetes, whist drives, etc, fund raising receipts should be shown gross, not as a netted off total after costs have been paid. Costs of fund raising are to be shown separately under "Payments" line 329 on page 4.

Interest on deposits

- 3.16 *DOPIF* receipts line 115 on page 2 will include dividends associated with foundation Masses, payment out of which will be included in the "Clergy" payments line 302 on

page 3. DOPIF income is normally paid directly to the current account each quarter, described as "already advised". If clarification is required, advice can be sought from the Diocesan Department for Finance and Property.

- 3.17 Information concerning the administration of foundation Mass income and expenditure can be found in DOP A7.
- 3.18 In some parishes there may be other investment income. This must be stated in line 116 on page 2, but a separate analysis should be entered in the appropriate place in Appendix 1 on page 8
- 3.19 *Deposit account interest* is, under normal circumstances, added directly to the deposit account balance on a weekly basis. Statements on deposit account transactions are normally sent to the parish priest quarterly. The total shown on line 117 is transferred to the appropriate line in the summary on page 5.

Exceptional receipts

- 3.20 Again, these headings are self-explanatory, but not necessarily comprehensive in every case. They represent items which are not a normal part of every-day parish operations. Any items listed on lines 218, 219, 220 or 221 on page 2 should be detailed separately in the appropriate place in Appendix 1 on page 8.
- 3.21 Further information about property disposal, loans, insurance claims, etc., may be found by reference to Section B of the Diocesan Operating Procedures.

Total receipts ("A")

- 3.22 The sum of lines 101 to 221 on page 2 represents the total of **all general parish receipts** for the current year, and is transferred to the appropriate place in the summary section on page 5.

This income may have been received into any, or all, of the parish bank or cash accounts, and needs further analysis to reconcile the movements in those accounts with the total (see summary section below)

Analysis of payments (pages 3 and 4)

Personnel

- 3.23 *Clergy expenses* identifies all payments, and whether they are taxable or not, that support the priest(s) of the parish, including supply priests. Detailed information covering remuneration of priests will be found in DOP A8.
- 3.24 *Staff expenses* shows the total cost to the parish of people employed to work for the parish.

Church

3.25 Includes all payments related to the upkeep of the church as a building, as well as altar and liturgical expenses. Minor "capital" payments in the form of purchases of furniture and equipment, are included. All items over £2,500 must be shown under lines 438 to 440 on page 4, rather than lines 312 and 313 on page 3.

Office, presbytery and grounds

3.26 These have been combined on the assumption that, in many parishes, the office and related costs cannot be identified separately. If the office costs are, in fact, identified with the hall/parish centre expenditure, delete the word "Office" from this section, and add it to the next. As above, please include all items over £2,500 in lines 438 to 440 on page 4.

Hall/ parish centre

3.27 Individual items above £2,500 in line 324 on page 3 should be shown under lines 438 to 440 on page 4, not on page 3.

General

3.28 Such payments cover all costs which are for the parish as an entity, as opposed to the specific items analysed above. Items under lines 333, 336 and 337 on page 4 must be analysed separately in Appendix 2 on page 9.

3.29 Further information about diocesan levies can be found in DOP A6.

Exceptional payments

3.30 Where there are entries on lines 438-440, a reasonable breakdown of totals should be given with a description of the work carried out. Where there are contracts for further significant expenditure, a separate note should be attached to the diocesan annual return detailing the amount of such committed but unspent costs. Items entered on lines 441a and 441b on page 4 also need further explanation in Appendix 2 on page 9.

3.31 DOP A4 covers the administration procedures for loans for capital projects, and Section B of the Diocesan Operating Procedures deals specifically with all aspects of property insurance and maintenance.

Total payments ("B")

3.32 The sum of lines 301 to 441 on pages 3 and 4 represents the total of **all general parish payments** for the current year, and is transferred to the appropriate place in the summary section on page 5.

These payments may have been made from any, or all, of the parish bank or cash accounts, and need further analysis to reconcile the movements in those accounts with the total (see summary section below)

- 3.33 It must be noted that moneys paid out to special collections and appeals for charities, etc., should not be entered in this section of the diocesan annual return, but analysed separately in the appropriate summary on page 6.

Summary of receipts and payments (page 5)

- 3.34 This section of the return is divided into three distinct parts. The upper part summarises all money movements, both **general and restricted**, involving the parish bank and cash accounts, whilst the middle part analyses the **restricted** funds received and paid out. Finally, the lower table asks for information about unpaid bills at year end.
- 3.35 If there is a separate bank account for a special purpose or activity, it must be analysed on a supplementary diocesan annual return (see appendix B).
- 3.36 Any transfers between the main bank accounts and the supplementary account(s) should be entered on lines 112b and 333 on pages 2 and 4 in order that they may be easily cross-referenced.

Summary totals

- 3.37 The *balance* of each account at 1st September is the closing balance for that account brought forward from the diocesan annual return for the previous year and should not be altered.
- 3.38 *Ordinary and exceptional receipts* are cumulative year end figures taken from the cash book - receipts for each account. The cross-wise summation of these amounts must equate to the total receipts ("A") transferred from page 2 of the diocesan annual return.
- 3.39 *Special collections collected* are the year totals for all special collection and other appeals plus any associated income tax reclaimed, which are also taken from the cash book - receipts, where they should have been kept separate from general parish income. These amounts represent moneys passing through the parish accounts which are not for general parish use - the **restricted funds** referred to before, and must agree to the figures in the special collections section (receipts plus income tax reclaimed).
- 3.40 *Transfers into the account* are inter-account movements of moneys, for example, transfer of surplus moneys from the current account to the deposit account or regular loan account repayments.
- 3.41 In the same way as above, the ordinary and exceptional payments, special collections paid out, and transfers out of the account are taken from the cash book -

payments and entered in the summary table. The figure for special collections must agree to the figure in the special c collections section (payments).

- 3.42 The cross-wise summation of ordinary and exceptional payments must equate to the total payments ("B") transferred from page 4 of the diocesan annual return.
- 3.43 The vertical summation of the table in respect of each account, adding receipts to the opening balance, and subtracting payments from the sub-total thus calculated, then gives the *cash book closing balance* for each account. This must equate to the closing balances calculated from the cash books, and to the balance shown on page 7 of the diocesan annual return.

Special collections

- 3.44 The *opening balance*, *monies collected*, *monies paid out* and *closing balance* must equate to the totals of the analysis on Page 6. The *monies collected* and *monies paid out* must also agree to the special collections collected and special collections paid out shown in the table on page 5.

Significant unpaid bills

- 3.45 In order to assist the Diocesan Department for Finance and Property in its consolidation procedures and to help parishes in budgeting for the coming year, it is necessary to know whether there are significant amounts of expenditure to which the parish is committed, but the moneys for which it has not yet paid out.
- 3.46 The information required need not involve expenditure for on-going supplies of goods and services, for example telephone, electricity, gas, water, etc., where each end-of-year commitment is likely to be the same as that of the previous year, and of the next year.
- 3.47 Of particular concern in this category are, however, commitments made under one-off contracts which are partially or wholly incomplete at year end. Details about these should be shown clearly on page 5.

Special collections analysis (Page 6)

- 3.48 This table is used to detail the movement of each restricted fund (special collections and other appeals), and to calculate the amount of money owed by the parish to each of those funds at the year end.
- 3.49 The *opening balance* is the closing balance on the previous year's diocesan annual return. *Receipts* are cumulative year end figures taken from the cash book - receipts for each fund. *Income tax reclaimed* is the total of that reclaimed on all gift aided special collections. *Payments* are cumulative year end figures taken from the cash book – payments for each fund, and should not exceed the opening balance plus receipts plus income tax reclaimed. *Closing balance* is equal to opening balance plus receipts plus income tax reclaimed less payments.

Bank reconciliation (page 7)

- 3.50 The bank account balances calculated from the receipts and payments cash books and in the summary section of the diocesan annual return (page 5) must be reconciled with the *bank statement balances*, for each account. Page 7 simplifies this process.
- 3.51 To the balance shown on the relevant bank statement for the 31st August are *added* all moneys which have been included in the cash book - receipts , but which have not at the 31st, appeared on the bank statement (outstanding bankings).
- 3.52 From the sub-total of these two items are *deducted* all moneys which have been included in the cash book - payments, but which have not, at the 31st, appeared on the bank statement (outstanding cheques).
- 3.53 The account balance thus shown **must** equate to the book balance for the same account calculated from the cash books, and shown in the summary on page 5 of the diocesan annual return.

Appendices 1 and 2 of the annual return (pages 8 and 9)

- 3.54 Quite simply, the information under the various headings on these pages serves merely to expand on the "Others" categories within the diocesan annual return analysis of income and expenditure. Each table refers to a particular line, or group of lines, within these two sections of the diocesan annual return, and specifies the money limit above which detail need be given.

Other matters (pages 10 to 13)

- 3.55 The parish employee questionnaire (page 10) and the parish inventory (page 11) are included as part of the diocesan annual return.

Page 12 requests information on parish bank and investment accounts.

If the diocesan annual return is submitted to the Diocesan Department for Finance and Property electronically live signatures on the declaration (page 13) are not required, but a signed copy must be held on parish files, and available for inspection by the Diocesan Department for Finance and Property or by the diocesan auditors.

The annual return should be reviewed by the parish finance committee before being submitted to the Diocese and signed by the chairman of that committee as evidence that this has been done.

Appendix A

The diocesan annual return

- DIOCESE OF PORTSMOUTH**
- PARISH
- ANNUAL PARISH RETURN**
NAME OF PARISH
DIRECTIONS
1. Priests in charge of Parishes are required to furnish a Parish Annual Return on this Form (Canon 1287).
 2. The completed Return is to be sent to the Diocesan Financial Secretary not later than the 31st October.
 3. Unless agreement has been obtained beforehand from the Diocesan Financial Secretary to do otherwise, separate Returns need to be completed up to the date of any change in Parish Priests, and from that date until the end of the year.
 4. The "Guidance Notes" accompanying this Return should be read before completing the Return. However, particular attention should in any case be paid to the following items:
 - (a) The detailed analyses in Appendices 1 and 2.
 - (b) Special Collections.
 - (c) Exceptional Receipts and Payments.
 - (d) Christmas and Easter Offerings.
 - (e) All Bank accounts in the name of the Parish must be included.
 - (f) Round pounds only, no pence please.
 - (g) This Return is for the Main Parish Current Account, Deposit (SEF2) and Loan (SEF 4) Bank Accounts only.
All other accounts are to be on Supplementary Returns, eg. Hall Accounts and Repository.
 5. The particulars of any Parish staff are required on the Parish Employee Questionnaire (Page 10).
 6. Please sign the Declaration on Page 13 before sending the Return to the Diocesan Finance Office.

+ Crispian Hollis

Bishop of Portsmouth

RECEIPTS during the Year Ended 31st August 2009				parish code	PARISH
<i>This section is for Parish Current, Deposit and Loan Bank Accounts only.</i>					
<i>For other Bank Accounts use a Supplementary Return</i>					
				£	£
ORDINARY	Offertories	101	Planned Giving		
		102	Other Offertory Income		
		103	Income Tax Reclaimed		
		104	Christmas & Easter Gifts		
			Sub-Total		
	Other	105	Repository Books & Papers		
		106a	Chaplaincies		
		106b	Stole Fees		
		107			
		108	Rents Received		
		109	Hall/Centre Income		
		110	Votive Candles/Flowers		
		111	Gifts and Donations		
		*	112a	Other Items.	
		*	112b	Transfers from other Accounts	
			Sub-Total		
	Fund Raising	113	Regular		
	(for Parish)	114	Occasional		
			Sub-Total		
	Interest	115	DOPIF		
	on Deposits *	116	Other Investment Income		
		117	Deposit Accounts		
			Sub-Total		
EXCEPTIONAL	*	218	Legacies		
	*	219	Third Party Income		
		220	Insurance Claims		
	*	221	Other Items		
			Sub-Total		
			Total Receipts	£	
			Enter in Box "A" on Page 5		
NB:	Items marked with an asterisk are to be analysed further in the appropriate box in Appendix 1				
SPECIAL COLLECTIONS AND APPEALS FOR OTHER CHARITIES ETC					
Monies collected and banked in the Parish accounts are not to be included in the Receipts listed above.					
They are to be entered in the "Special Collections" analysis on Page 6, and the Summary on Page 5.					
TRANSFER OF MONEYS BETWEEN MAIN PARISH ACCOUNTS					
Transfers of money between the Parish Current, Deposit and/or Loan bank accounts are not to be included in the above analysis. They are to be entered directly into the "Transfers INTO" box in the Summary on Page 5. Funds transferred from Supplementary Accounts only are to be entered in Line 112b.					

DIOCESE OF PORTSMOUTH - DIOCESAN OPERATING PROCEDURES

DOP A3 – DIOCESAN ANNUAL RETURN

DEPOSIT ACCOUNT INTEREST (Line 117)		
The amount entered in Line 117 also includes the "Receipts" box for the Deposit Account on Page 5.		

DIOCESE OF PORTSMOUTH - DIOCESAN OPERATING PROCEDURES

DOP A3 – DIOCESAN ANNUAL RETURN

PAYMENTS during the Year Ended 31st August 2009				parish code	PARISH
			Sub-Total brought forward from Page 3	£	
				£	
ORDINARY	General	327	Insurance		
(continued		328	Parish Books/Courses		
		329	Parish Events		
		330	Repository and Papers		
		331	Diocesan Levy		
		332			
	*	333	Tfrs to Other Accounts		
		334	Donations		
		335	Parish Transport		
	*	336	Professional Fees		
	*	337a	Other items		
	*	337b	Investments in DOPIF		
			Sub-Total		
EXCEPTIONAL	*	438	Purchase of Equipment & Property		
	*	439	Major Additions/Alterations		
	*	440	Major Repairs		
	*	441a	Other Items		
		441b	Third Party Income paid over		
			Sub-Total		
			Total Parish Payments	£	
			Enter in box "B" on Page 5		
NB:		*	All items marked with an asterisk are to be analysed further in the appropriate box in Appendix 2		
SPECIAL COLLECTIONS AND APPEALS FOR OTHER CHARITIES ETC					
Payments from Parish accounts in respect of moneys collected are not to be included in the Payments listed above.					
They must be entered in the "Special Collections" analysis on Page 6, and the Summary on Page 5.					
TRANSFER OF MONEYS BETWEEN MAIN PARISH ACCOUNTS					
Transfers of money between the Parish Current, Deposit (SEF 2) and/or Loan (SEF 4) bank accounts are					
not to be included in the above analysis. They are to be entered directly into the "Transfers OUT" box in the Summary on Page 5.					
THIRD PARTY INCOME PAID OVER (Line 41b)					
Income identified as for other parties and exempt for levy purposes, is shown as paid out in this line.					
These are items identified in Line 219.					

DIOCESE OF PORTSMOUTH - DIOCESAN OPERATING PROCEDURES

DOP A3 – DIOCESAN ANNUAL RETURN

SPECIAL COLLECTIONS ANALYSIS Year End 31st August 2009				parish code	PARISH
NAME OF FUND	OPENING BALANCE	RECEIPTS	INCOME TAX RECLAI MED	PAYMENT S	CLOSING BALANCE
	£	£	£	£	£
	<i>A</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = a + b + c - d</i>
Diocesan Collections: Obligatory					
Cathedral					
Mission Sunday					
Bamenda					
Crib-Catholic Children's Society					
Catholic Education Service					
Catholic Children's Society					
Clergy Assistance Fund					
Holy Places					
Clergy Training Fund					
World Communications					
Peter's Pence					
Apostleship of the Sea					
Sub Total - Obligatory					
Diocesan Collections: Voluntary					
Cafod Family Fast Days (2)					
Racial Justice					
CASE					
Sub Total - Voluntary					
Boxes: please list					
Sub Total - Boxes					
Special Appeals: please list					
Local Mission Appeal -					
Sub Total - Special Appeals					
Others: please list					
Sub Total - Others					
Totals as per Summary P5					

DIOCESE OF PORTSMOUTH - DIOCESAN OPERATING PROCEDURES

DOP A3 – DIOCESAN ANNUAL RETURN

1. The totals at the bottom of each column should correspond with those detailed on the Summary page - Page 5 - in the Special Collections box.					
2. Any amounts paid to a Fund in excess of (a) any balance outstanding at the beginning of the year plus (b) the sum collected during the year plus (c) Income Tax added to the collection in respect of Gift Aided moneys, should be treated as a Donation from the Parish and entered in Line 334 on Page 4.					
3. The totals in (e), the "Closing Balance" column, must represent actual amounts which will be paid over in 2009/10.					

APPENDIX 1 - FURTHER ANALYSIS OF RECEIPTS		parish code	PARISH
Line 112a & 112b	Other Items and	Transfers from other	£
		A/cs	
Analyse each item of £1000 or over and each Transfer			
1			
2			
3			
4			
5.			
6.			
Add total of all items of less than £1000 each			
Total of lines 112a & b on Page 2			
Line 116 - "Other Investment Income"			
Source	Eg Trading		
	Companies		
1.			
2.			
3.			
Total of Line 116 on Page 2			
Line 218 - "Legacies"			
Name of Deceased	Date of Death	Amount Received	
		£	
1.			
2.			
3.			
Total of Line 218 on Page 2		0	
Line 219			
1.			
2.			
3.			
Total of Line 219 on Page 2			
Line 221 - "Other Items"			
Analyse each item of £1000 or over			
1.			
2.			
3.			
4.			
5.			
6.			
Add total of all items of less than £1000 each			
Total of Line 221 on Page 2			

APPENDIX 2 - FURTHER ANALYSIS OF PAYMENTS		parish code	PARISH
Line 336 - "Professional Fees"			
Supplier and Service			
1.			
2.			
3.			
4.			
Total of Line 336 on Page 4			
Line 337a & 333 - "Other Items" & "Tfrs to Other Accounts"			
1.			
2.			
3.			
4.			
5.			
6.			
7.			
Add total of all items of less than £1000 each			
Total of Line 337 on Page 4			
Lines 438 - "Purchase of Equipment and Property"			
1.			
2.			
3.			
4.			
Total of Line 438 on Page 4			
Line 439 - "Major Additions/Alterations"			
1.			
2.			
3.			
4.			
5.			
Total of Line 439 on Page 4			
Line 440 - "Major Repairs"			
1.			
2.			
3.			
4.			
5.			
Total of Line 440 on Page 4			
Line 441a - "Other Items"			
1.			
2.			
3.			
4.			
5.			
Total of Line 441a on Page 4			

DIOCESE OF PORTSMOUTH - DIOCESAN OPERATING PROCEDURES

DOP A3 – DIOCESAN ANNUAL RETURN

PARISH EMPLOYEE QUESTIONNAIRE Year Ended 31st August 2009		parish code	PARISH
<i>Please use the following checklist with additional sheets as necessary; if you have no employees please enter "NONE"</i>			
		Cost in	Written
		Period	contracts
Job	Name		Yes/No
Parish Secretary			
Housekeeper			
Cleaner			
Caretaker			
Gardener			
Odd job worker			
Flower arranger			
Organist			
Sacristan			
Others			
TOTAL			
(i) For employees named above being paid more than £1 per week but less than £100 per week, is there an Inland Revenue Form P46 in place and are payment records kept ?			YES/NO
(ii) For those employees named above who are paid more than £100 per week are Inland Revenue PAYE records being maintained either by the Parish, the Diocesan Finance Office or by an Accountant ?			YES/NO
(iii) Was an Inland Revenue Annual Return Form P35 submitted for the Tax Year ended 5th April 2008? If YES, please provide a copy unless dealt with by Diocesan Finance Office			YES/NO

PARISH BANK AND INVESTMENT ACCOUNTS

PARISH

1. All the Accounts are established in the following way:
 - (a) Title: PRCDTR (TOWN AND PARISH NAME) **YES/NO**
 - (b) Authorisation: The Bishop, Parish Priest and Secretary to the Diocesan Trustees
are individually authorised to sign. There may be other signatories
authorised by the Diocesan Finance office. **YES/NO**
 - (c) All the accounts are held at Lloyds Bank, Southsea. **YES/NO**

2. All these accounts are dealt with in the foregoing Return of Receipts and Payments. **YES/NO**

3. If the answer to any of these questions is "No", please itemise any additional Bank or Deposit Accounts, or variations of signatories, and provide individual particulars of Payments and Receipts in a Supplementary Return Form.

4. Are there any Parish Investments other than DOPIF and/or Diocesan Deposit Accounts ? **YES/NO**
If YES, please specify the Type, Quantity and Nominal Value.

5. Are there any amounts in the Parish Bank Accounts designated for particular purposes, other than the Special Collections detailed on page 6? **YES/NO**
If YES, please specify the amounts and purposes.

6. Do you have a Parish Project currently in hand?-CAPITAL COMMITMENTS **YES/NO**
If YES, what will be the Total Cost -
and how much has been spent to date -

DECLARATION

We certify that the data and other information contained in this Return, and any Supplementary Returns attached, represents a correct and complete statement of the finances of the Parish for the year ending **31st August 2009**.

Signed

Date

Parish Accountant

Signed

Date

Parish Priest/Priest in Charge

DECLARATION

I certify that this Return, and any Supplemental returns attached, have been reviewed by the Parish Finance Committee which is satisfied with their completeness and accuracy.

Signed

Date

Chairman, Parish Finance Committee

Appendix B The supplementary diocesan annual return

PARISH

DIOCESE OF PORTSMOUTH
ANNUAL PARISH RETURN - SUPPLEMENTARY
NAME OF PARISH

DIRECTIONS

1. Priests in charge of Parishes are required to furnish a Return on this Form (Canon 1287).
2. The completed Return is to be sent to the Diocesan Financial Secretary not later than the **31st October**.

- | | |
|----|---|
| 3. | Unless agreement has been obtained beforehand from the Diocesan Financial Secretary to do otherwise, separate |
|----|---|
- Returns need to be completed up to the date of any change in Parish Priests, and from that date until the end of the Period.

4. If necessary, duplicate sheets and number accordingly, for additional bank accounts.
5. Please sign the Declaration before sending the Return to the Diocesan Finance Office.

+ Crispian Hollis

Bishop of Portsmouth

DIOCESE OF PORTSMOUTH - DIOCESAN OPERATING PROCEDURES

DOP A3 – DIOCESAN ANNUAL RETURN

SUPPLEMENTARY PARISH RETURN		parish code	PARISH
YEAR ENDING 31ST AUGUST 2009			
BANK ACCOUNTS OTHER THAN THE MAIN PARISH BANK ACCOUNTS			
Title of Account:	Account Name		
Bank:	LLOYDS	Branch:	SOUTHSEA
Sort Code:	30-93-04	Account No:	Account No
Purpose of this account:			
		£	£
Opening Balance at 1st September 2008			
Add:			
Receipts in Year:			
Receipts FROM other Parish Accounts:			
SUB-TOTAL			
Deduct:			
Payments in Year:			
Payments TO other Parish Accounts:			
SUB-TOTAL			
Closing Balance at 31st August 2009			

DECLARATION

YEAR ENDING 31ST AUGUST 2009

PARISH

We certify that the data and other information contained in this Supplementary Return represents a correct and complete statement of the movements on these accounts for the Year ending 31st August 2009.

Signed

Date

Parish Accountant

Signed

Date

Parish Priest/Priest in Charge

DOP A4

CAPITAL PROJECTS AND LOANS

Introduction

- 4.1 The Diocesan Trustees' sanction for parish projects costing more than £10,000 has been required for some years. This DOP summarises the present procedures for initiating and carrying through such projects and also sets out the current basis on which diocesan loans can be made available to parishes. Appendix A contains additional information about loans for extended lending on grounds of special pastoral contribution.
- 4.2 This DOP does **not** cover capital projects for schools, which are treated in detail in Section C4 of the Diocesan Operating Procedures.
- 4.3 Under civil law decisions concerning capital project and diocesan loans must comply with the public benefit requirement and the Charity Commission's guidance on meeting the requirement, available from the Charity Commission at

Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG, Tel. 0845 3000 218 or www.charity-commission.gov.uk/publicbenefit/publicbenefit.asp.

The public benefit requirement requires charity trustees to account for the public benefit provided by their organisation under two key principles:

Principle 1: there must be an identifiable benefit or benefits

- Principle 1a: it must be clear what the benefits are
- Principle 1b: the benefits must be related to the aims
- Principle 1c: benefits must be balanced against any detriment or harm

Principle 2: benefit must be to the public, or section of the public

- Principle 2a: the beneficiaries must be appropriate to the aims
- Principle 2b: where benefit is to a section of the public the opportunity to benefit must not be unreasonably restricted:
 - by geographical or other restrictions; or
 - by ability to pay any fees charged
- Principle 2b: people in poverty must not be excluded from the opportunity to benefit
- Principle 2c: any private benefits must be incidental.

A record must be kept of all decisions for expenditure on capital projects and diocesan loans and must include evidence that the public benefit requirement and the Charity Commission's guidance on public benefit has been taken into account.

Sanction for capital projects.

- 4.4 Proposed expenditure on projects costing more than £10,000 must be approved by the Diocesan Trustees before commitments are entered into on the following basis:
- a) where a parish is able to meet the full cost of the project, and the capital amount or value is between £10,000 and £250,000 the expenditure is to be approved by the Diocesan Finance and Property Committee unless the Diocesan Finance and Property Committee decides to refer the decision to the Diocesan Trustees. If the capital amount or value of the project is more than £250,000 the expenditure is to be approved by the Diocesan Trustees having first been considered by the Diocesan Finance and Property Committee which will make a recommendation.
 - b) where a parish needs to apply for a diocesan loan in order to meet any part of the proposed expenditure, and the total expenditure is no more than £250,000, approval is to be given by the Diocesan Finance and Property Committee. If the total expenditure is more than £250,000, approval must be given by the Diocesan Trustees having first been considered by the Diocesan Finance and Property Committee which will make a recommendation.
- 4.5 Approval for a project is given on the basis of a specified sum of money. The application should, therefore, include all expected costs, including VAT. It is prudent to include a contingency margin (as a percentage addition to the known costs), as most projects give rise to expenditure which could not have been foreseen at the outset.
- 4.6 Applications for approval of projects are to be made via the Diocesan Department for Finance and Property using Part A of the **application for capital project/ application for diocesan loan** form, a copy of which is attached to this DOP (see appendix B).

It should be noted as a matter of diocesan policy that the application must be signed by the parish priest and the chairman of the parish finance committee, and approved by the co-ordinating pastor.

- 4.7 The Diocesan Department for Finance and Property will issue a letter of approval in the case of successful applications. This letter will specify the arrangements that have been agreed and will note any special conditions. It will cover, inter alia:
- a) the project cost that has been authorised;
 - b) approval of the professional team (see below), if not already authorised;
 - c) the basis of any building contract and the method of tendering to be used; and
 - d) the requirements for later lodgement of legal documents (see below).

Excess expenditure

- 4.8 Should actual expenditure on a project exceed the amount for which approval has been given, the excess must be approved separately in consultation with the Diocesan Surveyor on whichever basis was relevant originally.

Such approval will normally be given automatically. However, this may not be the case if the excess relates to an optional extension of the project.

- 4.9 Notification that excess costs may arise must be given as soon as possible, with a full explanation of the reasons for their occurrence.

Diocesan loans

- 4.10 In all cases, application must be made through the Diocesan Department for Finance and Property using Part B of the **application for capital project/application for diocesan loan** form. A copy of this is attached to this DOP, and supplies may be obtained from the Diocesan Department for Finance and Property.

- 4.11 The criteria used for approving applications are as follows:

- a) a parish should be able to fund at least one third of the cost of a project, and
- b) repayment of the capital sum borrowed should be completed within a seven year term from completion of the project.

- 4.12 The Diocese will not normally charge interest on a loan, so long as repayment is made within the stipulated term. However, the Diocese reserves the right to charge interest in particular circumstances where it is considered appropriate (for example, in the case of a loan which is of such an amount that it is likely to place an excessive burden on the other parishes in the Diocese).

- 4.13 The Diocesan Department for Finance and Property fulfils the role of a "bank manager" in considering loans. It will, therefore, examine the past financial record of a parish, in order to ensure that the burden of extra loan debt can be shouldered by the parishioners. However, it is often the case that parish income rises markedly when funds for worthwhile improvements are needed, and this will be taken into account also in reaching a final decision.

- 4.14 The Diocesan Department for Finance and Property will issue a loan agreement in the case of successful applications for loans. The letter will detail the amount of the loan granted and the terms and conditions under which the funds are to be repaid. The loan agreement will detail these terms and conditions and must be signed by the Diocesan Financial Secretary and countersigned by the parish priest (see appendix B).

- 4.15 No commitment to expenditure must be entered inot until the loan agreement is signed by both the Diocesan Financial Secretary and the parish priest.

The Diocesan Finance and Property Committee

- 4.16 The Diocesan Finance and Property Committee determines applications for projects of a capital value or amount of no more than £250,000 and makes recommendations to the Diocesan Trustees for projects of more than £250,000. The role of the Diocesan Finance and Property Committee is to examine proposals in depth and to support parish project management by giving help and advice where necessary.
- 4.17 The involvement of the Diocesan Finance and Property Committee in a wide range of projects gives it a valuable fund of experience which can be made available to all parishes. Those wishing to consult its members should make initial contact through the Diocesan Department for Finance and Property.

Management of major projects (i.e. total cost in excess of £250,000)

- 4.18 Procedures to be followed for projects with a total capital amount or value in excess of £250,000 are set out in DOP B9.

Property tenders and contracts

- 4.19 The Diocese does not require parishes to put property contracts out to tender in every case. In putting forward the project for approval, the parish priest should give a clear indication of the means to be used to ensure that the parish obtains "value for money".
- 4.20 Parish priests may sign property contracts for projects the total expenditure of which is up to £10,000 including VAT and fees. If they have the prior written authority of the Diocesan Financial Secretary, they may sign contracts the total expenditure in respect of which falls between £10,000 and £50,000 (including VAT and fees). Contracts for projects costing more than £50,000 will be signed by the Diocesan Financial Secretary. All contracts must be signed in the name Portsmouth Roman Catholic Diocesan Trustees Registered. This procedure ensures the correct chain of legal relationships is established between the contractor(s) and the Diocesan Trustees, who are the "employers" in a property contract.

If a parish priest is in doubt concerning a property contract he must consult the Diocesan Financial Secretary.

Lodgement of and notification of legal documents

- 4.21 It is good practice for the deeds of properties to include certain documents which can have a significant effect upon title, e.g.:
- a) all planning permissions affecting the property
 - b) all legal contracts for major capital building works, including plans.

- 4.22 When projects are completed, the parish priest must lodge the originals of these documents with the Diocesan Financial Secretary, who will supply a set of photocopies if required.

Listed buildings, and buildings in conservation areas

- 4.24 A number of special considerations apply to projects seeking to alter or extend historic properties; in particular those which have been categorised as being of special historic or architectural interest, ('listed'), and buildings which are situated in conservation areas. Such are the nature of these special factors that they are dealt with in DOP B7.

Appendix A

Parameters for extended lending on grounds of special pastoral contribution

1. **Money required for essential repairs identified in quinquennial reports**

The Diocesan Trustees have a responsibility in law to maintain the fabric of their buildings, especially listed ones. Consequently, they are responsible for providing reasonable sums to enable a parish to go ahead with required remedial works. The Diocesan Finance and Property Committee, therefore, has some discretion in fixing repayment plans for amounts advanced for these works on the most practical terms possible as far as the parish involved is concerned. Where the parish has no money available for repayments however, a ('No.2') loan account would be set up and the balance would remain on the books pending possible receipt by the parish of significant sums of money (perhaps from a legacy or other donation, or the sale of property).

2. **Loans for discretionary schemes**

A fundamental principal in all cases has to be the support of the parish finance committee, not only to the expenditure plan, but also to the commitment for repayment. In the event of a move of a parish priest, for the avoidance of doubt, it should be remembered that any outstanding debts remain with the parish.

On the basis that a scheme has been reviewed by the Diocesan Finance and Property Committee, and approved by it as being worthwhile and representing value for money, the Diocesan Finance and Property Committee would normally approve an application for a related interest-free loan to fund it where the provisions of paragraph 11 of DOP A4 are satisfied.

If one third of the initial contribution is not available it would probably be good practice for the parish to delay a project in order to build up its funds. Success in doing this would also give the Diocesan Finance and Property Committee confidence that the parish was able to generate money ultimately to pay off the new debt. In this process, a parish would need to have a credible budgeting capability and would need to satisfy the Diocesan Finance and Property Committee on its good financial management.

The seven year interest-free period may be extended to ten years for particularly worthwhile major projects such as new churches and other projects requiring significant building works.

At all times, there is an obligation for the parish to accelerate the repayments if it receives significant income from bequests, from a property sale, or from a major donation.

3. **Additional flexibility for pastoral dimensions**

It is now diocesan policy for all relevant applications for loans to be accompanied by a five year "pastoral plan". Such a plan should incorporate explicit references to the part to be played by the project in developing pastoral life in the parish in the context of the diocesan pastoral plan.

Where a parish is demonstrably unable to repay a loan within the normal parameters set out above, but still wishes to go ahead with a project, it will need to present a case for "special consideration". Where the project is fully supported otherwise, an extension of the repayment period beyond seven years may be permitted, if the loan is for £250,000 or less by the Diocesan Finance and Property Committee, and if the loan is for over £250,000 as approved by the Diocesan Trustees on the recommendation of the Diocesan Finance and Property Committee.

Appendix B

Application for capital project/ application for diocesan loan form



DIOCESE OF PORTSMOUTH
APPLICATION FOR DIOCESAN LOAN

PARISH			
PROJECT/PURPOSE OF LOAN			
PLANNING APPLICATION DATE		PLANNING APPROVAL DATE	
AMOUNT OF LOAN REQUIRED		Cost	VAT
<i>EXPENDITURE</i>		£	£
Building Works			
Professional costs. (Architect, Legal, etc.)			
Other costs.			
Contingencies.			
Total			
		<i>LESS Own resources to be used.</i>	
		Net shortfall to be covered by Loan	
PROJECT TO BE COMPLETED BY (Date)			
PROPOSED REPAYMENT PLAN (Not normally more than 7 years).			
Monthly payments of	£	for	months making a total of
			£
Repayment Total A			
MONTHLY REPAYMENTS ON EXISTING LOAN (S)			
Monthly payments of	£	for	months making a total of
			£
Monthly payments of	£	for	months making a total of
			£
Total	£		
Repayment Total B			
TOTAL OVERALL MONTHLY REPAYMENTS NOW PROPOSED. (Including interest if applicable).			
			Repayment Total A + Repayment Total B
			£
ABILITY OF PARISH TO RAISE FUNDS		Year	Surplus/(Deficit)
Surplus before exceptional Income & Expenditure			£
in last 3 financial years.			£
			£
3 year financial budget forecast attached.		YES	NO
If NO when will forecast be available?			
Date of last Quinquennial Inspection.			
Estimated cost of Quinquennial works not yet budgeted		£	
Parish Priest..... Parish Finance Chairman.....			



**DIocese OF PORTSMOUTH
APPLICATION FOR CAPITAL PROJECT [Part A]
APPLICATION FOR DIocESAN LOAN [Part B]**

PART A (to be completed in all cases)		PARISH				
PROJECT						
PLANNING APPLICATION DATE		PLANNING APPROVAL DATE				
ANTICIPATED START DATE		ANTICIPATED COMPLETION DATE				
PLANNED C OST				Cost	VAT	Total
Building Works						
Professional costs. (Architect, Legal, etc.)						
Other costs.						
Contingencies.						
Total						
TO BE FUNDED BY:		Own Resources				
		Diocesan Loan (in which case complete Part B)		£		
		Other.		£		
		Total		£		

PART B (to be completed if Diocesan Loan is required)	Total Cost	£
	LESS Own resources to be used.	£
	Net shortfall to be covered by Loan	£

PROPOSED REPAYMENT PLAN (Not normally more than 7 years).

Monthly payments of £ for months making a total of £

Repayment Total A

MONTHLY REPAYMENTS ON EXISTING LOAN (S)

Loan 1 monthly payments of £ for months making a total of £

Loan 2 monthly payments of £ for months making a total of £

Repayment Total B

TOTAL OVERALL MONTHLY REPAYMENTS NOW PROPOSED. Repayment Total A + Repayment Total B £

ABILITY OF PARISH TO RAISE FUNDS	Year	Surplus/(Deficit)	Mass Count
	Surplus/(Deficit) before exceptional Income & Expenditure in last 3 financial years.	£ <input type="text"/>	<input type="text"/>
	£ <input type="text"/>	<input type="text"/>	
3 year financial budget forecast attached.	YES	NO	
If NO when will forecast be available?			
Date of last Quinquennial Inspection.			
Estimated cost of Quinquennial works not yet budgeted		£ <input type="text"/>	

Parish Priest..... Parish Finance Chairman.....

Date..... Date.....

DOP A5

PARISH GIFT AID SCHEME

Introduction

- 5.1 This DOP contains information of a general nature, and is meant for use by the Diocese of Portsmouth and its parishes only. It is not intended to cover every aspect of charitable giving. Whilst every care has been taken to ensure that the information is correct, no liability can be accepted for any errors or omissions. If parish gift aid organisers are in any doubt about matters concerning their gift aid scheme, they must seek advice.
- 5.2 The operation of any gift aid scheme must satisfy HM Revenue and Customs (HMRC), in order that refunds of income tax paid on offerings, donations or gifts can be reclaimed. The records which need to be kept are standardised, and must be completed accurately and conscientiously. All records pertaining to a gift aid scheme are open to audit by HMRC for a period of six years following the tax year in which refunds are claimed.
- 5.3 Both computer-based and manual records must satisfy the same demands. In addition, if the parish keeps either computer records or manual records which include personal data, then the Data Protection Act (DPA) determines how those records must be kept and safeguarded. Information on these matters will be found in Section E of the Diocesan Operating Procedures. All enquiries relating to the DPA should be referred to the diocesan data protection officer.
- 5.4 Copies of all necessary forms and information and advice about Gift Aid Schemes can be obtained from the Department for Finance and Property

Operation of the Scheme

- 5.5 In order for any donations to be eligible for gift aid, the donor needs to complete a "Gift Aid Declaration" (GAD). All Gift Aid Declarations must be fully completed with the donor's full name and full address including postcode. Without a postcode the declaration form cannot be processed and will be returned to the parish. The forms have been customised for each parish and show the parish code and the charity reference number. There is also a box to show the donor's envelope number or to indicate if they give by banker's order. GADs completed in joint names as a husband and wife are not acceptable, as they must come from an individual taxpayer. There is the ability for verbal declarations to be made, but, because of the increased paperwork, and potential uncertainty, this facility is not being utilised.
- 5.6 All completed GADs are to be sent to the Diocesan Department for Finance and Property for inclusion in the master database before they can be included on the quarterly parish turnaround listings. These are sent to the parishes (either by hard copy or computer disk) each quarter, to enable claims for the appropriate refund of

DOP A5 – PARISH GIFT AID SCHEME

tax to be made. These claims should be made as soon as possible after the parish has received the quarterly parish turnaround listing.

- 5.7 The income received by the parish, upon which tax can be reclaimed, is treated annually and separately each tax year, ie, the year beginning 6th April. During the year, the amounts for inclusion in a gift aid claim are:
- a) all personal offerings including one-off donations
 - b) all authorised special collections
 - c) Christmas and Easter offerings to the clergy
 - d) all monies given to the parish for the benefit of the parish and which are shown in the parish accounts.
 - e) Any goods or services given to the parish, which have a measurable monetary value are eligible.
- 5.8 Donors who can sign GADs are only those who pay income or capital gains tax, and include those who pay tax under PAYE, those who are self-employed, those who receive investment income. The amount that can be reclaimed is limited to the total amount of tax paid or credited, by or to the donor. Any excess, or if the donor is not a taxpayer, can be reclaimed from the donor by HMRC.
- 5.9 GADs for the benefit of one parish cannot be transferred to another, nor can they be transferred from one diocese to another. They have to be completed in the name of the parish. The Diocesan Department for Finance and Property will not process GADs made jointly to more than one recipient charity.

Gift Aid Records

- 5.10 The parish must keep the following records:
- a) A schedule of all gift aid donors
 - b) A copy of each GAD, Only one GAD is required for each donor, which covers all giving to the Parish.
 - c) A record of all donations for each donor with the date donated.
 - d) Weekly cash counting sheets
 - e) All envelopes for the current year plus one month's envelopes for the previous six years. Amounts received should be recorded on the outside of the individual envelopes.
 - f) Copies of all Turnround Listings submitted to the Diocesan Department for Finance and Property for claims to be made. (These should be totalled and signed off by the parish priest. In exceptional circumstances they can be signed by another responsible person in the parish, with the consent of the Secretary to the Trustees, or by the Secretary to the Trustees).
 - g) Copies of all claims listings, showing amounts claimed for each donor and for all the claims made by a parish, regardless of how frequently a claim is made. Claims cannot be made for more than one tax-year at a time. If the Parish is claiming for other than the current tax-year, then a supplementary claim needs to be sent into the Diocesan Department for Finance and Property.
 - h) Stubs of bank paying-in books

- i) Copies of bank statements to check bankers order donations.

Audit requirements

5.11 In essence the audit requirements for gift aid schemes will be satisfied by affirmative answers to the following questions:-

- a) is the list of donors maintained to an acceptable standard? (if names are not used can they be obtained?)
- b) in particular, can the net amounts paid be related to individual weeks when the money was actually received?
- c) are aggregated receipts from weekly gift aided donations easily traced through to the banking records ?
- d) similarly, can the individual receipts be easily traced from the envelope/bank statement through to the cash book, and does the paying-in book validate the entries?
- e) can the turnaround listing signed by the parish priest be confidently and easily verified against the totals in the record of donations for each donor?

It will be necessary for audit purposes to keep a sample of one month's envelopes for each of the previous six years, plus all current tax year envelopes.

On an audit visit, the HMRC will:

- examine the original Gift Aid Declaration Forms
- look for a proper trail of recorded contributions received in the parish. Entry of actual amounts received, and a record of these amounts being paid into the bank are essential.
- inspect a sample of the envelopes

If coded records are maintained for security and privacy, the link between the code and the name of the individual donor must be provided to the Revenue Officer of HMRC.

Additional Information

5.12 Tax reclaimed from gift aided donations given to special collections must be forwarded to the charity concerned. The amount due to the charity is currently (until 5 April 2012) calculated as 25% of the gift aided donations.

5.13 Amendments for any donor (ie change of name, change of address or death of donor) should be notified to the Diocesan Department for Finance and Property on the pink amendment form. All amendments are made to the master database once a claim has been processed and paid out to parishes.

5.14 Any over-claims should be notified to the Diocesan Department for Finance and Property as soon as the error is discovered. An amendment will be made to

DOP A5 – PARISH GIFT AID SCHEME

compensate any errors as soon as a further claim for the parish is submitted to the HMRC.

DOP A6

DIOCESAN LEVIES AND SPECIAL COLLECTIONS

Diocesan levy

- 6.1 Every year, the Diocese relies upon contributions from the parishes to cover the costs of the Curia and other centrally incurred expenditure. This is done by means of a **levy**. (see Canon 1263). Each parish is asked to pay a sum which is calculated in such a way as to reflect the parish's income.
- 6.2 In each year the relevant calculation is based on the parish's previous annual return:
- (a) From the total income per the annual return the following are deducted:
 - (i) 100% of Christmas/Easter offerings, repository sales, stole fees, other ordinary income, transfers from other accounts and exceptional income,
 - (ii) 25% of income tax repayments, rents received and hall/centre income, to give the income subject to levy.
 - (b) The levy is then calculated on this figure at the following rates:
 - (i) the first £13,000 at 20%,
 - (ii) the balance at 25%.
- 6.3 The aggregate sum is divided by twelve, and the resultant charge is transferred monthly by direct debit from the parish to the Diocese. The normal dates of transfer are the first day of each month.
- 6.4 A sheet detailing the calculation for each parish is sent to the parish priest before the beginning of each accounting year. The direct debit transfers will then appear on the parish bank statements as "already advised" items.

Diocesan collections

- 6.5 Each year, usually in August, a circular is issued by the Diocesan Department for Finance and Property, detailing the definitive dates of collections to be made in the following year. An example is attached as appendix A.
- 6.6 Later, usually in December, a circular will provide a list of provisional dates for similar collections in the year after. These dates will, obviously, be subject to confirmation in the August of the following year.
- 6.7 Almost invariably, the moneys collected needs to be paid into the parish bank account, and then sent on by cheque to the Diocesan Department for Finance and Property. In this connection, it should be noted that these cheques should be made payable to "PRCDTR

Collections A/C", and not simply to PRCDTR, nor with any specific reference to the collection(s) being paid.

- 6.8 Also, it is recommended that, when making payments for a number of collections, only one cheque is sent for the total amount, with a separate list of the individual amounts. This will assist the Diocesan Department for Finance and Property greatly and minimise bank charges.

Other charitable collections

- 6.9 From time to time, a parish priest may decide to add further collections. Some may be organised in conjunction with the Diocese, such as special appeals, whilst most will be in response to specific requests for support made to the parish. Any special appeal must be for a purpose that is calculated to lead to the advancement or maintenance of the Roman Catholic religion (as decided by the Bishop) and/or promotes the charitable purposes of the Diocese.
- 6.10 In these latter cases, any moneys collected will be paid into the parish bank account as normal, and then paid directly to the charity on whose behalf the appeal has been made. Collections should not be handed to the benefiting charity without being recorded. The Association for the Propagation of the Faith (APF) mission box moneys are handled similarly.
- 6.11 What is important to note here is the requirement that every penny collected on behalf of the charity must be paid to that charity. Furthermore, it should be paid over as soon as is practically possible. In law, the sum collected belongs to the charity to whom it was given by the parishioners, and not to the parish. The parish cannot use that sum for any other purpose.
- 6.12 Those responsible must therefore ensure that no charitable collections are retained for more than one month, with a three month period being the absolute maximum where special circumstances apply (e.g. extended collection periods).
- 6.13 This timetable for dealing with charitable funds should also be applied to diocesan collections.
- 6.14 Parishes are strongly encouraged to adhere to the Institute of Fundraising Code of Practice on the handling of cash collections available on <http://www.institute-of-fundraising.org.uk/Resources/Institute%20of%20Fundraising/Codes/Handling%20of%20Cash%20Donations%202006.pdf> or
Institute of Fundraising
Park Place,
12 Lawn Lane
London SW8 1UD
Telephone 020 7840 1000

Appendix A**Diocesan collections list****DIOCESE OF PORTSMOUTH****SPECIAL COLLECTIONS LIST****COLLECTION****DATE****Obligatory**

Catholic Education Service	9 th Sunday before Easter
Clergy Assistance Fund	4 th Sunday of Lent
Holy Places	Good Friday
Clergy Training Fund	Good Shepherd Sunday
World Communications	Sunday after Ascension
Peters Pence	Feastday
Apostleship of the Sea	Second Sunday in July
Cathedral	Last Sunday in September
Mission Sunday	Last but one Sunday in October
Bamenda	7 th November

Voluntary

Cabrini Children's Society	Sunday before Ash Wednesday
CAFOD Lent Day	2 nd Sunday in Lent
Racial Justice	2 nd Sunday in September
CASE	3 rd Sunday in September
CAFOD Harvest Fast Day	Sunday after 1 st Friday in October
Mission Appeal	Local Dates
Crib Offerings	Knights of the Holy Sepulchre

DOP A7

FOUNDATION MASSES

Introduction

- 7.1 It is a tradition and custom for people to request a Mass to be founded and offered for members of their deceased family or friends or even, sometimes, for the good estate of the living. There are also requests for Masses to be offered on an annual basis, for the repose of the soul of a person, to be funded from their estate as indicated in their last will and testament.
- 7.2 These are known in canon law as non-autonomous pious foundations, and the norms for accepting and fulfilling these pious foundations are governed by Canons 1303 to 1310 of the Code of Canon Law. The following states the major features of the norms, and the ways in which they are implemented in the Diocese.

Timespan and endowment

- 7.3 Foundation Masses are accepted for a period of 25 years: “in future, to avoid the indefinite increase in the number of such Masses, a foundation Mass will be accepted for a period of 25 years” (promulgated 12th September 1967).
- 7.4 The endowment must provide sufficient annual income for a priest to receive the current diocesan Mass stipend (£5). The minimum endowment to realise this is currently £125. This endowment is to be invested by PRCDTR in DOPIF units for the designated parish so that the obligation can be fulfilled.

Applications and registration

- 7.5 All formal applications for a foundation Mass are to be made to the Diocesan Chancellor. This is to ensure that they are properly accepted, funded and recorded in the foundation Mass book.
- 7.6 All foundation Masses also need to be accepted and registered in the parish foundation Mass book. The parish priest must sign and date the parish Mass book after the mass has been offered. The Mass stipend is then taken from parish funds by the parish priest as part of his income.

Cessation

- 7.7 After 25 years the obligation to say the Mass ceases, and the endowment and income from it revert to the parish: “At the end of 25 years the Mass obligation would cease, and the original capital investment would remain with the parochial endowment from which dividends would be paid to the parish, but without the obligation of any further Masses” (promulgated 12th September 1967). Note that this only applies to Masses set up after that date. A letter is sent out annually to all parishes to detail those Masses where the obligation has ceased. The letter is sent

DOP A7 – FOUNDATION MASSES

by the Diocesan Chancellor, with copies being retained in the chancery archives and the Diocesan Department for Finance and Property.

DOP A8

REMUNERATION OF CLERICS

Further information about the remuneration of clerics can be found in the Clergy Handbook.

- 8.1 This DOP explains the current practice in the diocese in relation to the remuneration of clerics. Canon 281 §1 states 'since clerics dedicate themselves to the ecclesiastical ministry, they deserve the remuneration that befits their condition, taking into account both the nature of their office and the conditions of time and place.' Canon 281 §3 adds, 'Married deacons who dedicate themselves full-time to the ecclesiastical ministry deserve remuneration sufficient to provide for themselves and their families.'
- 8.2 Clerics appointed to parishes shall in this diocese be remunerated by the parish they serve. Clerics otherwise appointed shall in this diocese be remunerated by the diocese.
- 8.3 Canon 281 §1 notes that the remuneration of clerics 'is to be such that it provides for the necessities of their life and for the just remuneration of those services they need.' In this diocese the remuneration which shall be provided may be summarised as follows:
- (a) Stipend
 - (b) the Priest's Class 2 national insurance contributions
 - (c) accommodation (including council tax, lighting and heating)
 - (d) food and other ordinary requirements
 - (e) reimbursement of motor, travelling and other ordinary expenses incurred on parish or diocesan duties.
 - (f) other financial gifts received in connection with duties involved in parish ministry.
- 8.4 The stipend is reviewed and fixed by the Council of Priests annually at one amount for priests appointed to parishes and at another amount for priests appointed full time to diocesan appointments

Christmas and Easter offerings

- 8.5 According to local custom Christmas and Easter offerings remain the personal income of the priests. However, such offerings are potentially gift aided and must therefore be put through the parish accounts, and subsequently paid out to the priests in the form of a cheque.

Chaplaincy Income

- 8.6 It is suggested that money so earned is treated as parish income and not the personal income of the priest. It is not then subject to any tax deductions at source. It is recommended that priests seek advice from the Diocesan Department for Finance and Property.

Other Personal Income

- 8.7 The priest may regard as his personal income, and thus not pass through the parish accounts, the following receipts:
- (a) Mass Stipends (including Holy Souls Masses), and
 - (b) Stole fees for baptisms, weddings and funerals.

Sabbaticals

- 8.8 Priests may apply for sabbatical leave periodically, and the cost of any special course or event may be relieved by a one-third contribution from the Diocese.

DOP A9

INVENTORY OF PRIESTS' AND PARISH POSSESSIONS AND WILLS

- 9.1 Each parish priest is encouraged to create and maintain a presbytery inventory. Many presbyteries have a dual function - an administrative provision and the priest's private home combined in one building. This has made them more open, and the insurance element must be considered.
- 9.2 There should be no difficulty in keeping an administrative and furniture inventory - computers, photo-copiers, normal household items, etc.
- 9.3 It is sensible that provision be made to distinguish between personal items and those which belong to the presbytery.
- 9.4 The parish priest must have, at the least, an inventory of what belongs to the parish. It would also be sensible for the resident cleric(s) to have a similar inventory of his personal possessions.
- 9.5 It is important that presbyteries have sufficient basic furnishings and household equipment belonging to the parish although they may not be in current use.

Priests' Wills

- 9.6 The making of a Will and Lasting Power of Attorney often gets put aside for attention at a later date. The absence of such documents creates many legal difficulties and places relatives and friends in a quandary as to what a person's wishes are when they die, or if they lose their mental capacity.
- 9.7 It is essential that a priest makes a Will and a Lasting Power of Attorney. It is highly desirable that he places a copy, or at least the names, addresses and telephone numbers of his executors, and attorney in the files at Bishop's House. These files are completely private and confidential.
- 9.9 It is prudent for the priest to make a note of these matters and of his next of kin in the parish files for help in the event of the priest dying suddenly or losing his mental capacity.
- 9.10 Powers of attorney should not be granted to employees of the Diocesan Trustees (including parish employees) or to ecclesiastical superiors.

DOP A10

100 CLUB RULES

The following are specimen rules for the 100 club in a parish. Before final adoption of these rules reference should be made to the Diocesan Financial Secretary. The parish priest in consultation with his parish finance committee has the authority to adopt and promulgate the rules.

1. NAME

The Club is called [*insert name of church*] 100 Club.

2. OBJECTS

The Club is established for charitable purposes and its Objects shall be to raise funds for *the* parish of [*insert name of church*], part of the Portsmouth Diocesan Trust, registered charity number 246871.

3. CONSTITUTION

- (1) The club will be managed by the parish finance committee the members of whom are appointed solely by the priest in charge. This committee will have the power to delegate responsibilities as they deem necessary to the parish lottery committee who will be charged with running the lottery scheme for the club.
- (2) The parish lottery committee shall consist of at least three members of the club elected annually by the members of the club at a meeting of all the members *of* which notice of at least three weeks is given. Such a person may only serve the committee during the subsistence of their membership. If such a member shall cease to be a member of the club then he shall forthwith be replaced by another person nominated by the parish finance committee until the next due date for elections as above
- (3) The parish lottery committee shall elect or nominate persons from their number who will *be* responsible for ensuring that lottery returns are completed, signed and delivered to the licensing authority on the due date in accordance with the requirements of the Gambling Act 2005.

4. MEMBERSHIP

- (1) Membership of the club will be invited from any person who is a regular attendee at [*insert name of church*] church or by the parish finance *committee*. Membership shall be at the sole discretion of the parish finance committee who will maintain a list of members and no person shall be admitted to membership until payment of the required subscription has been made.

- (2) The parish finance committee shall have the right in their sole discretion to close the membership of the club for a determinate or indeterminate period and also to cancel the membership of an existing member for whatever reason. There shall be no right of appeal in either case although in the case of an existing member the committee will invite the member to make representations and consider them before deciding on cancellation of his/her membership.
- (3) In the event *that* membership is oversubscribed in the sole opinion of the parish finance committee then a waiting list shall be maintained and, subject to the sole discretion of the committee, new members admitted in accordance with the date the application is received
- (4) Subscriptions *shall* be £5 per month for each member which shall be paid in advance. The parish lottery committee shall be responsible for administering the subscriptions. Payment shall be by bank standing order although the committee will have the discretion to accept cheque or cash payments on the basis that a minimum of three months subscription charges are paid in advance.
- (5) The parish finance committee may increase subscriptions to such amounts as they may from time to time determine
- (6) The parish lottery committee may terminate the membership of any person who fails to pay his subscription within twenty eight days after they fall due, but otherwise at the expiration of each year every member shall be automatically re-elected upon payment to the committee of the appropriate subscription.

5. ELECTION TO MEMBERSHIP

- (1) All *applications* for membership shall be in writing on a form provided by the parish finance committee and signed by the applicant;
- (2) Persons shall not be admitted to membership without an interval of at least two *days* between their nomination or application for membership and their admission;
- (3) An applicant for membership shall be notified whether his application has been accepted or rejected and, if accepted, the date of notification shall be the date his subscription falls due.
- (4) A register shall *be kept by the parish finance committee of the names and addresses* of all club members and the date of their election.

6. LOTTERY SCHEME

- (1) A monthly draw will take place after the 10:30 Mass at [*insert name of church*] on the last Sunday of each month, and the December draw will take place during the annual Christmas bazaar each draw will be supervised by the priest in charge or his appointee.
- (2) The *regular* monthly prize money will be 40% of the monthly income (£200 per month based upon 100 members - £100.00 and two £50 monthly prizes) with a further 10% of the monthly income each month going towards the Christmas jackpot draw.
- (3) The relevant numbers of all paid up members will be entered in the draw for *each* month.
- (4) If the number of members drops below 100, and there are no names on the *waiting* list to the club the prize money may be adjusted to reflect the number of active members. The prize money will revert to the amounts in rule 2 above once new members have been admitted to bring the number back to 100.
- (5) Registers will be kept recording the name and address of each member, *the* number(s) allocated to them, the subscriptions received from them, the names of those supervising the monthly draws, the winning numbers, and the name of the member to whom that number has been allocated.
- (6) If a *winner* cannot be contacted, the winnings will be placed into parish funds after a period of 6 months from the date of the draw.

7. GENERAL RULES

The parish finance committee or the priest in charge shall be the sole authorities for interpreting the rules of the club and for settling all disputes relating to the affairs of the club and the members in relation thereto.

CHANGE NOTES

Note of changes to the DOP A – Finance and accounting

A1 – 1.16

Final sentence of penultimate paragraph added.

A1 – 1.18

Final sentence added.

A1 – 1.24

Final sentence added.

A1 – 1.29

New paragraph added.

A2 – 2.8 Cash vouchers

Final sentence added.

A2 – 2.12

Final two sentences added.

A2 – 2.17

Final sentence added.

A2 – 2.19

Final sentence added.

A3 – 3.55

Final paragraph added.

A3 – Appendix A

Final declaration paragraph added.

A5

Amended to ensure that HMRC is referred to as such throughout.

A5 – 5.6

Final sentence added.

A5 – 5.12

Final sentence amended.