



The Representative Church Body

Financial Guides for Parishes

Glossary of Terms to Accompany Annual Report & Financial Statements for Receipts & Payment Accounts

This glossary has been compiled following the layout of the Annual Report and Financial Statements for Receipts & Payments Accounts for ease of use rather than the traditional alphabetic format.

References and administrative details of the Charity (Parish)

Charity Name:	This is the name of your parish (e.g. Derryvullen South Parish)
Charity Registration Number:	This is the number given to the parish by the Charity Commission for Northern Ireland when they have registered with the Commission.
Contact Address:	Address of the Parish
Trustees:	The people who are responsible for the general control and management of the administration of the Parish, i.e. the Select Vestry.
Principal Office Bearers:	Those individuals that have a specific role within the Parish administration structure, Clergy, Churchwardens (Rector's & People's), Treasurer and Secretary.
Independent Examiner:	An independent examiner is someone eligible to act as an examiner to provide an external scrutiny of a Charities Financial Accounts. Where the Parish income is less than £250,000 the trustees (select vestry) should appoint an independent person who is reasonably believed by the Select Vestry to have the requisite ability and practical experience to carry out a competent examination of the accounts. The Select Vestry should satisfy itself that there is no conflict of interest and that the examiner is independent.
Bankers:	The bank/bank branch with whom the Parish uses to do its main banking.
Solicitors:	The solicitor/firm of solicitors who are the Parish's legal representatives.
Financial Year	This is the 12 month reference period that the Parish uses to relate its accounts to. It is usually set out in its governing document and generally runs from January to December (the calendar year) or from April to April (the tax year), but can be any concurrent 12 month period.

Trustees & Independent Auditor's Report

Trustee's Annual Report:	<p>This is an annual report produced by the Select Vestry which accompanies the financial statements. It will tell the story of the Parish for the year, setting out the Objectives & Activities, Achievements & Performances, Financial Review, Structure & Governance, Compliance with Public Benefit and a Statement of Trustee's Responsibilities.</p> <p>This report will vary from Parish to Parish. Example layout is provided in the example accounts. The layout and wording should be agreed by the Parish with the Independent Examiner.</p>
Public Benefit (included under Achievements, Performance and Public Benefit)	<p>A key component of a charitable purpose is to have a public benefit. Public benefit reporting is a key element of the Trustee's annual report and gives the select vestry the opportunity to explain the impact of the Charity/ Parish throughout the year. The Parish might include a summary of the main activities undertaken by the charity to carry out its charitable purpose for the public benefit and the main achievements of the Parish during the year.</p> <p>A statement of compliance with the Charities Commission public benefit guidance is also required.</p>
Going Concern	<p>A going concern is the ability of a business or entity to function without the threat of liquidation for the foreseeable future. It implies for the business or entity, the basic declaration of intention to keep running its activities at least for the next year. Hence, the declaration of going concern means that the Parish will continue to operate as it has been doing so for the next 12 month. If there is an issue with "the going concern" concept the Parish will have to declare so in its accounts and the independent examiner will be required to report any such going concern issues.</p>
Governing Document	<p>The Governing documents of the Parish will be those set out in Chapter III of the Church of Ireland Constitution.</p>
Independent Examination Report :	<p>This report will be provided to the Parish by the Independent Examiner and will follow a prescribed format.</p>

Receipts and Payments Accounts

Income

Receipts	Monies received by the Parish
Donations:	Money received from donations to the Parish in the form of plate collection, weekly envelopes, free will offerings, tax recovered on donations through the gift aid scheme.
Income from Fundraising Events	Income from special fund raising, coffee mornings, Summer fete, Christmas fair, concerts and social events, etc.
Legacies:	Gift of money or property willed to the Parish following the death of a parishioner or another. The bequest may set specific purpose for the use of the funds or property or may be for the general purpose of the Parish.
Tax recovered on Donations	The money claimed from HMRC on any donations that the donor has agreed can be Gift Aided
Bank & Deposit Interest:	Amounts of money paid by a financial institution at a specific rate of interest on money held in account(s) with that institution.

Investment Income:	Amounts of money that is earned (usually in the form of dividends or distribution paid) on capital amounts of money invested in Trust Funds managed by the RCB, CIT or other investment managers. Investment income should include income from the rental of Investment Properties where applicable to the Parish. Investment Properties are properties held by the Parish to generate an investment return and would not include typical Church Properties such as Glebe House, Curate House etc.
Rental Income	Income that is generated from the use of Parish premises or rooms in the Parish Centre or Hall or the rental of Glebe lands.
Sale of asset	Funds raised from the sale of a Parish asset – glebe lands, Parish equipment etc.
Sale of Investments	Funds raised by the sale of investments e.g. units in the RCB / CIT Unit Trust (which may be for a specific purpose or project).
Grants:	Money received in the form of grants to be utilised as specified in the terms of the grant.
Receipts from General Trustees	
Other	Include any receipts not covered by the above or insert new headings as appropriate
Receipts from Parish Organisations	It is appropriate to include income from other Parish organisations such as Bowling Club etc. into this heading. Parish organisations might include Bowling Club, Flower Club, Mothers & Toddlers group, Active Age group etc. Parish organisations will <u>not</u> include National organisations such as Boys Brigade, Girls Brigade, Mothers Union, where there is a central governing body. As Parish organisations their financial information should be included in the Parish Financial Statements. This will include all receipts of income. All payment of expenditure will be included under the expense heading Payments for Parish Organisations.

Expenditure

Expenditure	Monies paid out by the Parish
Wages & Salaries	Wages & Salaries should include payments to people who are employees or office holders of the Parish. Where the incumbent is paid centrally by the RCB then the Parish will <u>not</u> have wages & salaries relating to the incumbent but will instead show payments to the Diocese as Diocesan costs. Where the incumbent is paid locally by the Parish then the Parish will include the stipend payment under wages & salaries. If payments are made to other persons on a self-employed basis these payments should be included in the appropriate expense category. Example of employees of the Parish might include Office Administrator or Secretary. Clergy are deemed to be Office holders.
Diocesan Costs	Any costs paid to the Diocese in the form of stipend for Clergy, assessments or levies.
Church running costs	Cost of heating, lighting, insurance costs, maintenance & repairs and any other payments made to self-employed persons relating to the Church running costs.
Glebe Costs	Cost of maintenance and repairs, insurance costs and any utilities paid by the parish towards glebe running costs.
Parish Centre Costs	Cost of heating and lighting, insurance costs and other utilities, maintenance and repairs
Administration Costs	Cost of photocopier, stationery, postage, bank charges etc. and any payments made to self employed persons.

Fundraising costs	Costs incurred in special fundraising events, Summer fete, Christmas fair etc.
Charitable Donations	Donations paid in respect of special collections, disaster appeal or donations in respect of Bishops Appeal, Tearfund, Christian Aid etc.
Payments for Parish Organisations	It is appropriate to include payments made by other Parish organisations such as Bowling Club etc. into this heading. Parish organisations might include Bowling Club, Flower Club, Mothers & Toddlers group, Active Age group etc. Parish organisations will <u>not</u> include National organisations such as Boys Brigade, Girls Brigade, Mothers Union, etc. where there is a central governing body. As Parish organisations their financial information should be included in the Parish Financial Statements. All payment of expenditure will be included under this expense heading for Parish Organisations.
Excess of Receipts over Payments	The difference between total receipts and total payments
Transfers:	If there is a transfer between funds i.e. from unrestricted to restrict.

Statement of Assets & Liabilities

Assets

Cash Funds	Cash at bank or in hand held directly by the Parish, cash held by the RCB/CIT in trust for the Parish, cash at bank for other Parish organisations such as Bowling Club etc. Cash should be split between current account and deposit accounts.
Investment Assets	Assets that are held to generate a return by way of income, capital growth or both. Investments may include government gilts, shares, bonds and deposit accounts when held as an investment. Parishes may have investments in the RCB or CIT Unit Trust and the value of holdings should be included in the Financial Statements.
Assets retained for the Parish's own use	
Parish Centre	See note 1 in accounting policies & separate guidance on Church Property re potential options for valuing parish centre
Glebe House	The glebe house is recognised at cost / deemed cost, being the estimated fair value of the property (See note 1 in accounting policies & detailed guidance on Church Property)
Fixtures and Fittings	Value of Furniture, computers in the office, communion silverware (where amounts are material)
Heritage asset	A 'Heritage asset' is defined as a tangible or intangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. This definition covers cathedrals and historical Churches and monuments where their preservation and contribution to culture are ancillary to faith and other purposes. Similarly, the artefacts contained within, or associated with, such assets may also be heritage assets. Therefore, religious artefacts contained within a cathedral or historic church will be included under 'Heritage asset'.

