



Representative Church Body

The Church of Ireland – Best Parish Church – Pro-forma Accounts

Explanatory Notes to Receipts & Payments

Trustee's Annual Report

The detail provided here is only a broad guideline as the Trustees report will vary from parish to parish. However the following 4 topics must be dealt with in the Trustees Report:-

- Objectives and Activities
- Achievements and Performance
- Financial Review
- Structure , Governance and Management

This does not preclude the Trustees from including other matters if the trustees feel these matters will be useful to those who might read and use the report.

Within the Trustees Annual Report is a "Statement of Trustees Responsibilities". The final wording used here should be agreed with the Independent Examiner.

Please note that the Objectives & Activities can be altered in line with the input from the Bishop of the Diocese or at a local Parish level by the Incumbent.

Parishes (charities) are required to have a public benefit and to report annually on how they continue to meet the public benefit requirements. The trustee's annual report should contain information on activities the Parish has carried out during to year to provide this public benefit. The Parish is requires to confirm that they have due regard to the guidance produced by the Northern Ireland Charities Commissioner.

For good practice the trustees report should be approved by the Select Vestry and signed by two trustees. The trustees should ensure that the figures provided in the trustees report are consistent with the financial statements.

Receipts & Payments

The detail provided is a summary of all incoming receipts and all outgoing payments for the financial year, normally 1st January to 31st December.

Receipts and Payments form of accounts is based on money received and paid through the Parish bank and cash accounts, during the financial year along with a statement of assets and liabilities. A parish may use this type of accounts if its gross income is **less than £250,000 per year**.

The headings / categories included on the receipts and payments accounts will vary from parish to parish and should be amended as required.

Accrual Accounts can be prepared where the Parish income is less than £250,000 if:

- The parish's governing document requires accrual accounts.
- Another enactment says the parish must prepare accruals accounts.
- A decision has been made by the Select Vestry to prepare accrual accounts.

An individual Parish administered by a Select Vestry should produce receipts & payment accounts where its income is less than £250,000.

In the case of a Group of Parishes, where each Parish within the Group is administered by individual Select Vestries, then each Parish will produce receipts & payments accounts where its

income is less than £250,000.

In the case of a Union of Parishes, which will be administered by one Select Vestry, the Union will produce receipts & payments accounts where the consolidated income of the Union of Parishes is less than £250,000.

Parish Organisations income and expenses should be included within receipts under receipts from Parish Organisations and payment from Parish Organisations. The type of Parish Organisations which might be included as a Parish Organisation would be Parish Bowling Club, Parish Flower Club, Parish Active Age Group; where the organisation is part of the Parish. The Parish treasurer would include all receipts & payments for such Parish Organisations and any bank accounts held by the Parish Organisation in the annual accounts. Organisations with national headquarters and separate governing documents from the Church of Ireland such as Girls Friendly Society & Boys Brigade would not be included in Parish accounts. Organisations that rent rooms in a Parish Hall/Centre and are not considered part of the Parish should not be incorporated within the Parish accounts, but any rental income generated will be included under Rental of premises.

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 not have wages & salaries relating to the incumbent but will instead show payments to the Diocese as Diocesan costs/assessments. 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. Each Parish may need to take specific advice in relation to wages & salaries.

Information filed with the Charities Commission of Northern Ireland as part of your annual reporting will be publicly available.

Statement of Assets & Liabilities

The detail provided is a summary of the parish's main assets and liabilities. There is no need to list all individual assets (not every chair or table or list every investment) but rather group similar assets or liabilities together.

The categories included in the statement of assets and liabilities will vary from parish to parish and should be amended as required.

Notes to the Accounts – Note 1 Accounting Policies

Particular attention is drawn to the policy dealing with assets retained for the Parishes own use.

Parish Church and Graveyard are deemed to be Heritage Assets and therefore can be excluded from the statement of assets and liabilities.

There are three suggested options for dealing with parish hall/centre under note 1 (b) (i) and the Parish should review with the independent examiner which option is most appropriate.

The Glebe House or Curate House may be recognised at cost of acquisition, cost of construction, at a value independently arrived at or at the value of the property for local property tax/rate. A detailed guidance note has been produced for Church Property which should be referred to.

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'.

Notes to the Accounts – Note 1 Accounting Policies

Some parishes may own investment properties. These are properties which are held, unrelated to main parish activities, to earn rental income or for capital appreciation, or both. Investments in equities or investments in the RCB / CIT Unit Trust should be included as an asset in the statement of assets and liabilities.

Notes to the Accounts - Note 3 Movement in Funds

Details need to be given in respect of MATERIAL amounts only. The information required for such funds include:-

- Purpose of the Fund
- Movements in the Fund

Notes to the Accounts - Note 5 Transactions with Trustees

Details need to be given in respect of payments made to trustees of the Parish. The Parish trustees are the members of the Select Vestry. Types of payment might include payment for professional services provided even if at a reduced rate, payment for the supply of goods, payment of certain rectory/glebe utilities. As circumstances will vary from Parish to Parish, the Parish is advised to consider all payments made to trustees with the Independent Examiner.