

DIOCESE OF PORTSMOUTH - DIOCESAN OPERATING PROCEDURES

DOP – PARISH SUPPORT VISITS

## DIOCESE OF PORTSMOUTH



## DIOCESAN OPERATING PROCEDURES FOR PARISH SUPPORT VISITS

Maidenhead – St Edmund Campion

Part 2 of 3  
(Gift Aid)

Issued by  
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(Additional copies may be downloaded from [www.portsmouthdiocese.org.uk](http://www.portsmouthdiocese.org.uk))

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Registered Charity No. 246871

### **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.

Philip Egan  
Bishop of Portsmouth  
June 2014

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The purpose of this procedure is to help validate that Diocesan Operating Procedures (DOPs) are working as designed through the provision of a soft touch audit program using a simple question and answer based approach. The parish support program aims to help parishes provide a consistent approach to all administrative activities including accounting, gift aid, personnel and the care and maintenance of buildings etc.

The Diocesan Trustees are obliged under the provisions of the Charities Act 1993, to account for all funds connected to or under the control of the Diocesan Trust. Parish accounts are aggregated with the Diocesan central accounts to give the complete financial position of the Diocesan charity, and the overall accounts are audited by external auditor Haysmacintyre chartered accountants. There are also other external requirements including governmental bodies that may need to access Diocesan and parish accounts such as the Charity Commission, and the Inland Revenue who currently maintain a soft touch approach to this charity. It's therefore important the Diocese can demonstrate the following through an effective parish support program:

1. Reliability and integrity of financial operational information
2. Effectiveness and efficiency of operations
3. Safeguarding of assets
4. Compliance with laws, regulations and contracts.

Canon Law 1284 paragraph 2 & 3 repeats the need to observe secular laws to prevent the Church from suffering damage, arising either from the invalidity of canonical acts or because of their civil unlawfulness. Consequently, all civil, administrative, commercial, fiscal and other secular norms must be followed, since failure to do so could entail civil penalties, loss of goods or of their value, the prescription of actions, the mandatory imposition of charges, costly judicial proceeding etc.

The parish priest or co-ordinating pastor will be notified that their parish for which they are responsible has been selected for a support program review. The notification letter will identify the due date for when the questionnaire (this form) must be completed and signed by them and returned to the Diocesan Finance Office addressed to the Chief Accountant. Parishes will be given a maximum of 4 weeks to complete and return the questionnaire prior to the commencement of an on-site review. The parish priest or co-ordinating pastor or their nominated representative must be present during the period of the review. The on-site review will be limited to one day only on proviso the questionnaire has been completed and returned by the due date. An internal report will be produced identifying any observations and recommendations within two weeks on completion of the on-site review. Any recommendations will be tracked to closure.

The parish support program will be published as a Diocesan Operational Procedure and made available on the Diocesan web site.

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### **Scope:**

**Gift Aid:** To prove that submitted Gift Aid claims are valid. To ensure record keeping meets the requirements of the Inland Revenue. Records must prove that every donation on which Gift Aid has been claimed can be traced back to an identifiable donor who has signed a valid Gift Aid Declaration (GAD).

**Risk:** If Gift Aid records do not satisfactorily demonstrate that all the Gift Aid the Parish have claimed is valid, the Parish may have to pay it back to the Inland Revenue, with interest and possibly with a penalty fine too. In addition, errors detected within one parish will lead to audits conducted by the Inland Revenue within other parishes to validate issues detected are not prevalent across the Diocese.

**Sample Size:** A sample of 10 percent (min 5 max 20) of each method of claim – i.e. offertory envelopes, standing orders, cheques without envelopes will be performed during the review. The review will check audit trails from envelope etc through to parish bank account. If problems are encountered the sample size will be expanded.

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Gift Aid controls to be examined	Adequate? y, n, n/a "n" or "n/a" requires use of comment field	Comments
1. Who carries out the following duties: a. Gift Aid Declarations (GAD's) administration? b. Maintaining the schedule of gift aid donors within the Diocesan Gift Aid System?		
2. Give a breakdown of the number of regular parish GADs as follows: a. Weekly envelopes: b. Standing Orders: c. Direct Debits: d. Cheque payments;		
3. Are non taxpayers provided with envelopes for planned giving? If yes, are these recorded in the gift aid register? <span style="color: red;">○</span>		
4. Are the following records maintained/retained ( <i>DOP A5</i> ) a. A schedule of all gift aid donors? b. A copy of each GAD? 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. 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? f. Are aggregated receipts from weekly gift aided donations easily traced through to the banking records? g. Can the "Submitted Return" found within the Diocesan Gift Aid system be confidently and easily verified against the totals in the record of donations for each donor? h. All envelopes for the current year plus one month's		

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<p>envelopes for the previous six years retained?</p> <ul style="list-style-type: none"> <li>i. Correspondence with all donors retained.</li> <li>j. Stubs of bank paying-in books retained?</li> <li>k. Copies of bank statements to check bankers order donations retained?</li> </ul>		
<p>5.Does the gift aid register record the following :</p> <ul style="list-style-type: none"> <li>a. Weekly envelopes</li> <li>b. Standing Orders</li> <li>c. Direct Debits</li> <li>d. Cheques (without envelopes)</li> <li>e. Visitor envelopes</li> <li>f. One-off envelopes for existing Gift Aiders (<i>check these are annotated with envelope number and retained</i>)</li> <li>g. Envelope identify index – where donor not identified in the register</li> </ul>		
<p>6.Collections book/sheet – please answer the following :</p> <ul style="list-style-type: none"> <li>a. Is gift aid and non gift aid money recorded separately?</li> <li>b. Are there any records summarising the weekly collection e.g. a collections book linking the envelope totals with the bank statements?</li> <li>c. Are details of cheques without envelopes recorded on the weekly income sheet/book and/or details recorded on the paying in slip? (<i>Ideally both but one or other acceptable, looking for name and amount</i>).</li> </ul>		
<p>7. Diocesan Gift Aid System specific questions</p> <ul style="list-style-type: none"> <li>a. Is the Gift Aid System updated weekly, monthly or other?</li> </ul>		

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<p>8. Used Envelopes</p> <ul style="list-style-type: none"> <li>a. Are used envelopes kept?</li> <li>b. Are these bundled into weekly batches?</li> <li>c. Which are kept?             <ul style="list-style-type: none"> <li>a. All current envelopes?</li> <li>b. All envelopes for past 6 years Or</li> <li>c. Envelopes for 1 month (specify)</li> <li>d. Other (Specify)</li> </ul> </li> </ul>		
<p>9. Do envelopes show the following?</p> <ul style="list-style-type: none"> <li>a. Parish Name</li> <li>b. Diocesan Name (<i>such as Portsmouth Diocesan Trust, Portsmouth Diocese or PRCDTR</i>)</li> <li>c. Envelope Number</li> <li>d. Collection Date</li> <li>e. Amount included</li> <li>f. Charitable status (registered no. 246871)</li> <li>g. Does the parish use special collection envelopes? (<i>Including Holy days, second collections for parish, e.g. building fund etc</i>)</li> <li>h. Do procedures exist to deal with envelopes from other parishes?</li> </ul>		
<p>10. Gift Aid Procedure</p> <ul style="list-style-type: none"> <li>a. Is the nature of gift aid fully explained to potential donors, i.e. that donors must pay sufficient tax (<i>income or capital gains tax</i>) to cover the tax reclaimed in respect to their donations?</li> <li>b. Are all Gift Aid Declarations completed by an individual tax payer? (<i>DOP A5.5</i>)</li> </ul>		
<p>11. Administration</p> <ul style="list-style-type: none"> <li>a. Are new gift aid donor details recorded in the Diocesan Gift Aid System?</li> <li>b. Are all gift aid declarations (including envelope GADs) sent to St Edmund House?</li> </ul>		
<p>12. Audit Requirements (<i>DOP A5.11</i>)</p> <ul style="list-style-type: none"> <li>a. Is the list of donors maintained to an acceptable standard?</li> <li>b. Can net amounts paid be related to individual weeks when the money was actually received?</li> <li>c. Are aggregated receipts from</li> </ul>		



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	weekly gift aided donations easily traced through to the banking records? d. Can individual receipts be easily traced from the envelope/bank statement through to the cash book, and does the paying-in book validate the entries?		
13.	When was the last Gift Aid Tax recovery claim made?		
14.	When was the last Gift Aid appeal held in the parish? (should be within the last 12 months)		

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