

**THE ROMAN CATHOLIC DIOCESE OF EAST ANGLIA**



**PARISH HANDBOOK**

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## FOREWORD

Welcome to the latest edition of the Parish Handbook. There have been a number of major changes in legislation since the last update and the Handbook has been revised to help you to continue to comply with the law. **Updates since the last edition are highlighted in yellow.**

This Handbook has been produced to provide parishes with information on the financial accounting and approval procedures within the Diocese. The Handbook also contains sections which include advice on such matters as the formation of Parish Finance Committees, taxation procedures as well as recommendations on parish banking and investment with the Diocese.

On accounting matters, the provisions of the Charities Act 2011 Part 8 govern all financial activities in the Diocese as a registered charity.

The accounting procedures in this Handbook comply with the above regulations and have been designed to help parishes to meet their obligations under charity law. The main points affecting parishes are:

\* with effect from 1997 parish accounts were combined with the Diocese's accounts to give the complete financial position of all the activities of the Diocese Trustee.

## PARISH HANDBOOK

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**This Handbook should be read in conjunction with the following documents:**

- a) The Parish Employment Guide – issued November 2006 (revision in progress)
- b) Employee Handbook – issued November 2006 (revision in progress)
- c) Parish Financial Procedures – a revised policy document is issued with this handbook – Appendix 7
- d) Parish Insurance Guide - available at <https://www.rcdea.org.uk/finance/>

**MAJOR CHANGES SINCE THE LAST UPDATE (WHICH WAS in March 2020)**

A Table of Contents added

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April 2021

## **1. GENERAL REQUIREMENTS OF DIOCESAN & PARISH ACCOUNTS**

### **1.1 Introduction**

Any organisation needs accounts to know its current financial position, to plan and budget for the future and to check progress and monitor transactions. For a charity like the Diocese, accountability is even more crucial because its main sources of revenue come from its member parishes (via offertories, legacies or donations), from central and local government grants and from various rating and tax concessions. Indeed, a charity's income can continue to grow only if there is general confidence in the way that its trustees are managing and applying the fund entrusted to its care. It is therefore vital that all charities should provide full and accurate financial information in their published accounts so that public accountability is established and other external bodies e.g. banks, the Charity Commission, HMRC, etc are able to safeguard their own particular interests.

### **1.2 The regulations require aggregation of accounts**

The provisions of the various Charities Acts from 1993 set out regulations to ensure stringent and consistent reporting standards in a charity's accounting procedures is the accounting regulations issued under the Charities Act 1993. The Diocese Trustee is obliged to account for all funds connected to or under its control. With effect from the accounting year beginning on 1<sup>st</sup> January 1997 the accounts of all its branches, i.e. the parishes, were aggregated with the Diocese's central accounts to give the complete financial position of the Diocesan Charity and to provide the basis for an external audit of the overall accounts of the Charity.

### **1.3 Aggregations will be achieved via the Parish Financial Return**

The prime document used by the Diocesan Finance Office to aggregate all parish accounts is the annual Parish Financial Return (PFR). The details of the Return are discussed further in Section 5 of this Handbook. Some parishes may wish to have a more detailed analysis of their receipts and payments for their own particular purposes. This should not present a problem provided that any breakdown or summary fits into the standard analysis contained in the return.

### **1.4 Basis of Accounts – Accruals v Receipts & Payments**

Under the charity accounting framework, the Diocese is obliged to prepare its accounts on an "accruals" basis where income and expenditure are recognised as they are earned and incurred, not as money is received or paid. To enable the Diocese to comply with this requirement, the Diocese would prefer that parish accounts be submitted on an accruals basis. Parish accounts may previously have been prepared under the "cash" basis of receipts and payments and will therefore need some adjustment in future to be aggregated into the Diocese's accounts. The Parish Financial Returns requires additional information to ensure that they are prepared on an accruals basis. The returns include not only statements of receipts and payments, but also a movement of funds statement and lists of amounts due to and from the parish. The receipts and payments statements need to contain all parish transactions including those transactions shown in the parish's account with the Diocese. This account is discussed in greater detail in Section 4 of this Handbook.

The use of accrual accounting is **not** a mandatory requirement as, at the request of parishes, the Diocese is currently exploring the use of a Diocese wide accounting system by parishes, which would have implications for how parishes prepare their accounts.

### **1.5 Accounting for separate funds**

The main purpose of a set of accounts is to give an overall view of the total resources made available to a charity during the year and how they have been expended. Where several funds are involved there are additional requirements. Here there is a need to account for the proper administration of the individual funds in accordance with their respective terms of trust. To discharge this obligation, the regulations require that accounts provide a summary of the main funds, differentiating in particular between "general" and "restricted" funds.

## **1.6 General and Restricted Funds**

Funds raised by a local church for the general purposes of the parish will be accounted for as “general” or “unrestricted” funds of the parish in the Diocese’s accounts. Many parishes also receive money that is earmarked either by the donor or the terms of an appeal for particular projects. Such projects represent “restricted” funds requiring separate accounting. Depending on the materiality of each donation or appeal, the accounts should group the restricted funds under one or more heads.

## **1.7 Standardised Accounts**

Under accounting regulations, the Diocese is obliged to ensure that its parishes maintain standard accounts and records. The procedures contained in this handbook provide the basis of a standardised system. Parishes are obliged to adopt the system. A standard system will benefit priests particularly when moving from one parish to another because the same system will be in use in every parish. In essence the system must record:

- total income of the parish
- total expenditure
- monthly and year end bank reconciliation

## **1.8 Audit of Accounts**

Under the regulations, the Diocese’s accounts are subjected to a full annual audit. “Audit” is an examination of a set of accounts leading to the giving of an independent professional opinion on those accounts. The external auditor will clearly need to consider accounting and financial systems within the organisation. Since the Diocese’s accounts include all parish accounts, the external auditor will need to be assured that accounting systems within parishes are satisfactory and that the figures produced by parishes via their financial returns are accurate. At an interval of approximately 5 years all parishes will be subject to an audit by the diocesan auditors. This may be more frequent in a particular parish if it is viewed as a higher risk based on previous audits or its general financial situation.

### **1.8 Minimum Requirements of Accounting Systems**

The minimum requirements for a parish accounting system would include receipts and payments written in ink and laid out in the format of the Parish Financial Return, together with:

- Primary records, cash slips analysing sources of income, bank statements, cheque book stubs, bank paying-in books and petty cash vouchers.
- A cash book/s suitably analysed for receipts and payments and reconciled with bank statements.
- A petty cash book recording all cash transactions and links with the main cash book.
- Record of gift aided receipts by envelope, standing orders and cheques.
- Invoices and other documents filed as supporting evidence of expenditure & income.
- Documents e.g. minutes, letters etc providing evidence of expenditure & income approvals.
- Evidence e.g. minutes, emails, that the bank reconciliation is completed on a monthly basis and approved by the Finance Committee at every meeting.
- An annual budget approved by the parish Finance Committee and evidence, e.g. minutes, that expenditure against this budget is monitored at least quarterly by the Finance Committee.
- The annual budget should be submitted annually to the Diocese at the same time as the Parish Financial Return.

## **1.9 Basic Accounting Principles**

Parishes should review their own procedures each year to ensure that basic accounting principles are being observed in the parish. Specific accounting principles to be followed are that:

- a. Receipts/vouchers are kept for all payments, unless trivial. Auditors need to be able to see independent confirmation of expenditure.

- b. Cheque book stub details accurately reflect the nature of the expenditure and that the payee details included on the stub are the same as that recorded on the paid cheque.
- c. Any cheque over a value of £500 must have two signatures. This applies equally to electronic payments. The Parish Bank Account mandate must make provision for this. A larger parish may request a higher limit, up to £1,000, which must first be agreed by the Diocesan Trustees.
- d. All parish bank accounts must include the Diocese's Director of Finance and Resources as a named signatory. This will facilitate access to the account should issues arise, such as the unexpected departure of other signatories.
- e. Cheques should not be pre-signed or issued to third parties with the payee's details left blank.
- f. All income should be banked promptly and should be accurately recorded on bank paying-in-slips and a Weekly Cash Sheet (See Section 2).
- g. Offertory collections should be banked promptly and in full. It is essential that no cash is withheld from the offertory for cash expenditure, e.g. staff wages. The result could be an understatement of offertory collection income and expenditure which distorts the financial records.
- h. To deal with unavoidable cash payments, the parish should have a petty cash float which can be fed at regular intervals from the main parish bank account. A Petty Cash book is to be used to record all petty cash transactions.
- i. All income & expenditure is accurately recorded on the annual Parish Financial Returns and the half yearly Financial Return and sent promptly to the Diocesan Finance Office. Significant sums of money received or spent by a parish must not be shown in general terms such as "Sundries" and "Miscellaneous" but with a suitable indication of the source or purpose of such sums.
- j. Personal monies must always be kept separately from parish monies. If and when priests do require re-imburement for payments made on behalf of the parish, they should ensure that all relevant receipts/vouchers are retained for future inspection/audit and a proper record of such payments is kept on an appropriate claim form counter-signed by the Parish Treasurer or other recognised Parish Officer. **In no circumstances should a Parish Priest or any other signatory sign a cheque payable to him/herself.**

#### **1.10 Computerised accounting systems**

Some parishes will already be operating computerised parish accounting systems either devised by Parish Officers or off-the-shelf systems designed for small businesses. The Diocese does not demand conformity of computer systems but it does require that they are able to meet the minimum requirements of accounting systems set out in 1.8 and that they can provide all necessary information that conforms to the format of the annual Parish Financial Return, facilitating its completion. At the request of parishes, the Diocese is currently assessing the merits of different computerised accounting systems that could be used in all parishes.

#### **1.12 Retention of accounting records**

It is a legal requirement that all accounting documents should be retained for a further period of six years from the end of the Diocesan financial year which is 31 December

### **1.13 Diocesan responsibilities to Parishes**

#### **The diocese supports the parishes in the following ways:**

1.13.1 Providing a cash pooling function. The cash pooling enables Parishes to deposit surplus cash with the diocese, attracting a favourable rate of interest generally better than those available from High Street banks. Pooled cash may be made available to support parishes with Loans at interest rates lower than those available from High Street banks. These loans must be approved by the Diocesan Director of Finance and Resources up to £10,000. Higher value loans must be approved by Trustees.

1.13.2 Awareness and interpretation of regulations for example; General Data Protection regulations (GDPR). Negotiating contracts for suppliers; for example: Quinquennial building Inspection surveyors, Health & Safety Training and Inspection , Accountants to audit Parish accounting systems, Inter Diocesan Fuel Contracts with bulk buy prices and VAT exemption.

1.13.4 Providing and Sustaining Charity status with Charity Number 278742, coordinating and assisting in recovering Gift Aid, Organising Diocesan wide Fund Raising such as Alive in Faith, and offering Stewardship and fundraising support to assist Parishes to increase income and volunteering.

1.13.6 Recruiting and Forming seminarians and candidates for the permanent diaconate, to provide priests and deacons for the future. Providing welfare support and funding for retired priests, and other priests not in active ministry.

1.13.7 Providing training to parishes, e.g. on safeguarding or financial management.

1.13.8 Arranging insurance for parishes through the Catholic Insurance Service and advising on insurance matters. Advising parishes on employment matters. Advising parishes on property matters, for major or historic building projects.

1.13.9 Publicising the work of parishes through its website, social media and the Diocesan-wide newspaper.

1.13.10 Funding The Bishop, cathedral and curia for the spiritual leadership and administration of the diocese.



## **2. COLLECTIONS & BANKINGS**

### **2.1 Cash Handling**

The main source of income in a Diocese is the parish offertory collection and this is mainly in cash. It is essential that all income, cash and cheques, is accounted for and banked as promptly as possible and at least once a week. Accounting for cash spending is also crucial. Accurate records of cash expenditure must be maintained with receipts and signatures on all petty cash vouchers for cash spent. The amount banked must be reconcilable with the parish accounts.

### **2.2 Counting and recording the offertory collection**

Parishes should separate the duties of counting from recording the weekly offertory collection. This could be achieved by operating a weekly rota with at least two people present, one to count and the other to record parish giving. In this way no one person holds the entire responsibility for the cash income of the parish. Care is needed to keep the different collections and other income separate from each other before counting. All collections/receipts should be recorded at least weekly on a Cashesheet. (See section 2.6 below). Gift Aid or planned giving envelopes should have the amount written on the front and be recorded on a Weekly Envelope Collection Sheet or Gift Aid Register. **All** envelopes for at **least one month** per year **must** be kept for **6 years** for audit purposes. The total received in all the envelopes should be added to the relevant collection. Further information on gift aid records and procedures is contained in a separate handbook for "Gift Aid and Planned Giving", (This is on the Diocesan website at <https://www.rcdea.org.uk/finance/>).

### **2.3 Security of Cash**

Every effort should be taken to protect cash before banking. Money should, if possible, be kept in a safe and not left unattended in the Presbytery. Keys to a safe must never be kept in the same room as the safe, otherwise insurance will be invalid. Parishes with very large offertories should consider the use of the night safe at the branch of their local bank. Parishes in the process of large fundraising events, particularly where this has been well advertised, should exercise particular care in protecting their funds. There are well defined limits on the insurance of cash, and any individual involved in cash handling may be at risk from theft or personal injury. The latest Insurance Guide, including insurance limits, is on the Diocesan website at <https://www.rcdea.org.uk/finance/>.

### **2.4 Weekly Banking**

Monies collected should be banked at least once a week. For amounts over £3,500, the cash must be banked either by a security company or by two able-bodied persons, otherwise insurance will not be valid. As a general principle, parishes should bank all receipts and draw cash as required using a cheque. Only in very exceptional circumstances and only with the written authorisation of the Parish Priest should cash be taken from the weekly offertory collection. If it is absolutely necessary to do so, the amount extracted should be recorded on the Cashesheet in the space provided and an entry made in the Petty Cash Account & Main Cash Book to record the receipt of cash and its subsequent spending. This ensures that gross income is recorded in the books of accounts.

### **2.5 Housekeeping Purse**

Parishes may pay regular sums (by cashing a cheque) into a housekeeping purse for the day to day expenditure on household items. Detailed receipts are necessary for the various purchases comprising household cleaning materials, food and drink. As far as the latter is concerned it is imperative, for tax purposes to differentiate between expenditure on food and drink on the one hand for the priest's personal consumption and on the other for parish activities, e.g. refreshments for parish meetings. The former may be assessed as a taxable benefit; the latter not. Wages, office costs or other non-domestic items should be paid either by cheque, by BACS or through the petty cash system with detailed receipts.

### **2.6 The Weekly Cash sheet**

The Cashesheet is the primary basic record for income and therefore will be reviewed by auditors at the year end. A copy of the standard Weekly Cashesheet is included in Appendix 1. All parishes are required to use the Cashesheet. The standard format may be adapted by parishes provided it still gives sufficient data to equate total income received and cash expended with the amount banked and records sufficient details of the sources of income. Cashesheets will only show cash and cheque income and only in very exceptional circumstances, withdrawals of cash (see 2.4 above). All other transactions should be recorded directly into the cash book.

- Cashesheets should be numbered sequentially.
- A Cashesheet should be used for each banking. Several Cashesheets may be combined into one banking with the Cashesheets stapled together showing the amount banked written on the top copy.
- Cashesheets include all cash income, such as shop, papers and candle sales, besides the normal and special collections received.
- It is suggested that the receipt date is a Sunday and that all receipts included on the Cashesheet relate to those collected in the weekdays and including the Sunday.
- It is not necessary to list collections for specific parish purposes separately on the Weekly Cashesheet. Likewise, collections for Diocesan and outside causes need only be included as one amount on the Cashesheet. However, a detailed analysis of all income should be noted in subsidiary parish records.
- The persons counting the cash and cheques should sign the declaration.
- All cheques received should be detailed on the back of the Weekly Cashesheet.
- Signing the Cashesheet must be done after counting.
- In the exceptional circumstances of any cash withdrawal, the treasurer or person responsible for withdrawing cash from the offertory collection should sign the cash withdrawal declaration and this must be authorised by the Parish Priest.
- Bankings should equate to actual income received. However, a B/F & C/F provision is included on the Cashesheet to accommodate those parishes which only bank complete bags of coin to avoid time consuming counting of odd coins by the counter staff.

### **3. BANKING WITH THE DIOCESE**

#### **3.1 Surplus Parish Funds**

In the past, some parishes left significant sums of money at their local High Street bank instead of depositing their funds with the Diocese. Given that overall interest rates have been low for over 10 years, there is absolutely no justification for maintaining an excess balance in either a local current or deposit account. On purely financial grounds it cannot be prudent to allow such a situation to exist. Treasurers should check that their parish bank account has sufficient funds to meet the monthly and other recurring payments and any sums in excess of that should be deposited with the Diocese in the parish diocesan deposit account. Short notice unexpected bills for payment can either be paid from the diocesan parish deposit account by the Diocesan Finance Office direct to the supplier or a cash transfer can be made to the parish local bank account. The longest interval is two working days.

#### **3.2 Invest with the Diocese**

In the first place there is an obligation on every parish to deposit their surplus funds with the Diocese which itself operates rather like a bank. When the Diocese has funds in credit with its own bankers and receives interest on those funds, it is able to use the additional interest to support parishes either by way of a loan for urgent expenditure needs or by payments of extra interest to parishes which themselves have a credit with the Diocese. Any extra interest received by the Diocese also helps to reduce the loan interest which it charges to those parishes which have a loan with the Diocese. In effect the money and the interest income is retained and shared within the Diocese. The concentrated total of diocesan deposits gives the Diocese the power to earn a higher rate of interest offered on larger deposits with the diocesan bankers.

#### **3.3 The Diocese pays more interest**

Another reason why it is financially prudent for a parish to deposit funds with the Diocese rather than the local bank is because the Diocese has consistently paid more interest on parish and other funds deposited with the Diocese than parishes have received from their own bankers. If parishes do have surplus funds with the Diocese and wish to withdraw those funds for any particular reason, there is never a problem. Parishes simply need to notify the Diocesan Finance Office and they will receive an electronic transfer directly to the parish bank account using BACS.

#### **3.5 Diocesan Investment Trust**

Parishes which have surplus funds which are not required in the medium to long term should seriously consider investing in equities rather than bank deposits which are, of course, eroded by inflation. In this connection the Diocese operates an investment scheme called the Diocesan Investment Trust (DIT) where parish monies are pooled and individual parishes can benefit from economies of scale and the expertise of a firm of stockbrokers. The Investment Trust was set up in June 1986 with 100,000 units at a par value of £10 per unit. Valuations will be given in June and December of each year.

However, as with all investments which involve a certain element of risk, it must be remembered that the yields from this scheme can go down as well as up.

#### **3.6 Everyone benefits**

Parishes are urged to review parish investment policy regularly with a view to transferring all surplus funds to the Diocese for investment. By doing this parishes will not only be benefiting themselves but also the Diocese. Interest will be credited to a separate parish account with the Diocese. This account is discussed in Section 4.

## **4. PARISH ACCOUNT WITH THE DIOCESE**

### **4.1 Parish credit transactions**

Within its own accounts, the Diocese maintains an account for each parish. Each account is operated on the same basis as a bank operates an account for a customer. Accounts with credit balances are paid interest by the Diocese, accounts with debit balances are charged interest. In addition to diocesan interest received, credits to this account include interest on parish investments (e.g. Diocesan Investment Trust) operated by the Diocese, property rents, gift aid income and tax recovered on gift aid income.

### **4.2 Parish debit transactions**

The main debits (or charges) to this account include parish insurance premiums, diocesan car charges, the diocesan levies to cover activities such as schools, youth mission, marriage tribunal, safeguarding, administration and priests' training, interest charges on diocesan loans to parishes. Further information on some of these charges is included below. All of the above charges are debited automatically by the Diocesan Finance Office, so no action needs to be taken by parishes, except to ensure that the entries are incorporated annually into parish accounts. The Diocesan Finance Office will inform parishes of charges before they are applied.

### **4.3 Insurance premiums**

The Diocese arranges insurance for schools, churches, presbyteries and parish halls and pays the annual premium each year in September, i.e. just before the start of the new insurance year. The cost is then recovered from parishes by means of a direct debit into the parish's account with the Diocese. Details of the charges and valuations are supplied annually to each parish. Information on claims procedures and insurance limits is included in a separate Insurance Guide, which is on the Diocesan website: <https://www.rcdea.org.uk/finance/>.

Please note that Diocesan insurance for Schools supplements the cover provided by the LEA – it is not to be considered as substitute cover.

### **4.4 Diocesan Levies**

As the Diocese itself has very little direct income, it needs to raise funds by levying quotas on its parishes to cover its costs. This is the standard way in which all Dioceses in England and Wales receive most of their income.

A diocesan levy of 1% of offertory collections for ministerial training and 8% for activities such as youth mission, marriage tribunal, safeguarding and administration is raised annually in June.

There is a levy for the National Catholic Fund, for which parish contributions are calculated as a percentage of the Offertory Collection, advised each year.

A parish's contributions towards the Priests' Pension Fund are £200 p.a. per priest in the parish plus 8% p.a. of the annual offertory collection.

The Schools' Levy is 20% of annual offertory collections. The charges are passed twice yearly in June & December. This helps to offset Diocesan schools' related expenditure such as Schools Commission administrative expenses and the Diocese's share of school repairs, improvements and adaptations, as well as the construction of new schools and sites. Fortunately for the Diocese, school repairs, improvements, adaptations etc if approved by the Department of Education, attract central government grants of up to 90% of the cost, with the Diocese only being required to pick up the residue (usually 10% of the approved cost) on behalf of the School Governors.

The total Diocesan levy is therefore 37% plus £200 per priest in the parish and the additional levy for the National Catholic Fund which is passed onto the Catholic Trust for England and Wales.

A fee of 20% on parish investment interest and gift aid tax reclaimed is also made, raised when the tax is recovered.

#### 4.5 Schedule of Diocesan Levies

| Month in which Levy is due | Type of Levy           | How Calculated                              |
|----------------------------|------------------------|---|
| June                       | Priests Pension Fund   | £200 per Priest in Parish                   |
| June                       | Priests Pension Fund   | 4% of Previous Year's Offertory Collection  |
| June                       | General                | 8% of Previous Year's Offertory Collection  |
| June                       | Ministerial Training   | 1% of Previous Year's Offertory Collection  |
| June                       | Schools                | 10% of Previous Year's Offertory Collection |
| 4th Quarter                | National Catholic Fund | Figure advised during year                  |
| December                   | Priests Pension Fund   | 4% of Previous Year's Offertory Collection  |
| December                   | Schools                | 10% of Previous Year's Offertory Collection |

#### 4.6 Diocesan car charges

Notwithstanding the tax implications, many priests still share in the Diocesan Car Lease Scheme. Twice a year the parish pays its contribution for each car used by a priest in the parish. This payment is made by direct debit into the parish account with the Diocese. The annual charges are based upon 30% of the gross purchase price of the car, less the Road Tax. Each priest in the scheme is responsible for his own insurance and road tax but may claim repair costs and business mileage from the parish. The costs of all fuel used for private purposes is the responsibility of the priest. The recommended route is for each priest to buy his fuel and then claim an allowance from the parish for business mileage only. At the moment a rate per mile which HMRC accept gives no rise to taxable profit are as follows:

| Engine size      | Petrol - amount per mile | LPG - amount per mile |
|------------------|--------------------------|-----------------------|
| 1400cc or less   | 12 pence                 | 8 pence               |
| 1401cc to 2000cc | 15 pence                 | 9 pence               |
| Over 2000cc      | 22 pence                 | 14 pence              |

  

| Engine size      | Diesel - amount per mile |
|------------------|--------------------------|
| 1600cc or less   | 10 pence                 |
| 1601cc to 2000cc | 12 pence                 |
| Over 2000cc      | 14 pence                 |

No new applications to join the car lease scheme are being accepted. The preference is for the parish to provide an interest free loan to be repaid by the priest. Where a parish cannot afford to do this, then the Diocese can make an interest free loan of up to £5,000, repayable by the priest over 3 years. Priests are responsible for all car costs and are reimbursed business mileage by the parish.

(See section 10.9 re current mileage reimbursement for use of own car)

#### 4.7 Information supplied to parishes

Twice a year each parish receives a computer printout record of the financial transactions carried out on behalf of the parish through the Diocese. It is imperative that these transactions of income and expenditure are included in the parish's Financial Returns (See Section 5 of the Handbook). However, if a parish wishes to obtain a printout at any one time, a call to the Diocesan Finance Office will result in the latest printout being dispatched immediately *either by post or by e-mail*

## **5. THE ANNUAL PARISH FINANCIAL RETURN**

### **5.1 Introduction**

Under the charity accounting framework the Diocese is obliged to incorporate the financial data of its parish branches into its own accounts. However, unlike “branches” in other organisations, parishes within the diocesan structure do have an independent existence codified in canon law. As such the parish accounts will not be “consolidated” but “aggregated” into the accounts of the Diocese.

### **5.2 The financial accounting year**

The financial accounting year starts on 1<sup>st</sup> January and finishes on 31<sup>st</sup> December with the closing balances of the previous year becoming the opening balances for the new financial year.

### **5.3 The Parish Financial Return**

The prime document which will be used to achieve the aggregation of parish accounts into the Diocese’s accounts is the annual Parish Finance Return (PFR). In general terms, this document summarises the financial transactions of each parish for each financial accounting year. More specifically it provides the Diocese with the following information on parish financial activities:-

- a) Receipts and payments analysed between “general” parish funds and “restricted” parish funds.
- b) Movements of funds in a year.
- c) Summary accounts with reconciliation between cash book balances and bank balances.
- d) Details of unpaid bills and outstanding income for certain items.

A copy of an Annual Parish Return is included in Appendix 2, together with guidance notes for completion. Detailed comments on aspects of the return are included below.

### **5.4 General and Restricted Parish Funds**

The revised receipts and payments return requires an analysis of transactions between “general” and “restricted”. Under charity law, we must account for the proper administration of individual funds in accordance with their respective terms of trust. To discharge this obligation, the regulations under the Charities Act require the Diocese to provide a summary of the main funds, differentiating in particular between “general” and “restricted” funds. As the parishes’ transactions will be aggregated into the Diocese’s accounts, the Diocese needs the split for that purpose. Thus, funds raised by a local church for the general purposes of the parish will be accounted for as “general” (also known as “unrestricted”) funds of the parish in the Diocese’s accounts.

In contrast, many parishes receive money that is earmarked either by the donor or the terms of an appeal for particular projects. Such projects represent “restricted” funds requiring separate accounting. If there is any doubt on the split, please ask for advice from the Diocesan Finance Office.

### **5.5 Reconciliation Statement**

Parishes will need to reconcile fund surpluses or deficits with opening and closing fund balances, analysed between various accounts, e.g. bank account, account with the Diocese etc. (See Return 4).

### **5.6 Basis of the Return**

The Diocese must prepare its accounts on an “accruals” basis where income and expenditure are recognised as they are earned or incurred, not as money is received or paid. This method of accounting applies to the Diocese. Parishes will therefore need to prepare their returns on an

accruals basis. Where parishes have been accounting during the year on a receipts and payments or "cash" basis, it will be necessary to make some adjustments to parish data to bring them into line with the diocesan basis of accounting. It is intended that these adjustments will be achieved by taking into account the information contained in their returns which provide data on a) amounts owed by the parish at 31<sup>st</sup> December, and b) amounts due to the parish at 31<sup>st</sup> December (See Return 5). No such adjustment will be necessary for those parishes which prepare all their accounts on an "accruals" basis. In such circumstances, it will be necessary for parishes to indicate on the front cover of their returns which of the two methods they have adopted for the purposes of submitting their returns.

### **5.7 Submission of the Return**

The various returns which go to make up the annual Parish Financial Return will need to be completed by all parishes and returned to the Diocesan Finance Office in Poringland. To comply with the regulations, it is imperative that parishes submit their returns to Poringland as soon as possible but **not later than the end of February in each year**. If you do envisage any difficulties meeting the Diocese's timetable, please let the Finance Office know as soon as possible.

### **5.8 Accuracy of the Return**

The accounting framework set up by the Charities Acts requires accuracy in the completion of the PFR. In addition to the new audit requirements, it is worth remembering that HMRC, the Charity Commission and other Government agencies, have powers of access to examine financial records and if appropriate assess underpayments or liabilities in back tax. Interest and penalties are now added as a matter of routine. Charities must pay particular attention to PAYE legislation. This is covered in detail in Section 10 of the Handbook.

### **5.9 Half Yearly Return**

The Trustees of the Diocese are accountable under charity law for the whole finances of the Diocese. To help them to meet this duty, they need information on parish finances. We are therefore introducing a requirement for all parishes to submit a financial return covering the period January to June each year. The format to this will be similar to the annual return. It will be due each year by 15<sup>th</sup> September. We hope that completion of this return will make it quicker and easier for parishes to then produce the return at the end of the year. Our auditors have strongly recommended this approach so that we can comply with our obligations as a charity.

### **5.10 Retention of Other Accounting Records**

Although only the returns themselves need to be submitted to the Diocese, along with a copy of the bank statement at the period end, the detailed records supporting the annual and half yearly PFR should be kept on file in each parish. They are important documents because without them, figures in the PFR cannot be supported or proven to any auditor or other examiner. **Again, all accounting records must be kept for six years.**



## **6. THE AUDIT PROCESS**

### **6.1 Introduction**

It is a requirement of the Charity Commission that the books and records of the Diocese are audited annually. As Parish accounts are now aggregated with the Diocesan accounts, the Diocesan auditors, Price Bailey, are obliged to audit the books and records of a number of Parishes each year.

### **6.2 Parish Audits**

Parishes are usually selected on a random basis and will either be visited by the auditors or will be requested to send in the Parish books and records to the Diocesan offices. Parishes may be chosen specifically to reflect the auditors' view of the risk presented by a parish, e.g. if it has a relatively high income and expenditure. The audit is normally conducted in April and those Parishes selected will be advised of the auditor's requirements by March. Subsequent to the Parish audit, the auditors produce a written report of their findings, one copy being sent to the Parish Priest, with a further copy provided to the Episcopal Vicar for Finance. The content of the report is intended to be constructive and should be used by the Parish Finance Committee to identify those procedures that are considered sound and also those procedures that would benefit from review. The auditor's report contains clear guidelines on best practice and it is strongly recommended that the report be used as an "active" document throughout the year, featuring on the agenda at each Finance Committee meeting. By this means, all practices & procedures can be reviewed during the course of the year.

### **6.3 The Auditor's Report**

The results of audit reviews are reviewed annually by the Diocesan Finance Board and recommendations are incorporated into the Guidance for the operation of Parish Finances which is attached as Appendix 3.

### **6.4 The Parish Budget**

Guidance notes to aid preparation of a basic Parish Budget are attached as Appendix 4.

## **7. GENERAL DATA PROTECTION REGULATION**

### **7.1 Introduction**

The General Data Protection Regulation applies to all personal data held by the Diocese of East Anglia. Whilst the Diocese is treated as one organisation the Regulation applies to data held by parishes. This section of the Handbook clarifies what responsibilities a parish has in applying the Regulation to data held at parish level. Clearly the Diocese has no access to much of the data held by parishes, so there is a responsibility on the parish to ensure that it complies with the law.

### **7.2 Provisions and Definitions**

The General Data Protection Regulation became law in the United Kingdom on 25<sup>th</sup> May 2018. It replaced the Data Protection Act which was designed to protect the privacy of the individual by:

- a. Regulating the collection and use of information about living people.
- b. Ensuring organisations using information about living people protect their rights and the information.
- c. Allowing individuals access to personal information which organisations hold about them.

GDPR is aimed at the following objectives:

- a. More transparency
- b. More severe penalties
- c. Focus on governance and accountability
- d. Regulator with the teeth of the HSE

The terminology used in GDPR consists of:

- a. **Data** includes information held electronically or on paper in a 'relevant filing system'.
- b. **Personal Data** is information about a living individual, who can be identified from that data or from that data and other information in your possession. Personal Data includes facts and opinions.
- c. **Special Categories of Personal Data** (formerly Sensitive Personal Data) includes information about an individual's race, religious beliefs, sexual life, criminal record and health conditions.
- d. **Data Subject** – the individual to whom the data relates.
- e. **Data Controller** (= Diocesan Trustees) – a 'person' who determines the purposes for which and the manner in which data is to be processed.
- f. **Data Processor** – third parties who process data on behalf of the Data Controller.

The principles of data protection which are applied by GDPR are:

- a. Processed fairly, lawfully and in a transparent manner.
- b. Collected for specified, explicit and legitimate purposes and not further processed for other purposes incompatible with those purposes.
- c. Adequate, relevant and limited to what is necessary in relation to the purposes for which data is processed.
- d. Accurate and, where necessary, kept up to date.
- e. Kept in a form that permits identification of data subjects for no longer than is necessary for the purposes for which the personal data is processed.
- f. Processed in a way that ensures appropriate security of the personal data including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.
- g. Accountability: the GDPR also requires that the data controller must be able to demonstrate compliance with each of the Principles.

A key principle of GDPR is the right of the individual to be informed when personal data has been retained by an organisation. The organisation must be clear, transparent and simple to understand in advising anyone for whom personal information is retained. This is called the Privacy Notice which must inform the subjects of data collection of the following:

- a. Who is collecting their data
- b. What their data is being collected for
- c. With whom it may be shared
- d. How long it will be kept
- e. Their rights

All forms and electronic or hard copy messages related to data collection should have a short Privacy Notice with a link to the Diocese's full Privacy Notice. The format for this is:

#### PROTECTING YOUR INFORMATION

Information provided on this form, together with all other personal data held about these individuals by the Parish and the Diocese of East Anglia is processed in accordance with the Diocese's Privacy Notice which is available at [www.rcdea.org.uk/privacy](http://www.rcdea.org.uk/privacy) or from the Parish office.

### 7.3 Right of Access.

Individuals can request access to any personal data which is held about them by the parish. They cannot access information on anyone else. Requests must be in writing including by email or requests on social media. They do not need to refer to the legislation but may be a simple statement such as "I want a copy of my file" or "I want to know what information you have about me". The response must be made within one month of the initial request and there is no charge levied for this.

### 7.4 Data Breaches

A data breach is a breach of security leading to the destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. Until 25<sup>th</sup> May 2018 non-mandatory breach reporting was only required for a 'serious breach'. Under the GDPR you must report to ICO within **72 hours**. The individuals affected may have to be informed. The parish must have a breach reporting procedure in place and maintain a breach register. There are two tiers of penalties:

- a. €20m/4% turnover for Controllers who breach GDPR
- b. €10m/2% turnover for procedural breaches (e.g. failure to keep records)

Penalty examples are:

- d. £120,000 City Council – Solicitor sent 11 emails containing confidential and highly sensitive case information intended for counsel to the wrong email address.

Personal data should never be sent in the body of an email. Use password protected attachments, with the password sent by another means (e.g. text) or a secure document sharing site.

- e. £70,000 London Borough of Barnet – Social worker took home sensitive and confidential paper case records in a laptop bag with an encrypted computer. The bag was stolen from the employee's home.

Personal data removed from an office must be kept securely. Paper records and unencrypted devices must be locked away.

- f. £150,000 Greater Manchester Police – Theft of memory stick containing sensitive personal information from officer's home.

Portable electronic devices containing personal data must be encrypted.

### 7.5 Parish Responsibilities

As stated above the Diocese is the authority for compliance with GDPR requirements but there are also responsibilities at parish level for the security of personal data. There is no requirement for each parish to have a Data Protection Policy as the diocesan policy includes the parishes. Similarly the Diocese is the registered authority with the Information Commissioner's Office (ICO). The parish is responsible for the security of personal data gathered by the parish and not shared with the Diocese. The first essential steps to compliance are:

- a. Identify who holds what personal data in the parish, and for what purpose(s).
- b. Ensure all personal data held by the parish is accurate and up to date.
- c. Securely delete or destroy data you no longer require.
- d. Tell people why you are collecting their data (Privacy Notices).
- e. Check contracts with any third party processors.
- f. Ensure personal data is kept securely and access is restricted to those who need to use it.
- g. IT security:
  - Update your operating system
  - Check you are using reputable anti-virus software & download all updates
  - Use strong passwords, keep them secure and change them regularly
  - Encrypt mobile devices (e.g. laptops and memory sticks)
- h. Physical security:
  - Ensure access to the parish office is secure

- Adopt a 'clean desk' policy
  - Keep paper files containing personal data locked away
  - Securely shred documents no longer required
- i. Registers contain Special personal data about multiple Data Subjects
  - j. For older registers, the Data Subjects will be deceased, so the rules no longer apply
  - k. Where the Data Subjects are likely to still be alive:
    - Do not allow public access to Registers
    - Store them securely
    - Check the identity of those requesting information
    - Provide them with their personal data only

## 7.6 Parishioners Data.

There are a number of considerations arising from the data already held relating to parishioners. The following give a guide to how this should be handled;

- a. Is the data you hold about parishioners accurate and up to date?
- b. Refresh the information you hold at least every 5 years
- c. Put a Privacy Notice on the Census/Registration form
- d. If you will only communicate with parishioners by post;
- e. you are only:
  - using parishioners' information for parish administration purposes;
  - you do not share their data with anyone outside the parish
  - you do not need their consent to hold their data
- f. You need parishioners' consent if:
  - you communicate with them by email (NB this includes newsletters)
  - you share their data with anyone outside the parish

and you will need to tell them how to 'opt out' on all communications

## 7.7 Gift Aid.

As Gift Aid relies heavily on accurate data handling, the following actions will keep the process compliant:

- a. Put a Privacy Notice on your Gift Aid forms
- b. Keep your list of donors up to date and secure
- c. If you are emailing the data to anyone, password protect it
- d. If you are only sending donors a letter by post confirming the amount of their donation, you don't need to take any action
- e. If you send them a letter by post confirming the amount of their donation and informing them about, e.g. fundraising appeals, you must tell them how they can 'opt out'
- f. If you communicate with donors by email, you need their explicit consent to do so

## 7.8 Other Forms of Data Recording.

Data is not confined to the written word. Photography is also a means of recording data in the form of images. Both still and moving pictures are a form of data and the following are an example of areas where some discretion must be exercised to preserve individual privacy:

The most common form of visual recording is CCTV normally used for security purposes and therefore of limited value in terms of time. If you are using CCTV:

- Undertake a risk assessment. Where are the key areas which you wish to monitor?
- Check the position of your cameras. Ensure that your cameras are not covering any area which is not on your property
- Show signs stating that CCTV is in operation and giving details of the Data Controller
- Ensure that the recording equipment is secure and cannot be accessed by any unauthorised person. Retain the footage for the minimum time necessary. Do not share the footage with any other party.

If you are taking photographs or live streaming events:

- Put up notices
- Identify an 'off camera' area if possible
- Do not use small group or individual shots without consent.

### **7.9 Export of Data From the United Kingdom.**

It is unlikely that a parish will have many requests for access to parish data from abroad. However, in the event that such a request is received, the following precautions must be observed:

You must not transfer personal data to countries which do not have adequate safeguards in place.

You can freely transfer personal data to:

- Countries in the European Economic Area (this must be kept under review)
- 'Whitelisted' countries (inc. Guernsey, Switzerland, Canada, Argentina)
- For other countries, including the Vatican:

- Seek the Data Subject's consent to send the data
- Explain the data may not be secure if it is sent
- Explain what steps you are taking to ensure the data is secure

### **7.10 Advice and Assistance**

Please contact the Director of Finance and Resources for advice and assistance on any queries.

## **8. THE PARISH PRIEST & PARISH FINANCE COMMITTEES**

### **8.1 Parish Priest's Responsibility**

Canon 532 states that *"in all judicial matters, the Parish Priest acts in the person of the parish, in accordance with the law. He is to ensure that the parish goods are administered in accordance with Canons 1281 – 1288"*. In his role as Administrator, the Parish Priest is obliged to care for church property as if it is his own. He is the "steward" of the parish and as such is responsible for ensuring that all the parish's assets are adequately safeguarded, that they are used for their proper purposes, that accurate records of income and expenditure are kept and that an account of his administration of the parish and its assets is prepared each year. He may delegate others to carry out certain functions, but it is always in the Parish Priest's name that these duties are carried out. Canon 1279 affirms that the Bishop retains the canonical right *"to intervene where there is negligence on the part of the administrator."*

### **8.2 Parish Priest's Civil Law Responsibilities**

The Charities Act places duties upon those who are responsible for safeguarding the assets of charities. In East Anglia, whilst the Diocese Trustee is ultimately responsible for the assets held within parishes, in practice, it delegates those responsibilities to the Parish Priest. However, the exercise of these obligations needs to be monitored by the Diocese Trustee which is entitled to receive regular financial and other reports of the Parish Priest's stewardship. In this connection, the Charities Act reinforces the need for all charity administrators (and their branches) to provide full and accurate financial information in their published accounts to ensure that the accounts are audited and to make them available to the Charity Commission and other interested persons.

### **8.3 The Parish Priest's Need for Support**

The requirements of canon and civil law noted in the previous section, of employment legislation and of the various tax regulations affecting parishes, make it essential that priests and parishes are business-like and accountable in the management of their affairs. The Parish Priest who has a primary responsibility for the efficient administration of the goods of the parish, is more likely to meet his canonical and civil law obligations if he shares his administrative responsibilities with those of his parishioners who are able and willing to help him.

### **8.4 Canon Law Requirement for a Parish Finance Committee**

Canon law recognises the drawbacks of a single person trying to administer a parish. Consequently Canons 537 and 1280 impose an obligation on each parish to establish a finance committee. Canon 1280 is discussed first because it deals with a general principle relating to all judicial persons, which includes parishes.

#### **8.5 Canons 1280 & 537**

Canon 1280 states that *"every judicial person is to have its own finance committee, or at least two counsellors who are to assist in the performance of the administrator's duties, in accordance with the statutes"*. The presumption here is that in parishes a Finance Committee should include the Parish Priest and at least two persons who are or have been involved in legal or financial matters. The inclusion of these persons should help to safeguard the parish against any rash or imprudent decisions which may have ramifications in civil law.

Canon 537 states 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, without prejudice to Canon 532. It is ruled by the universal law and by the norms laid down by the Diocesan Bishop, and it is comprised of members of the faithful selected according to these norms"*. This canon is a specific example of the general principle contained in Canon 1280. The canon clearly makes a Finance Committee obligatory for parishes.

### **8.6 Practical reasons for a Parish Finance Committee**

The first and most cogent reason for the existence of a Finance Committee therefore is the help which such a committee can give to the Parish Priest to fulfil his extensive administrative obligations (see Canons 1281 – 1288). Secondly a parish needs a group of able people who can consider the parish's finances as a whole, weigh the merits of one scheme against another, decide priorities and advise on how best to fund its expenditure requirements. Thirdly there is a need for continuous oversight of the parish finances and financial machinery – a task for more than one person. Finally, an alert Finance Committee can review the opportunities for economies and improvements within a parish.

### **8.7 The Role & Responsibilities of the Parish Finance Committee**

The Finance Committee must follow the principles of good housekeeping outlined in Canons 1281 – 1288. The significant responsibilities derived from canon law are included in the “Guidelines for setting up a Parish Finance Committee” in Appendix 5.

### **8.8 Parish Financial Procedures**

Further information concerning financial procedures to be adopted by parishes are contained in the document entitled Parish Financial Procedures in Appendix 7

### **8.9 Approval Procedures for Parish Expenditure**

Any proposed parish expenditure above £5,000 or any proposed financial commitment which may lead to expenditure above £5,000, requires diocesan approval.

Examples of expenditure falling into this category would include, but are not limited to: statues, paintings, lease agreements and recruitment of employees.

Approval may be sought by use of the Parish Spending Approval Form (PSAF) – attached as Appendix 8.

### **8.10 Employment of Paid Staff**

Parishes should refer to the Parish Employment Guide and Employee Handbook, available on the Diocesan website at <https://www.rcdea.org.uk/finance/>.

If in any doubt as to the correct employment procedures to be followed please contact the Diocesan Finance Office on 01508 492540 for further guidance

## **9. APPROVAL PROCEDURES FOR PARISH BUILDING PROJECTS**

### **9.1 Introduction**

To help parishes understand **when** and **how** diocesan approval is required, approval procedures for parish building projects are set out in guidance from the Diocesan Finance Board, “Approval Requirements for Parish Building Projects”, which are included in Appendix 6.

### **9.2 Approval bodies**

Diocesan approval may be required either from the Diocesan Finance Board, the Arts & Architecture Committee of the Liturgy Commission and/or the Historic Churches Committee.

### **9.3 When Diocesan Finance Board Approval is Required**

Generally speaking, the Finance Board’s approval is required if proposed expenditure exceeds £5,000. However, expenditure of £5,000 or below will also require diocesan approval where the proposal involves either structural alterations to parish property or where the expenditure forms part of a larger scheme.

### **9.4 Parish Approval forms**

The procedures for Finance Board assent require the completion of an approval form. (See Form PPAF in Appendix 6). **All** parts of the form must be completed and submitted to the Vicar for Finance and the Director of Finance and Resources, at the very latest, 10 days before the next meeting of the Diocesan Finance Board. Dates of Finance Board meetings can be obtained from the Diocesan Calendar of Events or from the Diocesan Finance Office. (Tel 01508 492540 or 01508 492202) or are on the Diocesan website at <https://www.rcdea.org.uk/finance/>.

### **9.5 Reordering of Parish Churches**

Any proposals involving the reordering of churches should first be submitted to the **Arts & Architecture Committee** of the Liturgy Commission. Addresses for correspondence are detailed in Appendix 6.

### **9.6 Works to Listed Churches**

Any works that relate to a listed church or a church in a conservation area need the permission of the **Historic Churches Committee**, which must be obtained prior to approval by the Diocesan Finance Board. Addresses for correspondence are detailed in Appendix 6.

### **9.7 Local Authority Planning Permission**

**Parishes must always consult with Diocesan bodies prior to approaching their Local Authority**

### **9.8 Further Advice on Procedures**

If any parish does need further advice of the approval procedures, please do not hesitate to contact the Diocesan Finance Office on 01508 492540.



## **10. TAXATION ISSUES FOR PARISHES**

### **10.1 The Tax Guidelines**

The Tax Guidelines which have been issued as part of the Tax Settlement between the Catholic Church and HMRC deal basically with a) priests' personal taxation issues and b) with parish employees. The Diocesan Finance Office has drawn up some general guidance for priests which is available upon request, but all priests are advised to consult with a qualified and suitably experienced accountant on their own tax affairs. The Diocese can facilitate appropriate introductions where necessary.

### **10.2 Priests' Personal Taxation**

Although it is not appropriate to include in this publication, issues which are essentially personal to the office of priest, there is one aspect of a priests' personal taxation which does need to be brought to the attention of all parish finance committees. This relates to the taxable position of **gifts** given to parish priests.

### **10.3 Gifts to Priests**

A priest may receive a gift on leaving a parish or on the occasion of a Jubilee. These exceptional gifts or offerings may take the form of cash or may be tangible gifts of a practical nature or indeed a mixture of both. In considering whether or not this gift is taxable, it is essential that there is no written or verbal contractual entitlement to the gift or offering. If it can be demonstrated that a contract does exist HMRC would almost certainly deem the gifts or offerings to have arisen from the Office and as such contend that it was taxable in the hands of the recipient.

However, HMRC can accept that such exceptional gifts and offerings are non taxable if the following can be clearly demonstrated:-

- On arrival at a parish, a priest must not have been given any verbal or written agreement that upon certain conditions being met such exceptional gifts or offerings will be made to him.
- The gift must be seen to be in recognition of the individual, not in recognition of his Office or Vocation as a priest. For example, a Christmas present made on purely personal grounds would not be taxable.
- The priest who is to receive the gift or offering must not lead the discussions and certainly must not be directly involved in the organisation of any events relating to it. This applies equally to any parish priests working within the same parish as the potential recipient.
- A leaving or Jubilee committee should be established. This committee should not include either the priest or any of his assistant priests. The committee should appoint a secretary, a treasurer and keep accurate records of its receipts and expenditure and minutes of its meetings.

Considerable amounts of money could be at issue, so it is important that great care is taken over this matter. It would be prudent to seek confirmation from the Inspector of Taxes that the gift is non taxable before it is made over to the individual. If you require any further information, please contact the Diocesan Finance Office before any action is taken in respect of such a gift or offering.

### **10.4 Parish employees**

Many parishes have a number of paid helpers such as housekeepers or gardeners, who usually work on a part time basis for very little pay. However, there has always been an obligation upon all employees to consider the operation and/or maintenance of PAYE/NI systems and records on all payments which exceed £1 per week. A Revenue exercise showed that a substantial number of schemes do exist, but equally there were many parish employees for whom a scheme had never been created. Section 8 of the Guidelines is quite clear on the matter and for ease of reference, it is reproduced in full without further comment.

## 10.5 Maintenance of PAYE/NI Procedures

The correct PAYE/NI procedures must be in place and maintained for all parish employees. Where a liability to tax and NI arises on wages paid to an individual, HMRC have powers to recover that tax and NI (and potentially interest and penalties) from the employer as opposed to the employee. The adherence to PAYE/NI regulations is extremely important. Please contact the Diocesan Finance Office if you have any doubts about the tax treatment of parish employees or concerns about the following procedures outlined below.

## 10.6 New Parish Employees

If you take on a new employee who gives you a FORM P45, you must operate PAYE and NIC as appropriate in accordance with the form on all payments made to that person. If you take on a new employee who does not have a FORM P45, you need to ask the employee to sign either certificate A (first job since leaving full time education) or certificate B (only or main job) on form P46. If the employee is able to sign either of these certificates, you should complete the employer details.

The PAYE threshold changes each Fiscal Year and can be obtained from the Finance Office.

## 10.7 Parish Casual Labour

If you take on casual labour for less than a week, you may not need to complete form P46. If the pay received in the week is less than the NIC lower earnings limit, you need simply to make a note of the employee's name, address and amount of pay. You should note that, in the eyes of the Inland Revenue, a casual employee is an employee who is employed for **ONE WEEK OR LESS IN THE TAX YEAR**. If you arrange for the employee to work again at other times in the year, even if this is only on odd occasions, you need to follow the appropriate guidelines.

## 10.8 Advice

If you need help to set up a PAYE scheme, understand how the scheme works, make deductions of PAYE and NIC, make payments to the Collector of Taxes, or if you would like assistance with any other aspect of the operation of a PAYE scheme, please contact the Diocesan Finance Office on 01508 492540.

For further guidance on employment matters please refer to a) The Parish Employment Guide and b) The Employee Handbook.

## 10.9 Fixed Profit Car Scheme

The mileage reimbursement rates for use of own vehicles on Parish duties are:

| Vehicle       | First 10,000 Business Miles<br>in the tax year | Each mile over 10,000 miles<br>in the tax year |
|---------------|--|--|
| Cars and vans | 45p  | 25p  |
| Motor cycles  | 24p  | 24p  |

## APPENDICES

|  |   |   |  |            |   |
|--|---|---|--|------------|---|
| Cash Sheet no.                                 |   | <b>DIOCESE OF EAST ANGLIA<br/>WEEKLY CASH SHEET</b> |  | Appendix 1 |   |
| PARISH   |   |   | TOWN   |            |   |
| Date of Receipt                                |   |   | Date Banked  |            |   |
| GENERAL RECEIPTS                               | £ | P   | RESTRICTED RECEIPTS<br>(Please specify purpose)                                | £          | P |
| General Parish Collection (s)<br>Loose Plate   |   |   | Collections for Specific Parish Purposes<br>eg: Building Fund, Organ Fund etc. |            |   |
| Envelopes (Covenanted)                         |   |   |  |            |   |
| Donations/Grants                               |   |   |  |            |   |
| Rents, Charges for Hall etc.                   |   |   | Collections for Diocesan and outside<br>causes eg. Cafod, Peters's Pence       |            |   |
| Monies from Fundraising                        |   |   |  |            |   |
| Other Income (please specify here or overleaf) |   |   | Other Income (please specify here or overleaf)                                 |            |   |
|  |   |   |  |            |   |
|  |   |   |  |            |   |
|  |   |   |  |            |   |
|  |   |   |  |            |   |
| <b>TOTAL GENERAL (A)</b>                       |   |   | <b>TOTAL RESTRICTED (B)</b>  |            |   |

Declaration: We confirm that the above cash and cheques have been counted prior to any monies being taken out or disbursed.

Total Income (A)+(B)

|  |  |
|--|--|
|  |  |
|--|--|

Signatures of Authorised  
Counters(1).....(2).....

| CASH WITHDRAWN FOR EXPENSES<br>(please specify) | £ | p |
|---|---|---|
| 1.  |   |   |
| 2.  |   |   |
| 3.  |   |   |
| <b>Total Cash Expenses (C)</b>                  |   |   |

Less Total Cash Expenses (C)

|  |  |
|--|--|
|  |  |
|--|--|

I confirm that the amount of cash withdrawn was for the purposes listed above

Add- Balance b/fwd (D)

|  |  |
|--|--|
|  |  |
|--|--|

Authorised Signature .....

TOTAL BANKED ON ..... BY .....

CHECKED BY.....  
(Finance Committee member)

Balance c/fwd

|  |  |
|--|--|
|  |  |
|--|--|

Please list all cheques received overleaf

**NOTES OF GUIDANCE FOR COMPLETING PARISH FINANCIAL RETURNS**

**Appendix 2**

## Return 1 – Certification Form

1. Historically, most parishes prepared their accounts on a “cash” or receipts and payments basis, where expenditure and income are recognised on the basis of when it is actually physically paid or received. A Treasurer can account for the funds of a parish, because it is a statement of the actual receipts and payments, drawn from an analysis of the parish’s Cash Book and the diocesan statements sent twice yearly. The Diocese would prefer parishes to prepare their accounts on what is called the “accruals” or income and expenditure basis where income and expenditure are recognised as they are earned or incurred. Expenditure and income are matched to the accounting period that relates to when the service was actually received or provided. For example, if a parish rents out its parish hall at say £100 per quarter to a local playgroup, it will show “rent income” from that source as £400 pa, even if the playgroup slips up and only pays the last quarter’s rent in the following financial accounting year. Another example would be where a gas bill of £200 for December 2018 is paid in January 2019, it would still be shown as expenditure for 2018. Accruals accounting is not mandatory.

2. The Diocese is obliged to prepare its own accounts on the “accruals” basis and has to incorporate parish accounts into its own accounts. Thus it needs to know the basis of a parish’s accounts so as to make the necessary accounting adjustments to the figures produced by parishes which still operate during the year on a “cash” basis or are in the process of moving from a “cash” to an “accruals” basis. Hence parishes are asked to disclose which basis they are presenting their accounts for that financial year. To do this, please draw a line through either alternative a) or b) on the return to indicate the basis not being used.

3. Those parishes which prepare their accounts on an “accruals” basis need not complete Return 5.

## Return 2 – Parish Receipts

4. Monies received and raised by the parish for the general upkeep of the church, presbytery and its priest(s) should be accounted for as “general” or “unrestricted” income. However, where the parish receives money which is earmarked either by the donor or the terms of an appeal for a particular project, that income should be classified as “restricted”. Examples of “restricted” income would be collections for the St. Edmund’s Fund or for the construction of a new church or hall.

5. It is not necessary to list separately all of the diocesan collections. These can be shown as one amount. However, specific parish collections should be noted separately.

6. Receipts should always be shown **gross** in the return. For example, monies collected at parish fetes should be included before deducting fete expenses. The latter should be shown under Payments.

## Return 3 – Parish Payments

7. Where funds have previously been received as a result of a specific appeal or a donation, e.g. for the purchase of a new organ, the subsequent expenditure should be shown and specified under the “restricted” column.

8. Diocesan collections for specific causes e.g. Peter’s Pence should be paid over to the Diocesan Finance Office as soon as possible and certainly before 31<sup>st</sup> December. This will avoid the need to include outstanding sums in Return 5. In such circumstances the payments relating to diocesan 2nd collections should equate to the diocesan 2nd collection receipts

9. If space is not available on the return to include any item which does not have a specific heading, please send us a separate sheet when returning details of the expenditure.

## Return 4 – Summary & Movement Statement

10. The balances on the Bank/Building Society accounts which are shown in the “Summary of Funds” statement on the Return should equate to the balance as per the Parish Cash Book/Accounting

Record. These balances need to be reconciled with the balances shown in the bank statement as at 31<sup>st</sup> December.

11. Reconciling items will consist of a) cheques drawn before the year end (and recorded in the cash book) but which have not yet been cleared through the bank account and b) bankings deposited before the year end but not cleared by that date. The example below using hypothetical figures illustrates a typical statement which reconciles the balance shown in the Parish Cash Book with the balance shown in the Bank Statement.

| <b>Reconciliation Statement 2018</b>   |   |        |               |
|--|---|--------|---------------|
|  |   |        | £2,300        |
| Balance per Bank Statement 31 Dec 2018 |   |        |               |
| <u>Deduct</u> unrepresented cheques    |   |        |               |
|  | Cheque No 6578                          | (£100) |               |
|  | No 6583                                 | (£150) |               |
|  | No 6587                                 | (£230) | (£480)        |
|  |   |        | -----         |
|  | Subtotal                                |        | £1,820        |
| <br><u>Add</u> uncleared bankings      |   |        |               |
|  | 23 Dec 2018                             | £60    |               |
|  | 28 Dec 2018                             | £90    | £150          |
|  |   |        | -----         |
|  | Balance per Cash Book/Accounting Record |        | <b>£1,970</b> |

12. The Cash Book/Accounting Record may need to be updated to include all standing orders, direct debits and other direct entries in the Bank Statement prior to the year end. Direct entries will include bank interest charges or credits.

13. Return 4 requires 3 pieces of information i.e. summary of Receipts and Payments, Movement of Funds Statement and Summary of Funds. An example of a completed form with hypothetical figures has been included to illustrate the connection between the three statements.

14. Sums transferred between the Diocese and the Parish should **not** be treated as items of income and expenditure. These are movements within the component items of the balances shown in the Summary of Funds Statement.

#### **Return 5 – Amounts owed to/owed by Parishes**

15. This return provides the data required to adjust those parish accounts that are still prepared on a “receipts and payments” basis to the basis required for the Diocese’s accounts, i.e. the “accruals” basis. The auditors have indicated that only significant sums relating to amounts due to or from a Parish need be recorded in this return. What is significant will depend upon the size of the Parish, but as a guide a minimum figure would be £50 for a small parish.

16. The section headed “Amounts Owed to Parish” would need to include legacies known to be outstanding but not yet received.

**Mandatory Guidance for the Operation of Parish Finances**

**ORGANISATION**

- 1.1 It is a requirement of Canon Law that each Parish has a Finance Committee. This will ensure that the parish complies with the standard requirements of the Diocese and of Canon Law and should improve the financial administration of the parish. A Finance Committee should be able to give advice and support to the parish priest in connection with financial and administrative matters. In addition, the formation of a Committee should enable the parish to demonstrate that it has in place independent financial controls. For example, a Finance Committee should approve expenditure over certain prescribed limits and the writing up of minutes of Finance Committee meetings provides a record of decisions taken.
- 1.2 The Finance Committee should meet regularly and relatively frequently. The Finance Committee has a duty under canon law to consider parish finances as a whole, to determine priorities and to advise on funding for the parish's normal revenue and capital requirements. It is recommended that meetings are held at least quarterly.
- 1.3 There are certain key agenda items that must be considered by the Committee in the course of the year. At its meeting immediately before the start of a new financial year, the Committee should approve the annual budget for the following year. At its meeting following the end of the financial year, the Committee should review the accounts and agree the Parish Annual Return for submission no later than 28<sup>th</sup> February. At each meeting, the Committee should be provided with management accounts detailing income and expenditure and a reconciliation between these figures and the bank account, with actual copies of the bank statement being available for review.
- 1.3 Minutes should be taken for each meeting of the Finance Committee and formally approved at the Committee's next meeting. Minutes provide a record of matters of concern and of decisions taken. They also help to demonstrate that an on-going control of parish financial affairs has been maintained.
- 1.4 An administration manual should be made available to Finance Committee members. Such a policy and practice statement ensures that necessary standards are achieved in the recording, processing and reporting of financial activity.
- 1.5 The chairperson of the Finance Committee should ideally be distinct from the parish treasurer. The segregation of these two roles provides a useful check and balance that allows the treasurer to discuss matters with a third party. It also demonstrates that the risk of errors and oversights has been minimised.
- 1.6 The Finance Committee should approve all expenditure over a certain prescribed limit. Such a control is necessary to demonstrate that all major items of expenditure are properly authorised.
- 1.7 In order to facilitate the financial management of the parish, a system of budgetary control is needed. This will entail setting a budget, or estimate, of income and expenditure for a forthcoming financial year and then regularly comparing this with actual income and expenditure during the year. Any divergence from budget should be reported to the Finance Committee together with explanations. This should ensure that any remedial action that is required can be taken as soon as possible. The approved budget should be sent to the Diocese along with the Parish Financial Return, no later than 28<sup>th</sup> February each year.

## **CASH HANDLING**

- 2.1 Two people should always be present when cash is counted. The presence of a second person provides a greater degree of assurance that cash receipts are completely and accurately recorded.
- 2.2 There should be a rota of counters for all forms of cash income (offertory, fundraising etc). This spreads the responsibility of cash processing over a wider group and demonstrates that the risk of errors and omissions has been minimised.
- 2.3 The weekly cash analysis sheet should be signed by each counter and countersigned by an independent party. Since cash collections are the primary source of income for the parish it is important to ensure that basic controls are in place in this area.
- 2.4 Third Party Collections (CAFOD etc.) and donations restricted for specific purposes must be accounted for separately from general parish monies. It is important to show that these funds are being applied to their intended purpose.
- 2.5 Third party collections should be promptly disbursed to the relevant organisation. The parish, in effect, acts as agent for the third party and is obliged to forward such contributions at the earliest opportunity.
- 2.6 All cash extracted from weekly collections should be properly authorised. The weekly cash-sheet should be initialled by a responsible authority, independent from the bookkeeper or treasurer, to demonstrate that any disbursements are for bona-fide purposes.
- 2.7 Weekly cash-sheet totals (i.e. amounts banked) should regularly be checked to the bank statements. Errors do sometimes occur and it is important that discrepancies are detected and corrected as soon as possible. Immediate action should be taken to make good these variances or, if unresolved, a detailed record should be kept of the nature of and explanation for the difference.
- 2.8 The insurance provision for cash retained on the premises should be reviewed to ensure that it provides adequate cover.
- 2.9 Cash receipts should be banked frequently and, wherever possible intact. It is recommended that monies should be banked at least once every week.
- 2.10 To comply with HMRC requirements, the contents of gift aid envelopes should be recorded on the face of the envelopes when opened.

## **BANK ACCOUNTS**

- 3.1 All bank accounts, including accounts with the Diocese, under the control of the parish should be included in the Parish Financial year-end return. If the final accounts are to give a true and fair view of the financial activities of the Parish, it is imperative that monies donated by parishioners and applied in the furtherance of the objects of the Church are reflected in the return. This provides a complete view of the overall financial activities of the parish and ensures that the Diocese can comply with the Charities Act requirements for its accounts.
- 3.2 Bank reconciliations should be performed regularly. The parish records need to be reconciled to the bank statement so that any variances or irregularities are identified and corrected as soon as possible. Detailed listings of unrepresented items should be maintained and kept with the reconciliation. The reconciliation should be reviewed monthly by the Finance Committee (this can be via email) or by a designated member of the Committee and formally signed off at each meeting of the full committee, which should see summary or redacted bank statements that do not show the names of any parishioners. The Parish Priest, Chair of the Finance Committee and Parish Treasurer should all review the full bank statement.

- 3.3 It is a requirement of the Charities Act 1993 that charitable status is disclosed on certain documentation (e.g. cheques, orders for goods and requests for funds). Although this is sometimes achieved by the use of a rubber stamp in the case of cheques we would recommend that a statement of charitable status, with the charity number, is printed on them. Whilst letterheads do not necessarily have to disclose charitable status, letters may be sent ordering goods or requesting funds. Therefore, as a general rule we would recommend that all letterheads of parishes include a statement of the Diocese's charitable status and its charity number.
- 3.4 All parish bank accounts should be opened in the name of the parish and not individuals. Although parish accounts in the names of individuals will constitute funds held by them as trustees for the parish, problems could arise in certain circumstances (e.g. death, change of parish priest).
- 3.5. Copies of bank statements as at 31<sup>st</sup> December need to be submitted at the same time as the Parish Annual Return. This helps the auditors to confirm the total bank balances for the Diocese as part of their checks.
- 3.6 All parish bank accounts must include the Diocese's Director of Finance and Resources as a named signatory. This will facilitate access to the account should issues arise, such as the unexpected departure of other signatories. This is a requirement due to difficulties in obtaining access when problems have occurred in the past.

## ACCOUNTING

- 4.1 Invoices (and all accounting records) should be retained for at least six years in order to comply with the requirements of the Charities Act 1993. In addition, they give assurance to external agencies that funds are being properly collected, administered and applied.
- 4.2 Documentation in support of all transactions (including petty cash and housekeeping) entered into by the parish should be filed systematically. Charity law requires accounting records to be kept for at least six years. The use of a logical system facilitates referencing of past records and the demonstration of consistent application of sound accounting practices.
- 4.3 Ideally, regular checks on the accounting records should be made by someone independent of the recording officer. This helps to ensure that records are being accurately maintained and demonstrates that any risks of discrepancies and/or irregularities are being minimised.
- 4.4 Blank cheques should **never** be signed. It is a dangerous breach of financial control over expenditure from parish funds if cheques are signed in advance. If the requirement for two signatories presents practical difficulties, it is suggested that this can be dealt with by:
  - a) creating a "pool" of people authorised to sign cheques; or
  - b) sending cheques to the Diocese for authorisation.
- 4.5.1 Restrictions placed on cheque donations should be recorded on the weekly cash-sheets. This will help ensure that the donations are used for the proper purposes.
- 4.5.2 Records of cash and cheque receipts should be such that there is a record of the amounts received each day and which can be traced to weekly/monthly totals and thence to the financial return. This will reduce difficulties encountered by the auditors in reconciling primary receipt records to cash book records.
- 4.6 To avoid instances of mis-posting of transactions, care should be exercised in the analysis of all payment and receipt items. If the year-end return is to provide a true and fair view of financial activity it is important that classifications are accurate and consistent. If there is any doubt the Diocese should be consulted.



- 4.7 Unpresented cheques at the year-end should always be brought into the return. This ensures that all transactions appear in the correct accounting period and that the return gives a true picture of the financial activities of the parish for the financial year.
- 4.8 Where the parish has a permanent endowment or capital funds, separate records should be maintained identifying the income and capital elements. Such monies should only be applied in accordance with the terms of the Trust.
- 4.9 Details relating to all payments and receipts should be noted in the cash book or nominal ledger bank account including the date of the transactions, cheque number, amount and details of the payee or recipient.
- 4.10 There should be an audit trail between the accounting records and the annual return. Where adjustments have been made to the accounting records to arrive at the figures included in the annual return then an analysis and explanation of all these adjustments should be kept and included in the accounting records.
- 4.11 A petty cash book or account should be kept for cash float transactions, including housekeeping monies. Documentation to support all cash transactions should be kept and filed systematically.

### **GIFT AID**

- 5.1 The parish should encourage donors to use Gift Aid so that the parish can reclaim tax on donations. This ensures that funds are administered in the most tax efficient manner.
- 5.2 To comply with HMRC requirements, Gift Aid written declarations should be retained for six years to the latest year that the Gift Aid register has been completed. This would demonstrate, in the event of HMRC inspection, that correct procedures have been consistently applied over a significant time-span.
- 5.3 Ideally, there should be a segregation of duties between the Gift Aid organiser and the recording officer. This demonstrates that the risks of errors and oversights have been minimised.
- 5.4 Care should be exercised in the recording and processing of Gift Aid donations when the life of a Gift Aid Declaration has expired. If a payment is made late, but within four years of when it is due, the tax on the payment may be reclaimed. The amount claimed must not, of course, exceed the amount pledged.
- 5.5 Tax refunds received on Gift Aid donations should be analysed between amounts relating to general donations and restricted donations. This will enable the recording of tax refunds under the appropriate category of income i.e. general and restricted.
- 5.6 Where it is a policy to use the tax credit on restricted donations for general purposes, this should be made clear to donors.
- 5.7 Pre-numbered envelopes should be used for Gift Aid collections and the Gift Aid register should be completed on a weekly basis with the total agreed to the weekly cash analysis sheet.
- 5.8 A copy of the cheque received for cheque gift aid donations (excluding cheques received in offertory envelopes) should be kept so that the donation can be traced to the donor for tax purposes.
- 5.9 For gift aid donations received over the phone, a gift aid declaration must be completed. A copy must be sent to the donor and a copy of this correspondence should be kept for the donation to qualify under gift aid.
- 5.10 It should be ensured that the Gift Aid register includes totals for each donor for each tax year and that the totals agree with the amounts entered on the annual turnaround report.

- 5.11 To comply with GDPR, Gift Aid Forms should include a reference to the Diocese's Privacy Statement which can be found at <https://www.rcdea.org.uk/privacy-statement/>
- 5.12 It is recommended that Gift Aid declarations should include the donor's full name and address, rather than just initials, as this may become a statutory requirement in future.
- 5.13 Further information on gift aid records and procedures is contained in a separate handbook for "Gift Aid and Planned Giving", (This is on the Diocesan website at <https://www.rcdea.org.uk/finance/>).

## **STAFF AND VOLUNTEERS**

- 6.1 If payments made to employees exceed existing PAYE and National Insurance Contributions thresholds relevant deductions must be made and remitted to HMRC periodically (monthly or quarterly). Failure to do so can result in financial penalties (calculated retrospectively for up to six years) in the event of a HMRC payroll inspection. If there are any doubts in this area advice should be sought from either the Diocese or the local tax office.
- 6.2 P45/46 procedures should be followed when an employee, including part time, first assumes their position. This satisfies a PAYE inspector that reasonable steps have been taken to ascertain an employee's tax status. Evidence of Right to Work in the UK should be obtained when the employee first starts and a copy kept on file as long as they are employed. A full list of documents that provide the appropriate evidence can be found at: <https://www.gov.uk/government/publications/right-to-work-checklist>
- 6.3 Two satisfactory references should be obtained for all employees, which should include from recent employers. References must also be obtained for any volunteer who has access to parish monies or computer equipment. This is particularly important, since our insurance could be invalidated should there be a claim due to dishonesty by an employee or volunteer if references have not been obtained and retained by the parish. A template for references can be found in Appendix 10.
- 6.4 Signed copies of the employment contracts should be retained by the parish. These provide evidence that both the employer and employee are aware of the terms and conditions of employment. They also serve to protect both parties in the event of a future dispute.
- 6.5 A review of the Parish Return indicates the total expenditure on personnel exceeds the total amount of staff costs from salaries records and/or the analysis of staff costs. It is necessary to ensure that this does not represent salary/wages payments which bypass the PAYE system. Failure to operate adequate PAYE procedures for salaries and wages payments can attract penalties from HMRC.
- 6.6 Where self-employed persons are providing their services then their HMRC tax reference number should be obtained and retained on files to provide some evidence that you have no obligations under the PAYE system. Payments to such persons should be supported by an invoice giving details of the services provided. For clarity, such payments should be allocated to the appropriate expense heading on the Parish Return rather than Personnel Payments.
- 6.7 Where expenses are being reimbursed to employees, they should be declared on forms P9D/P11D or covered by a dispensation from HMRC exempting such expenses from being returned.
- 6.8 It is recommended that either an annual declaration of reimbursement of such expenses is made to HMRC on forms P11D/P9D or steps are taken to obtain the dispensation so that such expenses do not require annual declaration. However, it should be noted that the request for such a dispensation may prompt HMRC to carry out a routine PAYE inspection.
- 6.9 The Finance Committee should approve all salary/wage increases and these should be minuted.

- 6.10 All submissions to HMRC should be submitted on time. Financial penalties are likely to be levied by HMRC for late submission of returns.
- 6.11 The Finance Committee should review all salary and wages costs at regular intervals.

## **GENERAL**

- 7.1 All sections of the financial return should be completed including staff numbers, NIC and notes. "N/A" should be entered where items do not apply.
- 7.2 It should be ensured that all items, such as a deposit with Diocese, are correctly analysed on the annual return. This will enable the Diocese to produce accurate information for all the parishes as a whole.
- 7.3 A detailed description of extraordinary expenditure should be included with each annual return showing the breakdown of the costs and the nature of the work undertaken e.g. refurbishment, new extension.
- 7.4 The Financial Return should be signed by the Parish Treasurer, Parish Priest and Chair of the Finance Committee to indicate that it is the approved version for the year. Another member of the Finance Committee can sign the return in the absence of the Chair.
- 7.5 Banks may deduct tax from interest credited to bank accounts if they are unaware of the charitable status of the parish. Such tax may be reclaimed from the bank and/or HMRC but we would recommend that steps are taken to ensure that all interest is received gross.
- 7.6 Whilst recognising that the use of separate bank accounts can facilitate the segregation of funds held for different purposes, a proliferation of bank accounts can complicate the accounting function. We would therefore recommend that bank accounts are rationalised as far as possible.
- 7.7 As mentioned in the Parish Handbook, the parish should deposit all funds with the Diocese. This helps to avoid the need for the Diocese to borrow from its own bankers and the Diocese also pays a competitive rate of interest on funds deposited with them.
- 7.9 It should be ensured that the financial return balances on Return 4. The opening fund balances on this year's return should agree with the closing fund balances on last year's return.
- 7.10 Petty Cash counts should be performed and reconciled to the petty cash book on a monthly basis. Any variances or irregularities identified should be explained and corrected as soon as possible.
- 7.12 It should be ensured that Diocesan second collections are paid over in full and on a timely basis.
- 7.13 It should be ensured that only amounts which are of a restricted nature (i.e. the funds that are donated on the understanding that they are to be used only for a particular purpose and related expenditure) are entered in the restricted income and expenditure return 3. Furthermore, any excess of payments on a particular purpose over the total income received for that purpose should be entered in the **general** payments column.

## **INSURANCE**

- 8.1 The Diocesan Finance Office should be informed where the parish owns an organ('s) valued at over £25,000 or individual items valued at over £10,000, so that these can be disclosed for the purposes of insurance cover.
- 8.2 The latest Parish Insurance Guide issued by our insurers can be found at <https://www.rcdea.org.uk/finance/>.

### **IT AND DATA SECURITY**

- 9.1 Adequate back-up procedures on data maintained on computer systems must be carried out. Where accounting records (including Gift Aid records) are maintained on a computer system it is necessary to have proper back-up procedures in place. In case of a breakdown it will be possible to minimise data loss by retrieving the data from back-up discs and thus preventing a major problem in the accounting systems. Parishes have had significant problems in the past where back-up procedures have not been put in place and data has been lost.
- 9.2 Back-ups should be located in a safe place such as a fire proof safe or in a secure server off-site. The parish should also make use of access controls to protect the data, such as passwords.
- 9.3 The Diocese has obtained insurance cover for parishes for data loss and the cost of reconstructing information in the event of a privacy or security breach.
- 9.4 The parish should have proper IT support and maintenance agreements in place. Parishes that use the Diocese's IT provider, Computer Service Centre, will benefit from a 5% discount on their support contract.

If there are any matters upon which you require further information or clarification, please do not hesitate to contact us.

**GUIDANCE NOTES FOR PRODUCING A PARISH BUDGET**

- Prepare in advance
- The budget should cover the 12 months from January to December each year
- Aim to produce a budget for 2020 in say October 2019
- Arrange a Finance Committee meeting for October 2019
- Locate Annual Parish Financial Returns for 2017 & 2018
- Ask the Parish Treasurer to prepare a budget sheet with headings for the items on the Parish Financial Return . An example budget format is attached below.
- Plot 2017 & 2018 actual figures onto the budget sheet
- Plot the first 9 months figures for 2019 onto the budget sheet
- Estimate the likely full 12 months figures for 2019
- Some items can be estimated by multiplying by 12 and dividing by 9, if expenditure is spread evenly throughout the year
- You should take account of one-off expenditure and expenditure that only occurs in the last quarter of the year
- Some figures will be your best estimates which will become more accurate with experience
- With a 3 year trend in front of you, estimate likely income & expenditure in 2020 for each heading
- Take account of any new requirements for 2020 or opportunities for savings
- As you consider each heading, remain conscious of additional Parish needs in 2020 e.g.
  - Will Church need painting next year? Approx how much will it cost?
  - Will Parish need to employ a gardener next year? Wages cost?
- Refer to your most recent Quinquennial Inspection report. Check that you are budgeting enough to carry out the work required by the report
- Consider an allowance for inflation on some expenditure items e.g.
  - Could heating bills be 4% higher next year?
  - How much will wages increase? – this was 2% for 2019 across the Diocese
- What can you expect from tax rebates in 2020? How much has Gift Aid been promoted within the Parish? Are you planning a Parish Appeal to boost income?
- Build in a figure for contingencies – something will invariably crop up that you hadn't expected
- Compare estimated total income for 2020 with estimated total expenditure for 2020
- Is a surplus or a deficit forecast?
- At this stage you may want to revisit some of the estimates under various headings.
- If a deficit is originally forecast, can forecast expenditure be pruned under some headings or can forecast income be increased under some headings?
- If a deficit is still forecast, you may wish to revisit the figures again until you have a budget that is forecast to at least break even (There will of course be instances where a deficit is deliberately planned in a year e.g. major capital expenditure, having already planned for the effect on the Parish reserves)
- If, after revisiting your estimates under the various headings you are forecasting a reasonable surplus, what are your plans for this? e.g.
  - Do you have previous debts to repay?
  - Can you start a fund to buy a new Organ or other major expense in a future year?
  - Can you plan to buy items for the Church?
- Consider projecting the annual budget forward for future years so that you can plan ahead better.
- Consult with the Finance Committee before finalising the budget
- Send your agreed budget to the Diocese before February 28<sup>th</sup>.
- Monitor your expenditure and income against the budget during the year, reporting the actual financial performance to the Finance Committee.

If you need further guidance on the above procedures, please telephone the Diocesan Finance Office on 01508 492540

## Example Budget

| Actual<br>2017 | Actual<br>2018 |                                       | Actual 9<br>months<br>to Sept<br>2019 | Full Year<br>Estimate<br>for 2019 | Budget<br>2020 |
|----------------|----------------|---------------------------------------|---------------------------------------|-----------------------------------|----------------|
| £              | £              |                                       | £                                     | £                                 | £              |
|                |                | <b>RECEIPTS</b>                       |                                       |                                   |                |
| 18809          | 18629          | Offertory Collections                 | 14250                                 | 19000                             | 21000          |
| 2057           | 2181           | Tax Rebates                           | 2300                                  | 2300                              | 4000           |
| 1200           | 800            | Donations & Gifts                     | 750                                   | 1000                              | 1000           |
| 4000           | 0              | Legacies                              | 600                                   | 600                               | 0              |
| 0              | 0              | Diocesan Grants                       | 750                                   | 750                               | 0              |
| 0              | 1000           | External Grants                       | 0                                     | 0                                 | 0              |
| 900            | 1000           | Fundraising                           | 1300                                  | 1800                              | 2000           |
| 0              | 0              | Profits from Clubs                    | 0                                     | 0                                 | 0              |
| 525            | 621            | Investment Interest – Diocesan        | 601                                   | 800                               | 900            |
| 0              | 0              | Investment Interest – Other           | 0                                     | 0                                 | 0              |
| 2400           | 2500           | Rental Income                         | 1980                                  | 2640                              | 2760           |
| 450            | 0              | Asset Sales                           | 100                                   | 100                               | 0              |
| 250            | 130            | Other Sales                           | 140                                   | 170                               | 190            |
| 500            | 500            | Chaplaincies                          | 400                                   | 550                               | 600            |
| 1000           | 900            | Sundries                              | 800                                   | 1000                              | 1100           |
| <b>32091</b>   | <b>28261</b>   | <b>Total Receipts</b>                 | <b>23971</b>                          | <b>30710</b>                      | <b>33550</b>   |
|                |                | <b>PAYMENTS</b>                       |                                       |                                   |                |
| 894            | 789            | Church & Hall Repairs                 | 745                                   | 1500                              | 1100           |
| 1657           | 607            | House Repairs                         | 762                                   | 1000                              | 1600           |
| 1263           | 1852           | Heat & Light                          | 1603                                  | 2000                              | 2200           |
| 1135           | 1067           | Council Tax, Rates & Insurance        | 1200                                  | 1200                              | 1210           |
| 500            | 400            | Other Property Expenditure            | 250                                   | 260                               | 200            |
| 3000           | 3000           | Priests Stipends                      | 3620                                  | 4830                              | 4870           |
| 2120           | 2664           | Car and Travel Expenses               | 2100                                  | 2800                              | 2890           |
| 2494           | 2828           | Housekeeping                          | 2325                                  | 3100                              | 3150           |
| 580            | 590            | Other Clergy Expenditure              | 400                                   | 600                               | 600            |
| 1693           | 1700           | General Levy                          | 1710                                  | 1710                              | 1730           |
| 4514           | 4600           | Schools Levy                          | 2400                                  | 4850                              | 4900           |
| 555            | 570            | Other Levies                          | 300                                   | 590                               | 600            |
| 355            | 370            | Admin Wages                           | 300                                   | 390                               | 400            |
| 1246           | 1255           | Postage, Stationery, Telephone        | 1125                                  | 1500                              | 1550           |
| 225            | 240            | Other Admin Costs                     | 180                                   | 250                               | 255            |
| 0              | 0              | Interest on borrowing from<br>Diocese | 0                                     | 0                                 | 0              |
| 0              | 0              | Interest on Other Borrowing           | 0                                     | 0                                 | 0              |
| 1360           | 604            | Liturgical<br>Equipment               | 1125                                  | 1500                              | 1550           |
| 210            | 160            |                                       | 0                                     | 210                               | 300            |
| 180            | 200            | Fundraising Costs                     | 260                                   | 360                               | 400            |
| 300            | 350            | Repository, Votive Candles e.t.c      | 300                                   | 400                               | 450            |
| 150            | 210            | Sundries                              | 200                                   | 225                               | 230            |
| 0              | 0              | Contingency Provision                 | 0                                     | 0                                 | 2000           |
| <b>24431</b>   | <b>24056</b>   | <b>Total Payments</b>                 | <b>20905</b>                          | <b>29275</b>                      | <b>32185</b>   |
| <b>7660</b>    | <b>4205</b>    | <b>Net Surplus / (Deficit)</b>        | <b>3066</b>                           | <b>1435</b>                       | <b>1365</b>    |

## Blank Budget Template

## Appendix 4

| Actual<br>2017 | Actual<br>2018 |  | Actual 9<br>months<br>to Sept<br>2019 | Full Year<br>Estimate<br>for 2019 | Budget<br>2020 |
|----------------|----------------|--|---------------------------------------|-----------------------------------|----------------|
| £              | £              |  | £                                     | £                                 | £              |
|                |                | <b>RECEIPTS</b>  |                                       |                                   |                |
|                |                | Offeratory Collections                                 |                                       |                                   |                |
|                |                | Tax Rebates  |                                       |                                   |                |
|                |                | Donations & Gifts                                      |                                       |                                   |                |
|                |                | Legacies   |                                       |                                   |                |
|                |                | Diocesan Grants  |                                       |                                   |                |
|                |                | External Grants  |                                       |                                   |                |
|                |                | Fundraising  |                                       |                                   |                |
|                |                | Profits from Clubs                                     |                                       |                                   |                |
|                |                | Investment Interest – Diocesan                         |                                       |                                   |                |
|                |                | Investment Interest – Other                            |                                       |                                   |                |
|                |                | Rental Income  |                                       |                                   |                |
|                |                | Asset Sales  |                                       |                                   |                |
|                |                | Other Sales  |                                       |                                   |                |
|                |                | Chaplaincies   |                                       |                                   |                |
|                |                | Sundries   |                                       |                                   |                |
|                |                | <b>Total Receipts</b>                                  |                                       |                                   |                |
|                |                | <br><b>PAYMENTS</b>                                    |                                       |                                   |                |
|                |                | Church & Hall Repairs                                  |                                       |                                   |                |
|                |                | House Repairs  |                                       |                                   |                |
|                |                | Heat & Light   |                                       |                                   |                |
|                |                | Council Tax, Rates & Insurance                         |                                       |                                   |                |
|                |                | Other Property Expenditure                             |                                       |                                   |                |
|                |                | Priests Stipends                                       |                                       |                                   |                |
|                |                | Car and Travel Expenses                                |                                       |                                   |                |
|                |                | Housekeeping   |                                       |                                   |                |
|                |                | Other Clergy Expenditure                               |                                       |                                   |                |
|                |                | General Levy   |                                       |                                   |                |
|                |                | Schools Levy   |                                       |                                   |                |
|                |                | Other Levies   |                                       |                                   |                |
|                |                | Admin Wages  |                                       |                                   |                |
|                |                | Postage, Stationery, Telephone                         |                                       |                                   |                |
|                |                | Other Admin Costs                                      |                                       |                                   |                |
|                |                | Interest on borrowing from<br>Diocese                  |                                       |                                   |                |
|                |                | Interest on Other Borrowing<br>Liturgical<br>Equipment |                                       |                                   |                |
|                |                | Fundraising Costs                                      |                                       |                                   |                |
|                |                | Repository, Votive Candles e.t.c                       |                                       |                                   |                |
|                |                | Sundries   |                                       |                                   |                |
|                |                | Contingency Provision                                  |                                       |                                   |                |
|                |                | <b>Total Payments</b>                                  |                                       |                                   |                |
|                |                | <br><b>Net Surplus / (Deficit)</b>                     |                                       |                                   |                |

## **GUIDELINES FOR SETTING UP A PARISH FINANCE COMMITTEE**

### **Duty to establish a finance committee**

The Code of Canon Law places an obligation on parishes to establish a finance committee. The general principle of all “juridical persons” establishing a finance committee is contained in Canon 1280. A more specific direction for parishes is included in Canon 537.

### **Status of the parish finance committee**

The parish finance committee is the parish equivalent of the Diocese’s Finance Board, but it is only an advisory body. The role of the other members of the finance committee is to support and advise the parish priest in the sound administration of the material and financial assets of the parish. They cannot, by democratic vote or by other means, assume control or act independently of their pastor.

### **Committee membership**

The committee could be constituted as follows:-

- a) parish priest and assistant priest(s) (ex officio)
- b) at least four lay Catholics appointed by the parish priest, who:-
  - shall be appointed for three years
  - shall retire in rotation but be eligible for reappointment
  - may resign but another person must be appointed for the rest of his/her term
  - shall include one who is nominated as secretary who shall record details of each meeting
  - shall include one who is appointed as treasurer who shall keep adequate financial records

Members of the committee should bring relevant experience in one or more of the following areas: Finance, Property, Legal, Insurance, IT, HR. They should be sufficiently skilled and confident to hold the Parish Treasurer effectively to account.

### **Committee Chair**

The parish priest presides over the finance committee but he need not be Chair. The Parish Treasurer should never be Chair. The Chair should become an ex officio member of any Parish Pastoral Council and be able to provide it with regular reports.

### **Quorum**

A quorum for a committee meeting shall be the parish priest and two appointed members.

### **Ordinary meetings**

There shall be at least three ordinary meetings in the course of the year:

- a) to consider the budget
- b) to monitor progress regarding the budget
- c) to consider the annual accounts

The committee should review summary or redacted bank statements that do not give the names of any parishioners and a reconciliation from the bank amounts to the management accounts at each of its meetings. It should review the bank reconciliation monthly between meetings, e.g. via email, or alternatively designate one of its members to complete this task monthly and report back to the wider committee when it meets.

### **Extraordinary meetings**

- a) An extraordinary meeting may be called by the parish priest or two other members
- b) The business to be discussed at an extraordinary meeting shall be declared in advance



- c) Seven days notice is required unless a shorter time is agreed by all the members

### **Annual Report**

The committee should report annually to the wider parish on the financial situation of the parish, for example at the AGM of the Parish Pastoral Council and in the parish newsletter.

### **Duties of the committee**

The duties of a parish committee are derived from Canons 1281 – 1288 and include assisting the parish priest to fulfil his responsibilities in the following matters:-

- consideration of parish finances as a whole, which includes weighing the merits of one scheme against another, determining priorities and advising on funding for the parish's annual revenue and capital requirements,
- assisting with fundraising, e.g. through a parish appeal or promotion of planned giving via standing orders,
- safeguarding and conserving all parish property and goods, including regular inspections, insurance and the preparation of an inventory of the parish's assets,
- advising on maintenance of buildings and development projects,
- observation of the laws relating to contracts of employment, including HMRC requirements,
- ensuring that proper records are kept and that annual accounts are prepared and published at the due time and in accordance with the requirements of the Diocesan Finance Board,
- ensuring that the basic accounting principles highlighted by the Diocesan Finance Office from time to time are adopted,
- preparation of budgets of income and expenditure and comparison of actual results,
- ensuring that at all stages in reaching decisions, adequate attention has been given to finance.
- ensuring that the parish meets other legal requirements, for example with regard to Health and Safety and GDPR.

### **Diocesan link**

Unlike branches of other organisations, parishes have an independent existence codified in law (Canon 515). Also, in all juridical matters, the parish priest acts in the person of the parish (Canon 532). Notwithstanding his autonomous role in parish life, the parish priest is subject to the provisions of Canon 1276 and Canon 1287.

Under Canon 1276, the diocesan bishop has a general obligation to supervise the administration of all goods which belong to public juridical persons subject to them. Thus, if the bishop is not satisfied with the administrative arrangements within a parish, he may issue directions to regulate its affairs.

Under Canon 1287 an annual "account of his administration" must be submitted by the parish priest to his bishop for consideration by the diocesan finance committee. This takes the form of the Parish Financial Return.

### **Consultation**

The parish priest should consult the finance committee about any substantial expenditure proposed, other than routine expenditure.

NB; "Consultation" does not mean "inform". It is defined as the act of "discussing" or "seeking advice". The parish priest is not obliged to accept the advice of his finance committee but he should take into account the experience of his advisers and consider carefully their recommendations before making decisions

## Appendix 6

### **APPROVAL REQUIREMENTS FOR PARISH BUILDING WORKS**

Guidelines issued to parishes highlight the need for Finance committees and for Parish Priests to consult with those committees on major financial issues. In some cases, consultation at a diocesan level is also advisable; in other cases, essential. The procedures outlined below relate specifically to proposed expenditure on parish building works (eg repairs, alterations, extensions etc) and explains **when** and **how** a parish is required to obtain diocesan expenditure approval.

#### **IS DIOCESAN APPROVAL REQUIRED?**

1. If the proposed expenditure

- \* does not involve any church reordering
- \* is below £5,000, does not involve any structural alterations to parish buildings, or does not form part of a larger scheme
- \* can be funded from parish funds, and
- \* does not relate to a listed church or a church in a conservation area

then **Diocesan approval is not required**

2. If the proposed expenditure

- \* does involve church reordering, or
- \* is below £5,000 but involves structural alterations or diocesan funds, or is part of a larger scheme, or
- \* is in excess of £5,000, or
- \* relates to a listed church or a church in a conservation area and the work affects the character of the building.

then **Diocesan approval is required**

#### **APPROVAL REQUIREMENTS**

3. Expenditure involving church reordering

a. Any proposal involving the reordering of a church should first be sent in writing to the Arts & Architecture Committee of the Liturgy Commission for comments on the liturgical aspects.

b. The Art & Architecture Committee may wish to visit the church in question. Any subsequent comments by the Committee will be sent to the parish and to the Diocesan Finance Office.

c. If reordering works (or any other works) relate to a listed church or a church in a conservation area, see the procedures outlined in Section 6 below. The latter require, inter alia, a proposal to be submitted initially to the diocesan Historic Churches Committee for approval.

4. Expenditure under £5,000 involving structural alterations or a diocesan loan or forming part of a larger scheme

a. all expenditure proposals, however minimal, which involve structural alterations to parish property, not covered under any other category in these

guidelines, will need to be submitted for approval to the Vicar for Finance (VF), copied to the Director of Finance and Resources (DFR). The application for approval must be made by completion of the attached parish project approval form (PPAF),

b. all requests for a diocesan loan/increase in diocesan loan funding shall be submitted by completion of the parish project approval form to the Vicar for Finance (VF), copied to the Director of Finance and Resources (DFR).

c. proposals for expenditure under £5,000 but forming part of a larger scheme – please see Section 5 below.

d. after considering the submission under a) and b) above, and (if he deems necessary) after consulting with the Diocesan Buildings Sub-Committee and with other members of the Diocesan Finance Board, the VF will give the requisite approval or refer the matter back to the parish.

5. Expenditure in excess of £5,000

a. the Parish Priest shall submit a request for approval to incur expenditure, in writing to the EVF, copied to the Director of Finance and Resources, providing as much initial financial and other information as possible on the prescribed parish project approval form (PPAF).

b. the parish project approval form only requires an approximate estimate of the proposed project costs at this stage. Wherever possible at least 3 estimates should be obtained and submitted with the PPAF. Every effort should be made to void incurring expenditure on professional fees which may turn out to be abortive. However, Diocesan advisors are available for guidance on approximate costings if parishes cannot tap the services of “in house” architects or quantity surveyors. For details, contact the Diocesan Finance Office.

c. the submission for project approval should be made in good time and at the very latest 10 days before the next meeting of the Diocesan Finance Board.

d. the EVF shall submit each parish’s application for project approval to the next meeting of the Diocesan Finance Board. Where the matter is genuinely urgent, the application may be considered between meetings via email circulation.

e. the Diocesan Finance Board will either approve the application, reject the application, or refer the matter for further consideration by the Diocesan Building Sub-Committee either with or without the full delegated power of the Finance Board.

f. if the parish submission also involves a request for diocesan loan funding, the Finance Board may give its approval to the scheme subject to certain caveats, e.g.

- i. need for diocesan technical advisers to supervise the scheme on behalf of the Diocese,
- ii. need for the Diocese to satisfy itself that any loans approved can be repaid by the parish over the stipulated repayment period,
- iii) extent of funding input by the parish.

(NB; The Finance Board has agreed the principle that if a parish requires a diocesan loan to fund significant parish repairs, alterations or extensions, a substantial part of the relevant project costs (i.e. 50%) must be met by the parish itself. In practice this means that a parish must be able to demonstrate to the Diocese that it has or will shortly have its share of the proposed project costs **BEFORE** a firm project commitment is entered into by both the Diocese and parish.)

g. the Diocesan Building Sub-Committee will consider any matters referred by the Finance Board at its next meeting and may require the presence of the parish priest who is making the project approval application.

h. the Diocesan Building Sub-Committee will either approve the proposed scheme, reject the scheme or refer the matter back to the Finance Board.

6. Expenditure on listed churches etc.

a. In 1994, the Catholic Bishops of England and Wales agreed to adopt the Government's Code of Practice concerning building works to listed churches or churches in Conservation areas. New guidelines agreed and issued by the Bishop's Conference, require those parishes which have such churches to obtain the consent of the diocesan Historic Churches Committee (HCC) to any relevant church alterations, extensions or repairs.

b. Relevant works are (in the main) limited to places of worship and include the following project examples:-

- i extensions to churches
- ii structural alterations to churches, e.g. changing windows, inserting or removing windows, doors or partitions.
- iii structural repairs to any part of the church
- iv change of material, e.g. roof coverings
- v. re-ordering within the church
- vi removal or addition of galleries, furniture, e.g. pews
- vii installation of services, e.g. heating, water or electrical services
- viii new paths or notice boards in the church grounds
- ix replacement of church organs

c. Successive UK governments have accepted that the various Christian denominations should be permitted to make changes to their listed churches in the light of their evolving needs. The demands of liturgy and lay participation have necessitated structural changes to church buildings. Ecclesiastical exemption from listed building control is a legal privilege granted to Christian denominations. But like any other privilege it must be carefully preserved with scrupulous adherence to Government regulations.

## **ECCLESIASTICAL EXEMPTION**

The Government has set out its requirements in the [Ecclesiastical Exemption \(Listed Buildings and Conservation Areas\) \(England\) Order 2010 \(SI 2010 No 1176\)](#) – the 2010 Order. Roman Catholic Dioceses and Religious Orders located in those Dioceses are one of the denominations granted ecclesiastical exemption from listed building control for their listed places of worship.

A key requirement of the 2010 Order is that each denomination must have documented procedures for making changes to its listed ecclesiastical buildings (listed churches and other listed structures within their curtilage). The controls should be open and transparent, with similar levels of consultation and engagement with local communities and statutory bodies - planning authorities, Historic England and national amenity societies - as required in the secular control system.

The decision-making body must be independent of the local church or parish community. The Bishop of the Diocese of East Anglia established the East Anglian Historic Churches Committee (HCC) with a remit to administer and determine applications for works to listed churches. The various Religious Orders within the Diocese have also accepted the role of the East Anglian Historic Churches Committee.

The 2010 Order does not exempt a denomination from the need to also obtain planning consent from the Local Authority for development affecting the exterior of a listed place of worship.

A listed church retains the exemption provided regular public services are held there. Exemption ceases once the building is not used for worship or is proposed for total demolition, and Local Authority controls will then apply.

## **FURTHER GUIDANCE**

[The Patrimony Committee of the Bishops Conference for England and Wales](#) provides guidance on new church buildings and repairs and alterations to listed and unlisted churches. The Patrimony Committee has given [specific guidance](#) on the operation of Historic Churches Committees.

The Department for Culture Media and Sport has issued operational guidance on [ecclesiastical exemption](#). Historic England has detailed guidance on [New Work in Historic Places of Worship](#). Each Diocese also provides its own guidance for churches in its area.

## **CATHOLIC HISTORIC CHURCHES WEBSITE (CHC)**

The Bishops Conference has set up and owns a website <https://www.catholic-historic-churches.org.uk/> to act as a single point of reference for the administration of the ecclesiastical exemption Order. The section on the website for the East Anglia HCC gives details of its members, meetings and minutes, venue, dates and annual reports. The churches under the remit of the HCC are scheduled along with other listed buildings and structures within the curtilage of listed churches. Full details are given on the procedures in making applications to the HCC for alterations to listed churches. New applications are logged as “Applications Currently under Consultation” on the website along with their documentation. After consultation, applications are classified as “Other Consultation”. The CHC website is fully accessible by the public.

## **PROCEDURES**

Any alteration to or partial demolition of a listed church needs approval by the HCC before works commence. *It is a criminal offence to make unauthorised alterations to listed buildings with the sanction of possible imprisonment.* Ecclesiastical exemption is now extended to include other listed buildings or structures in the curtilage of or attached to listed churches, but not presbyteries or residential accommodation in convents and monasteries. Approval is granted through a formal approval notice (Faculty) which sets out the terms and conditions of the consent. Applications are submitted for consideration by the HCC.

Developments affecting the exterior of a listed church may require separate planning consent from the Local Authority in addition to approval from the HCC. Other listed buildings and those outside the curtilage of listed churches, such as presbyteries, convents, monasteries, schools, etc require listed building consent from the Local Authority.

### **1. Initial Advice:**

Email is the preferred written mode of communication throughout the whole process. At the earliest stage, and before engaging design professionals, the applicant is advised to contact the HCC Secretary to discuss proposals for new works or repairs. At the same time

applicants are recommended to consult the Diocesan Art & Architecture/Liturgy Committee on the proposals. In addition, it is important to make contact with Historic England for pre-application advice or comment. Early consultation could save much abortive work and expense. See "Contacts" below.

Very small "like for like" repairs that are exactly the same as the existing may not require a Faculty – but the materials used, colour and appearance must be identical to the existing. All larger repairs require a Faculty. Contact the HCC Secretary to discuss the situation. A new application is needed for revisions to an existing approval, or for a re-application after rejection. Generally, accredited conservation specialists should be retained for all aspects of the works planned. This is particularly necessary in designing alterations to the fabric of the building.

## 2. Eligible Buildings:

Ecclesiastical exemption applies to all listed churches. In addition, the Bishop of East Anglia has decided that churches classified as "listable" in the "Taking Stock" Review should also come within the remit of the HCC; listable churches are treated as though they are listed. "Taking Stock" was a joint Diocesan/Historic England programme to review all Catholic churches and specifically to recommend quality buildings for listing. Where the Department for Culture Media & Sport has subsequently refused to list such listable churches, they are no longer governed by the HCC.

Ecclesiastical exemption also covers separately listed buildings or structures attached to or within the curtilage of a listed church. Such buildings or structures comprise campaniles, chest tombs, parish halls or rooms, school rooms, chancel houses, lychgates, shrines, monuments or boundary walls. Presbyteries and/or residential accommodation in convents and monasteries are specifically excluded. The curtilage of a listed church is the single site in the ownership of a Diocese or Order.

## 3. Prior Diocesan/Order/Ordinary Approval:

Before submission of an application to the HCC, parishes must obtain the approval of their Diocesan Art & Architecture/Liturgy Committee as well as appropriate financial approval. Where a listed church is in the ownership or under the trusteeship of a Religious Order/Ordinary, approval should have been given by the Order/Ordinary. Orders should also consult the Diocesan Art & Architecture/Liturgy Committee on the proposals. The HCC reserves the right not to consider applications that have not received the appropriate Diocesan, Order or Ordinary approvals beforehand.

## 4. Applications for Major Works:

Applications are now paperless, but contact the Secretary if this creates difficulties. The applicant should be the parish clergy or design professional, not a private individual. The applicant downloads Application Form 1 from the website in word format (under "Applications"). Form 1 is completed and signed by the applicant and submitted to the HCC Secretary by email with full documentation. The Secretary will redact the signature of the applicant on Form 1 before it is made public. See also Section 17 Data Processing.

The documentation should include sufficient architect's drawings to fully illustrate the works planned, photographs, specifications and the most recent quinquennial inspection report on the church. In addition and very importantly, other key documents are a Statement of Significance, a Statement of Need and an Impact Statement; the last gives an assessment of the impact of the proposed works on the significance of the building. The documents must give a clear picture of the changes envisaged to particular parts of the church. Photos are invaluable in describing this more fully. For fuller details on the documents, see "Document Requirements" below.

Applications are by email only and must be received complete with all necessary documents at least six (6) weeks before the meeting, but the earlier the better. The Committee may decline to consider any application received with either incomplete documentation or fewer than 28 days before the meeting as this reduces the minimum time for consultation with the statutory consultative bodies (see Section 6 below). There is no charge or fee payable for the application.

Applicants **must email** all documents to the Secretary – Form 1 (signed), Statements of Significance, Need and Impact, descriptions, specifications, drawings, photos, quinquennial survey, etc. Documents should be in word or pdf format, drawings in pdf format and photos in jpeg format. Please ensure the documents are all correctly orientated upon being opened. The Secretary will register the application for the appropriate HCC meeting and upload all documents on to the CHC website.

#### 5. Applications for Minor Works and Repairs:

Most repairs and some minor alterations to listed churches will be determined under the “Minor Works” provisions of the HCC by its Minor Works sub-committee. The Secretary will be able to advise. Exactly the same process and level of information is required as in a major works application.

The only difference between applications for major and minor works is in the timing of dates for the determination meeting: for major works - at the scheduled and fixed full meeting dates (see Section 10 below); for minor works – a bespoke meeting is arranged usually 28 days after the application is registered, but may take longer.

The applicant does not usually attend the determination meeting. The determination is ratified in the next full HCC meeting. Faculties are issued as outlined below in Section 12. At its sole discretion, the sub-committee is at liberty to refer the application to a full HCC meeting.

#### 6. Statutory Consultative Bodies:

The statutory consultative bodies (local authorities, Historic England and amenity societies) are notified by email giving a web link to the application on the CHC website; all are entitled to a 28 day consultation period before determination at the Committee meeting. Historic England’s statutory remit lies with applications for any change to grade I or II\* churches, but only for substantial change or demolition to grade II listed buildings, such as the clearance of congregational seating or the demolition of a porch. The notification email and any responses received from the consultative bodies will be published under the application on the website. See also Section 17 Data Processing.

#### 7. Representations:

Anyone may submit written representations on applications to the HCC Secretary within the 28 day consultation period (before 12.00 noon). To avoid any potential problems, sensitive personal data should not be included. Abusive or defamatory correspondence will not be published or considered. All redacted correspondence will be published under the application on the website. Emails must include the correspondent’s name and address. These documents will be archived as a public historical record. Telephone messages are not regarded as valid representations and will not be considered by the Committee. See also Section 17 Data Processing.

Plans, drawing and material submitted to the Committee are protected by the Copyright Acts (Section 47, 1988 Act). Material which is downloaded and/or printed for consultation purposes, may be used to compare current applications with previous schemes and to check whether developments have been completed in accordance with approved plans. Further copies must not be made without the prior permission of the copyright owner.



#### 8. Site Visit Meetings:

Where possible, the Secretary will arrange a site visit, attended by the applicant, parish priest, architect/specialist, Diocesan representatives, statutory consultative bodies and HCC members before the HCC meeting. The Secretary's note of the visit will be published under the application on the website. The purpose of site visits is to examine and give comments on the proposals. But the HCC is not bound by any comments or advice given by the HCC members present, nor by the findings in the published note.

#### 9. Public Notice and Advertisement:

Upon registration, the HCC Secretary will acknowledge receipt of the application and Form 2 Public Notice is issued under the application on the website. The applicant must download a copy of Form 2 Public Notice and insert it in a transparent plastic sleeve and display it on the church door or nearby for 21 days, and another copy on the parish church door, if different, also for 21 days.

For all external works, and for internal works to grade I or II\* churches only, the application must also be advertised once in the public notices section of a suitable local newspaper at the same time as the Public Notice is being displayed. The advertisement should use the wording in Form 3 Press Notice. Mentioning the Diocesan/Order charity will zero rate VAT on the cost of the advertisement.

#### 10. Full HCC Meetings for Major Works:

The applicant and advisers, who are better placed to answer questions, are strongly encouraged to attend the HCC meeting and make a brief presentation (10 minutes maximum) explaining the works. Otherwise the HCC Secretary will present the application on the applicant's behalf.

The purpose of the presentation is A) to explain the reasons for the works, B) to give a brief description of the works that is not over detailed but with sufficient information to demonstrate the form and quality of the new construction, and C) to include information on the conservation and care of original features which may be covered, removed or obscured by the new works.

After the presentation the Chairman will take the application through the following steps to reach determination: (1) Confirmation of all Diocesan/Order approvals; (2) Questions for clarification put to applicant; (3) Comments from Committee Members; (4) Representations from statutory consultative bodies and others; (5) Determination vote on each element of application. The HCC usually determines each constituent element of an application at the meeting, but may defer a decision on any part if it chooses to.

Full HCC meetings are held four times a year (usually in January, April, July and October at the Diocesan Offices in Poringland). Occasionally the Committee may meet at a site subject to a major application. Details and dates are given on the CHC website under "Meetings"

#### 11. Determination Notice:

Subsequent to the HCC meeting, Form 4 Determination Notice is published under the application on the CHC website. The applicant, statutory consultative bodies and correspondents are notified by email giving them 21 days to appeal. The Form 4 Determination Notice will set out which elements of the application are approved, conditional, deferred or refused.

#### 12. Faculty:

Twenty one (21) days after the meeting, and provided no appeal is made, Form 5 Faculty for approved and conditional elements of applications is published under the application on the CHC website. The applicant, statutory consultative bodies and correspondents are notified. The Form 5 Faculty is valid for three years from the date of its issue. The works should be completed within that time frame, otherwise a new application is necessary. But commencement of the works may have to await a separate planning consent from the Local Authority.

The discharge of any conditions applied to an approved application is certified by the Secretary Issuing Form 6 Discharge of Conditions.

### 13. Appeals:

Appeals must be submitted within the 21 day period from the date of determination. Details of the appeal process are given in the [Ecclesiastical Exemption Guidelines Appeals](#) issued by the Patrimony Committee of the Bishops' Conference. Eligible appellants are the applicant, statutory bodies and those correspondents who had objected by writing to the Secretary in the prescribed manner within the twenty eight day consultation period. The appellant must state the grounds of the appeal on Form 9 Notice of Appeal which may be accessed from the CHC website or from the Secretary. The appeal decision will be final. See also Section 17 Data Processing.

### 14. Monitoring of Works

Within fourteen days of start of works the applicant must submit Form 7 Certificate of Commencement to the HCC Secretary.

On completion of the relevant works, applicants must submit Form 8 Certificate of Completion to the HCC Secretary. This must be signed by the applicant, and, where required by the HCC, countersigned by the applicant's architect, surveyor or other professional advisor, declaring that the work has been carried out in accordance with the faculty. In the case of large, long or multiple works, the Committee may require that more than one Form 7 and 8 are submitted.

### 15. Unauthorised Works:

Where works have commenced without a Faculty, or in breach of the conditions of a Faculty, the Ordinary and trustees will order the works to cease by serving the Form 13 Stop Work Notice on the administrator of the building. The administrator must follow the directions in the Form 13 Stop Work Notice and any subsequent directions from the HCC.

### 16. Emergency Procedures

In cases of genuine emergency, the HCC will issue Form 14 Emergency Faculty permitting the implementation of sufficient emergency measures to secure the building. Subsequent remedial works should be submitted as an application in the normal way.

### 17. Data Processing

The East Anglian HCC and the CHC website fulfil a public task imposed on the Catholic Church under the Regulation 2010 Order for ecclesiastical exemption from listed building control. This public task requirement is the lawful basis for processing personal data.

The name and address of applicants, appellants and individuals making responses on behalf of statutory consultative bodies will be published on the CHC website as a public archival record. Signatures will be redacted. Private names, addresses, telephone numbers, email addresses and signatures will be redacted; this includes those making representations. The applicant, statutory consultative bodies and anyone making representations or appeals must understand that data supplied by them, or on their behalf, may be held by the East Anglia

HCC and on the CHC website, or their successors, for operational purposes and as a historical record in the public interest.

## **DOCUMENT REQUIREMENTS**

### **Statement of Significance**

A good starting point is the report on the church in the joint Diocesan/Historic England review "Taking Stock". Listing a building does not freeze it at a point in time but is intended to ensure that when change becomes essential or desirable, the significance of a building and its setting are taken into account.

A Statement of Significance does not call for reams of description but an objective analysis of the fabric, its significance and its capacity for change. The Statement describes the building, its features and its historic, archaeological, artistic and architectural importance. The Statement should put into context the importance of that part of the church or ancillary building/feature to be altered/removed: considering rarity, historic or artistic value, liturgical significance, contribution to the architectural character and archaeology of the building etc, and the contribution the building makes to the local area.

It is important that an assessment of significance focuses in a proportionate way on the affected area(s) of the place of worship, rather than just being about the building in general and that it goes beyond simple description to explain what is important or special about the aspects it describes. Not only the building should be described but also its community, setting, site, furnishings, etc, again in proportion to the significance of the feature/features and the impact of the change.

The two following links provide useful guidance on Statements of Significance:

<http://www.churchcare.co.uk/churches/guidance-advice/statements-of-significance-need>  
<http://www.statementsofsignificance.org.uk/>

### **Statements of Need and Impact**

It is important to establish the need for any work and whether it is likely to cause harm to the significance of an historic building. Any harm to the significance of a listed building is a loss of value to society and needs to be weighed against any public benefits the proposal will bring. The position regarding the need, if any, for a separate planning consent should be clearly stated.

The Statement should explain how the character of the church or ancillary building/feature might be enhanced by the proposed work. The reasons for the proposed changes need explaining along with what other ways have been addressed on the issue, before proposing removal or alteration to fabric or fixtures. This would explain what other options to the proposed scheme of works have been considered and what steps have been taken to ensure that the least amount of damage is done to both the historic fabric and the overall character of the church or ancillary building/feature.

It is useful to note whether the works proposed are reversible without any permanent destruction to parts of the fabric of the building. Items removed from the building structure should be placed in secure storage for future restoration or re-use. New equipment needs planning for access and maintenance as well as its subsequent removal when life expired; simplicity and safety are key.

### **Drawings**

Drawings must be professionally drawn and to the same standard as required for Local Authority planning applications. The applicant should confirm that the drawings show the proposed works in their final form as agreed by the local parish community and by the Diocesan/Religious Order authorities. Paper copies, if requested by the Secretary, should be no greater than A3 in size and do not need to be scalable.

An overall site plan is necessary. A plan of the building(s) should show what areas are affected by the proposed changes. General drawings (plans, sections, elevations and 3D perspectives) should show how the building appears before and after the changes are enacted. Greater details are necessary for the particular aspects being altered, removed or added to.

Equipment drawings should show the location, dimensions and colour of visible new or replacement plant including any fixings, pipework or cables. It is necessary to consider and show how pipework and cable runs will be hidden from view and how the fabric of the building is preserved. The need for drainage provision in some heating systems must not be overlooked as this may affect the exterior to the building as well.

### **Specifications**

The specification should give sufficient details to allow the Committee to understand how the proposed works will impact on the fabric of the building. Essentially, the specification will supplement the drawings with more information on materials, colours, types of equipment, etc. The full detailed architectural specification for building works may not be necessary – a summary or extracts of the essential elements affecting the application could suffice. In some cases, a method statement to explain how more sensitive works will be approached is necessary.

### **Samples or specimens**

The Applicant may bring samples or specimens of materials, paint colours, equipment etc to the full HCC meeting for illustration purposes. The applicant is responsible for removing them afterwards.

### **Colour photographs**

Photographs are extremely helpful in assisting the HCC visualise the proposed changes to particular areas. Photographs can also be digitally edited (photomontages) to illustrate how the works could look after installation or alteration. But these would augment and not replace the need for drawings. Sufficient photographs should be taken to fully describe the parts of the building being modified and the overall effect.

### **Quinquennial Surveys**

The most recent quinquennial survey should be submitted covering the church and any other building being considered in the application. If the survey is out of date, then a surveyor's report of the building fabric is needed as an interim measure.

## **CONTACTS:**

### **HCC Secretary**

Cedric Burton

East Anglian Historic Churches Committee

T: c/o 01508 492540

E: [sechcc@rcdea.org.uk](mailto:sechcc@rcdea.org.uk)

W: [www.rcdea.org.uk](http://www.rcdea.org.uk)

### **Historic England**

The relevant Historic England office is given under "Contacts" in the entry for each church:

Eastern Office: <https://historicengland.org.uk/about/contact-us/local-offices/east-of-england/>

Historic England note on pre-application advice:

<https://content.historicengland.org.uk/content/docs/caring-for-heritage/pre-application-advice-for-places-of-worship.pdf>

## **PARISH PROCEDURE FOR CAPITAL BUILDING PROJECTS**

1. All buildings and properties within the Diocese of East Anglia are ultimately the responsibility of the Diocesan Trustees. Although each Parish Priest is, by Canon Law, responsible for all chattels within his parish, under Civil Law all holdings of a charity are the responsibility of the Trustees and must be seen to be administered to the benefit of the charity.
2. It is to this end that when a large expenditure is envisaged in the parish for any form of building works the diocese needs to be fully informed of both the planning and ultimate progress of such works.
3. The aim of this policy is to establish checks and controls to ensure that work is being carried out in accordance with the initial consent by the Trustees and to keep them informed of progress as they are ultimately responsible for satisfactory expenditure meeting the aims of any project.
4. The first step in the process is submission of a PPAF to the Vicar for Finance and the Director of Finance and Resources, setting out the scope of the project and its estimated costs. The Diocese's Property Advisor will add any comments, corrections or observations of a technical nature relating to the project prior to its consideration by the Diocesan Building Sub-committee and subsequent presentation to the Diocesan Finance Board. The decision of the DFB will be passed to the parish by the Director of Finance and Resources and will include any agreed conditions arising from the considerations of all concerned.
5. The Charity Commission requires that all contracts undertaken by the Diocese must be subject to a competitive tendering process. The Director of Finance and Resources will be kept informed of the progress of this process. In some cases a "nominated" contractor's tender may be accepted subject to the prior approval of the Director of Finance and Resources.
6. It is important that the Director of Finance and Resources is kept informed of any site meetings prior to work starting on a project or during its course. He may attend such meetings himself or may delegate this as appropriate.
7. It is essential that the Director of Finance and Resources is advised of any development, action or document which will impact on the total cost of any project or which may have legal or insurance implications.
8. The Director of Finance and Resources is to be informed as soon as possible of any Variation or Change Orders made after the award of the contract. These may be either single or accumulative and any change the value by greater than a specified percentage of the contract (say 5%), must be notified. The Director of Finance and Resources will consult the Diocesan Property Advisor who will clarify the need for such a change or changes, which may be unforeseen or unavoidable costs and then advise accordingly.
9. On completion of work no final payment is to be made until all retentions and "snagging" points have been fully addressed satisfactorily.
10. It should be noted that this document limits the Diocesan Property Advisor's role to one of advisor. Although the protection of the Trustees is of paramount, the management of large building projects is also a potential burden on parishes. Co-operation between diocese and parish is not to be compromised and the role must be seen as assistance to the parish and not the heavy hand of authority. To this end the occasional attendance at meetings, particularly at "start up" is important to establish good personal relations and a friendly rapport with those most involved. As in any contractual situation a judgment has to be made on the degree of external involvement. It is hoped that contact in the early stages would assist in making such a judgment and would also help to build confidence in the abilities of those closely involved from the parish.

The Roman Catholic Diocese of East Anglia

Parish Project Approval Form (PPAF)

This form should be completed by parishes proposing expenditure on works to their buildings in excess of £5000 Appendix 6 of the Parish Handbook – Financial Accounting & Approval Procedures – provides additional guidance.

The completed form should be submitted to both The Vicar for Finance and the Director of Finance and Resources.

1. Date.....

2. Parish.....

3. Contact Details.....

4. Brief Description of Works to be undertaken

.....
.....
.....

5. Does the proposed work involve any Church Reordering? Yes/No

If Yes, has the Arts & Architecture Committee of the Liturgical Commission been consulted? Yes / No

Please give the date of their reply.....

6. Does the proposed work involve any structural alterations? Yes/No

7. Is the Church / Building Listed or in a conservation Area? Yes/No

If Yes, has the Historic Churches Committee been consulted? Yes/No

Please give the date of their reply.....

8. Is the work resulting from a Quinquennial Survey? Yes/No

If Yes, please give a detailed list of works to be completed on a separate sheet.

9. Have 3 quotations for the work been sought and enclosed. Yes/No

If not, please give details of quotation process and at least 1 quotation.

.....
.....
.....

10. The Dean must be consulted in ALL cases, please ensure this is done before sending the form.

Has the Dean been consulted? Yes/No

(If the person filling in this form is not the Parish Priest, please make sure the consultation with the Dean has taken place before sending the form)

Please give the date of his reply.....

Financing the Project

**11. What is the approx cost of the work, including Fees & VAT?**

£.....

Only an estimate of the cost is required at this stage. Until a project has been approved, every effort should be made to avoid incurring expenditure on professionals' fees

**12. Can the Parish fund the cost of the works? Yes/No**

**If No, does the Parish intend to apply for a loan from the Diocese?**

Yes/No

**If Yes, please indicate the amount required as a loan £.....**

**13. Please complete the following:-**

|  |        |
|--|--------|
| Current Balance with the Diocese                   | £..... |
| Current Balance in other local bank account        | £..... |
| Current Balance in any other accounts              | £..... |
| Current market value of investments held e.g. DITS | £..... |

**What other sources of funds will be available towards the cost of the work?**

.....

**Signature of Parish Priest** .....

**Signature of person filling in the form** .....

*If you require any assistance with the completion of this form, please telephone The Diocesan Finance Office on 01508 492540*



**Please indicate if the following are attached**

|  |               |
|--|---------------|
| <b>Evidence of full parish consultation (for major projects)</b> | <b>Yes/No</b> |
| <b>Plans / Drawings</b>  | <b>Yes/No</b> |
| <b>Breakdown of Costs and 3 Estimates for the work</b>           | <b>Yes/No</b> |
| <b>Repayment plan to repay a loan from the Diocese</b>           | <b>Yes/No</b> |
| <b>Any other documents</b>                                       | <b>Yes/No</b> |

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We have pleasure in confirming that the Project has been approved by the Diocesan Trustees up to an expenditure figure of £ .

Conditions attached to this approval are detailed on a separate sheet.

Date

Signature

Diocesan Director of Finance and Resources

**DIOCESE OF EAST ANGLIA**

**Diocesan policy on  
PARISH FINANCIAL PROCEDURES**  
(as at 1.1.2020)

**“It is diocesan policy that there be full openness and transparency about finances at every level (parish, diocese, etc)”** (*Diocesan Pastoral Plan*, p. 58).

As with all matters involving interaction between parish and diocese, the financial procedures required of each parish by the diocese should be seen in the context of the integral place of parishes within the diocese, rather than a setting of tension between the two.

This Policy contains simply the bare outlines of the policies and procedures contained in the *Diocesan Parish Handbook* compiled by the Diocesan Finance Team. It should be read in that context and in the light of any other formal communication from the Diocese Finance Team.

The procedures in the Parish Handbook comply with the stringent financial and accounting regulations introduced as part of the 1993 Charities Act. Parishes are an integral part of the Diocese, and the Diocesan Trustee is obliged to account for all funds connected to or under its control. From 1<sup>st</sup> January 1997, the accounts of all parishes have been aggregated with the diocesan central accounts so as to give the complete financial position of the Diocesan Charity and to provide the basis for an external audit of the Charity.

Although parishes have a distinct existence codified in Canon Law (Canon 515), and the Parish priest acts in the person of his parish (Canon 532), the parish priest is subject to the provisions of Canons 1276 and 1287. Under Canon 1276, the Bishop has an obligation to supervise the administration of all goods which belong to parishes; if the Bishop is not satisfied with the administrative arrangements within a parish, he may issue directions to regulate its affairs. Under Canon 1287, an annual “account of administration” must be submitted by the parish priest to the Bishop for consideration by the diocesan finance committee.

**The basic principles required by the diocese are outlined in the Parish Handbook:**

1. General Requirements of Diocesan & Parish Accounts
2. Collections and Banking
3. Banking with the Diocese
4. Parish account with the Diocese
5. Annual Parish Financial Return (with Appendix 2)
6. The Audit Process
7. General Data Protection Regulation (GDPR)
8. Parish Finance Committees (with Appendix 5)
9. Approval Procedures for Parish Building Projects (with Appendix 6)
10. Taxation Issues for Parishes

**1. The Parish Priest and the Diocese**

1.1 “In all juridical matters, the parish priest acts in the person of the parish, in accordance with the law. He is to ensure that the parish goods are administered in accordance with Canons 1281-1288” (Canon 532). Although he may delegate others to carry out certain functions, it is always in the parish priest’s name that these duties are carried out.

1.2 Under the 1993 Charities Act, the Diocesan Trustee is ultimately responsible for the assets held within parishes. In practice, these obligations are delegated to the parish priest, but the exercise of these obligations has to be monitored by the Diocesan Trustee which is entitled to receive regular financial and other reports of the parish priest’s stewardship.

## 2. The Parish Finance Committee

- 2.1 Every parish is required to establish a Finance Committee (Canons 537 & 1280). When fully developed, such committees provide a key way in which lay people can participate responsibly in the administration of the parish, helping to relieve the parish priest so that he can concentrate on his pastoral and priestly ministry. Every parish should make full use of such a committee, which should care not only for the parish finances but also the general oversight of the maintenance and repair of church properties. Such a committee should make full use of professionals in the parish: e.g. qualified accountants, people with banking experience, architect, solicitor, health & safety officer, etc.' (cf. *Diocesan Pastoral Plan*, p. 58)
- 2.2 Besides such canonical requirements, and our Catholic teaching on co-responsibility, it is most unwise for any priest to administer a parish single-handedly. The parish priest is more likely to meet his canonical and civil law obligations if he works closely with those parishioners who have the range of specialist expertise required.
- 2.3 The Finance Committee must follow the principles of good housekeeping outlined in Canons 1281-1288. Appendix 5 of the *Parish Handbook* provides guidelines for setting up a Parish Finance Committee. A Parish Finance Committee should be constituted by the parish priest, any assistant priests and deacons (*ex officio*) plus at least four lay Catholics appointed by the parish priest, to include the parish treasurer. Consideration should also be given to appointing the Parish Gift Aid Officer to the Finance Committee. See Appendix 5 of the *Parish Handbook* for further details.
- 2.4 The duties of the Parish Finance Committee are derived from Canons 1281-1288. This involves assisting the parish priest to fulfil his responsibilities in the following matters:
- 2.4.1 Consideration of the parish's finances as a whole, including weighing the merits of one proposal against another, determining priorities and advising on funding for the parish's annual revenue and capital requirements.
  - 2.4.2 Assisting with fundraising, e.g. through a parish appeal or promotion of planned giving via standing orders.
  - 2.4.3 Safeguarding and conserving all parish property and goods, including regular inspections, insurance and the preparation of an inventory of parish assets.
  - 2.4.4 Advising on the maintenance of buildings and development projects.
  - 2.4.5 Observation of the laws relating to contracts of employment, including HMRC requirements.
  - 2.4.6 Ensuring that proper records are kept and the annual accounts are prepared and published at the due time and in accordance with the requirements of the Diocesan Finance Board.
  - 2.4.7 Prepare an annual budget of income and expenditure, and measure progress regarding that budget. See Appendix 4 for Guidance Notes for Producing a Parish Budget. The *Code of Canon Law* states: 'It is earnestly recommended that administrators draw up each year a budget of income and expenditure' (*Canon 1284.3*).
  - 2.4.8 Ensure that at all stages in reaching decisions, adequate attention is given to finance.
  - 2.4.9 Ensure that the parish meets other legal requirements, for example with regard to Health and Safety and GDPR.

- 2.5 The Parish Finance Committee is only an advisory body. It does not represent the parish, but is appointed by the parish priest to support and advise him in his sound administration of the material and financial assets of the parish. Neither the Committee nor any of its officers (Chair, Treasurer, Secretary, etc) may act independently of the parish priest.
- 2.6 As with the Parish Pastoral Council, however, membership of the Finance Committee should enable suitably qualified lay people to play their full part in parish planning and decision making.
- 2.7 The parish priest should fully consult the Parish Finance Committee about any proposed substantial expenditure.
- 2.8 The Finance Committee must play a central role in the initiation and furthering of major projects in the parish, for example the building of a new church, parish hall, etc. No parish priest has all the expertise needed to progress such a project on his own (financial, architectural, legal, etc). The diocese will not approve any project unless such structures are effectively in place.
- 2.9 Moreover, diocesan policy now requires that any major projects in the parish are the subject of full consultation in the parish. The opinions of the local Dean will also be sought (cf. *Diocesan Policy on Parish Structures for Lay Participation*, 1.4). See 3.5.4 below.

### **3. Diocesan Approval for Parish Building Projects**

- 3.1 In some cases, consultation at a diocesan level is essential. Appendix 6 of the Parish Handbook explains when and how a parish is required to obtain diocesan approval of proposed expenditure.
- 3.2 Diocesan approval is not required if the proposed expenditure
- (a) does not involve any re-ordering of the church,
  - (b) is below £5000 and does not involve any structural alterations to parish buildings and/or does not form part of a larger scheme,
  - (c) it can be funded from parish funds,
  - (d) and it does not relate to a listed church or a church in a conservation area.
- 3.3 Generally speaking, the approval of the Diocese is required if proposed expenditure exceeds £5000. In some cases, however, even expenditure under £5000 requires such approval.
- 3.4 Diocesan approval is required if the proposed expenditure involves one or more of the following:
- (a) any re-ordering of the church
  - (b) expenditure is below £5000 but involves structural alterations or a diocesan loan, or is part of a larger scheme
  - (c) proposed expenditure is over £5000
  - (d) it relates to a listed church or a church in a conservation area, and the work affects the character of the building.

Appendix 6 gives clear guidance in such cases.

- 3.5 Full completion of a Parish Project Approval Form (PPAF) is essential for any diocesan consideration of expenditure requiring diocesan approval.
- 3.5.1 It is essential that the PPAF and relevant supporting documentation be received at the diocesan office at least 10 days before the diocesan meeting at which it is to be

discussed, to allow due consideration by the meeting. The dates of all such meetings are given on the Diocesan website.

- 3.5.2 Parish committees should familiarise themselves with the role of the Diocesan Building Sub-Committee (DBSC) and be aware of the Terms of Reference under which it acts.
- 3.5.3 The PPAF requires that the Dean be consulted.
- 3.5.4 In accordance with the Diocesan Policy on Parish Structures for Lay Participation (1.3, 1.4 & 1.5), major proposals always require evidence of full and open discussion by the whole parish community; the provisions of 1.4 in particular should be noted and followed.

1.4 No major decisions about the life, worship, mission or property of the parish should be made without adequate opportunities being offered for full and open discussion by the whole parish community. Although the parish priest will also have to weigh other factors, including the requirements of the diocese of which each parish is an integral part, full consideration should always be given to the views expressed by the parish, and to any vote taken. The way of consensus should be sought whenever possible, with ordained ministers and lay faithful working together in partnership. When the Bishop, Diocesan Finance Board, etc, are asked to approve decisions proposed by a parish priest, a full report of the process of consultation and collaboration will be required, along with particularly detailed justification when a proposed decision does not appear to have widespread parish support.

1.5 When such a major decision is being proposed, an established Parish Pastoral Council or steering group should facilitate an open meeting of the parish to discuss the matter rather than limit discussion to the members. This might simply mean opening a particular meeting of the Council to all parishioners.

#### **4. Other Spending**

- 4.1 As well as expenditure on building projects as outlined above, parish spending on any item or project (including salaries, etc) over £5000 requires the approval of the Diocesan Finance Board. Spending on items or projects under £5000 does not require approval so long as that spending is not part of a larger scheme which amounts to over £5000.
- 4.2 Any proposed spending over £5000 must first be discussed and minuted at a Parish Finance Committee meeting. A Parish Spending Approval Form (PSAF) is then to be sent to the Diocesan Director of Finance and Resources for discussion by the Diocesan Finance Board.
- 4.3 The PPAF provisions outlined above in 3.5 also apply to a PSAF.

#### **5. Further Financial Matters**

- 5.1 Appendix 3 of the *Parish Handbook* contains mandatory guidance on 'best practice' regarding a range of financial procedures, incorporating recommendations from audit reviews in parishes. The Diocese strongly urges Parish Finance Committees to keep these issues on the agenda for their meetings, comparing current practice with the recommendations on each matter. Parishes which adhere closely to these guidelines, as is expected, will not go far wrong.
- 5.2 The accounting system of each parish must record (a) the total income of the parish, (b) total expenditure and (c) monthly and end-of-year bank reconciliations. It is essential that parishes distinguish carefully between general funds and funds for restricted purposes.

- 5.3 Parishes must keep all accounting records for a further six years after the end of a financial year on 31<sup>st</sup> December.
- 5.4 Parishes are required to send in their budget, year-end bank statement and their annual Parish Financial Return to the Diocesan Accountant at the latest by the end of February. Parishes are requested to send in their half yearly Financial Return by the end of August.
- 5.5 A schedule of Diocesan Levies (currently a total of 37% of Offertory Collections) has been agreed over the years, which support our Priests Pension Fund (8%), the Ministerial Training Fund (1%), our Catholic Schools (20%), and General (8%). All proposals to change such levies will be agreed by the Bishop only after discussion with the College of Consultors and Council of Priests, and after an opportunity for parish priests to discuss the matter with their Finance Committees. Diocesan Levies are in addition to passing onto parishes a share of the national levies on the diocese.
- 5.6 The annual schedule of Mandatory Second Diocesan Collections is required of all parishes. The sum collected should be sent to the Diocesan Finance Office (or elsewhere if stipulated) within a few weeks of the collection being taken, and certainly not left beyond the financial year.
- 5.7 Every parish should publish its annual accounts, so that parishioners can know how the money they give is used.
- 5.8 Parishes are strongly encouraged to deposit surplus funds with the Diocese, which operates rather like a bank, for the benefit of all the parishes of the dioceses. See Section 3 of the *Parish Handbook* for further details.
- 5.9 Parishes involved in the purchase or sale of buildings or land, boundaries, covenants, easements, etc, are required to use the diocesan estate agents and solicitors.
- 5.10 If a Parish Pastoral Council or equivalent, Parish Finance Committee or individuals have an issue with diocesan procedures or decisions, these should be taken by the chairperson or others to the Parish Priest, as the one entrusted with the care of the parish by the Bishop. He should then take the issue to the Dean for an initial discussion. The Parish Priest (with the Dean if appropriate) is then invited to discuss the matter with diocesan officers (e.g. Vicar for Finance, Diocesan Director of Finance and Resources and one or more Diocesan Trustees), who may then take the matter to the Bishop and Diocesan Trustees at the Diocesan Finance Board meeting.

***Careful fidelity to all the procedures outlined in this document should help to ensure the full compliance of all parishes, as integral parts of the diocese, with both Canon and Civil Law.***

## DIOCESE OF EAST ANGLIA

### Appendix 7a

#### Diocesan Financial Structures

##### The Diocesan Structure

*This document presents only the basic outlines of our diocesan financial structures.*

1. The Bishop has appointed a **Vicar for Finance**, whose specific role is to oversee in his name financial and other related procedures undertaken within the diocese and its parishes, with a view to ensuring that these are conducted in accordance with the diocesan trust deed and diocesan policies, and meet the requirements of the Charity Commission. He is a member of the Diocesan Finance Board and Chairman of the Diocesan Buildings Sub-Committee (see below) and the Diocesan Finance Sub-Committee. This appointment is aimed in particular at supporting parishes so that they all conduct their finances and building projects within the requirements laid down by Canon Law, civil law and the diocese. This includes the establishment and full use of a Finance Committee in accordance with the diocesan guidelines, together with the preparation of annual parish budgets (Canon 1284). Comprehensive guidelines to assist our parish priests in the application of Canons 1280 & 1284 are provided in the Parish Handbook.
2. The Diocese of East Anglia is registered with the Charity Commission, and has the benefits of full charitable status. **The East Anglia Roman Catholic Diocese Trustee** is a company limited by guarantee and acts as a Custodian Trustee Company. The Trustees (the Bishop, four priests, and four or five lay people with particular areas of expertise) have a special responsibility for ensuring that the diocese pursues its objects as set out in the Trust Deed, that it acts within the civil law, that all its money and assets are prudently managed and efficiently and properly used, that adequate financial procedures are in place and observed, etc.
3. The Trustees meet quarterly, sitting as the **Diocesan Finance Board** together with other lay advisors who include the Director of Finance and Resources, the Director of Schools and the Diocesan Property Advisor. The financial affairs of the diocese are overseen by this Diocesan Finance Board (cf. Canon 492) which receives financial reports from the Director of Finance and Resources and the Diocese's appointed auditors (Price Bailey LLP). The Finance Board exists to advise the Bishop in his administration of the temporal goods of the diocese.
4. All the financial activities of the Bishop, Diocesan Finance Board and Diocesan Director of Finance and Resources are subject to the provisions of Canons 1273-1289 of the *Code of Canon Law*.
5. The work of the Diocesan Finance Board is supported by the **Diocesan Finance Sub-Committee** which advises on the budget and proper use of resources, the **Diocesan Buildings Sub-Committee** which advises on the prudent use by parishes of their funds in building projects, and the **Diocesan Schools Service Commission**, which works under the direction of the Diocesan Finance Board on the largest area of diocesan spending, that of our Catholic schools.
6. The day-to-day financial affairs of the diocese are administered by the small **Diocesan Finance Team** in liaison with an appointed firm of external auditors and accountants and in cooperation with parishes, schools and religious orders.
7. The Diocesan Finance Team comprises the Diocesan Director of Finance and Resources (cf. Canon 494), the Diocesan Accountant and the Administrator who deals with Gift Aid and **Alive in Faith** and the PA to the Director of Finance and Resources, who also supports the wider office and Diocesan staff and clergy.

8. Besides the duties outlined in Canon 494, the **Diocesan Director of Finance and Resources** has been entrusted by the Bishop in accordance with Canon 1278, with the administration of all the goods of the diocese (cf. Canon 1276.1), always subject to the Bishop and the Diocesan Finance Board.

'In each diocese a financial administrator is to be appointed by the Bishop, after consulting the College of Consultors and the finance committee...' (*Canon 494.1*)

'It is the responsibility of the financial administrator, under the authority of the Bishop, to administer the goods of the diocese in accordance with the plan of the finance committee, and to make those payments from diocesan funds which the Bishop or his delegates have lawfully authorised.' (*Canon 494.3*)

'At the end of the year, the financial administrator must give the finance committee an account of income and expenditure.' (*Canon 494.4*)

'Beside the duties mentioned in Canon 494, the diocesan Bishop may also entrust to the financial administrator the duties mentioned in Canon 1276.1 and 1279.2.' (*Canon 1278*)

'Ordinaries must carefully supervise the administration of all the goods which belong to public juridical persons subject to them, without prejudice to lawful titles which may give the Ordinary greater rights.' (*Canon 1276.1*)

9. **'Public juridical persons'** above includes all the parishes of the diocese (*Canons 113-123*).
10. The audited financial accounts of the diocese as a whole, inclusive of parish funds (which are separately identified), are published annually. In civil law, the Diocese is considered to be a single legal entity and this means that the Bishop and Trustees may, in order to ensure compliance with civil law, have to intervene in circumstances where canon law may suggest otherwise.
11. The funds belonging to parishes and other trusts are reported half yearly and reviewed by the Diocesan Finance Board.
12. **Those funds belonging to the diocese** rather than to Parishes and Trusts are separately identified and categorised as follows:
- 12.1 **The Diocesan Unrestricted Fund**  
This fund comprises monies which may be utilised at the discretion of the Diocesan Finance Board towards meeting general running costs such as payment of salaries, professional advisors' fees and costs of operating the various diocesan commissions and services.
- 12.2 **The Diocesan Schools Service Commission Fund**  
This fund is designated for use towards the running costs of the Diocesan Schools Service Commission and the cost of upkeep of our schools' premises.
- 12.3 **The Diocesan Priests' Pension Fund**  
This fund is designated for use towards the cost of providing an income for our diocesan priests in their retirement.
- 12.4 **The Diocesan Priests' Training Fund**  
This fund is designated to the seminary formation and ongoing formation of priests.
- 12.5 **The Diocesan Ministerial Training Fund**  
This fund is designated for use for the initial and ongoing formation and training of our priests, deacons and lay people involved in ministry.



### 13 Notes on the above funds

13.1 Income to each of these 5 diocesan funds comes primarily from an annual levy on each parish, calculated as a percentage of Offertory Collection. The levy required to support each fund is reviewed every three years by the Diocesan Finance Board and agreed after consultation with the Council of Priests. The levy is deducted half yearly from each parish account held with the Diocese, in accordance with the guidelines provided in the Parish Handbook. (Canon 1263)

13.2 Budget forecasts for use of each fund are presented annually to the Diocesan Finance Board.

13.3 Performance of each fund is reviewed half yearly by the Diocesan Finance Board

13.4 The accounts for each fund are published annually on the Diocesan website and summarised in the yearbook

14 As required by Canon 1274.1, there is also within the diocese **The East Anglia Diocesan Dependent Priests' Fund** to ensure social welfare for priests in time of infirmity, sickness or old age. 'The purpose of this Fund is to assist the Bishop of the Diocese in the care of Secular Priests of the Diocese of East Anglia, who are permanently or temporarily incapacitated by old age, infirmity, illness or accident' (*Rules of the Fund, Chapter 1*)

15 The Diocese has established a restricted fund for pledges made to the Alive in Faith fundraising appeal. This fund is restricted to expenditure on retired priests, seminarians, social outreach and parish projects. The fund is overseen by a Supervisory Committee chaired by the Vicar for Finance or another member of the clergy appointed by the Bishop.

16 The Diocese has established a separate charity, the **Cathedral of St John the Baptist Trust**, which is responsible for the maintenance of the Cathedral complex and the operation of the Narthex. Trustees are appointed by the Bishop to reflect the interests of the Cathedral and the wider Diocese. The Trust is chaired by one of the Diocesan Trustees and the Diocesan Director of Finance and Resources acts as company secretary.

**The Roman Catholic Diocese of East Anglia**

**Parish Spending Approval Form (PSAF)**

This form should be completed by parishes proposing expenditure or financial commitments in excess of **£5000** other than that which is in connection with works to Parish buildings.

***Please note that for expenditure relating to buildings works, a PPAF should be completed.***

The completed form should be submitted to:- The Finance Team, the White House, 21 Ugate, Poringland, Norwich NR14 7SH

**Date**.....

**Parish**.....

**Contact Details**.....

**Brief Description of Proposed Expenditure**

.....  
.....  
.....

**Has this proposal been discussed and minuted at a Parish Finance Committee meeting? (Please provide a copy of the minutes)**  
Yes/No

**Has the Dean been consulted? (Diocese will notify the Dean)** Yes/No

**What is the approximate amount to be spent?**  
£.....

*Only an estimate of the cost is required at this stage. Until a project has been approved, every effort should be made to avoid incurring expenditure on professionals' fees*

**Can the Parish fund the cost of the project?** Yes/No

**If No, does the Parish intend to apply for a loan from the Diocese?** Yes/No

**If Yes, please indicate the amount required £.....and complete the following:-**

|  |        |
|--|--------|
| Current Balance with the Diocese                   | £..... |
| Current Balance in other local bank account        | £..... |
| Current Balance in any other accounts              | £..... |
| Current market value of investments held e.g. DITS | £..... |

**What other sources of funds will be available towards the cost of the project?**

.....

**Please indicate if the following are attached**

|  |        |
|--|--------|
| Minutes of the discussion at the Finance Committee                     | Yes/No |
| Drawings   | Yes/No |
| Breakdown of Costs   | Yes/No |
| Budget forecast (to evidence ability to repay a loan from the Diocese) | Yes/No |
| Other  | Yes/No |

**Signature of Parish Priest .....**  
*If you require any assistance with the completion of this form, please telephone  
The Diocesan Finance Team on 01508 492540*

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We have pleasure in confirming that the Project has been approved by the Diocesan Trustees up to an expenditure figure of £ . Conditions attached to this approval are detailed overleaf.

**Date**  
**Diocesan Director of Finance and Resources**

**Signature**

**DATA PROTECTION SCHEDULES**

**DIOCESE OF EAST ANGLIA**

**PRIVACY NOTICE FOR EMPLOYEES**

**1. ABOUT THIS DOCUMENT**

1.1 During the course of our business activities we process personal data (which may be held on paper, electronically, or otherwise) about our employees and other workers, and we recognise the need to process such data lawfully, fairly and in a transparent manner. The purpose of this policy is to make you aware of how we will do so.

1.2 This policy does not form part of any employee's or other worker's contract of employment or engagement and we may amend it at any time.

**2. DETAILS ABOUT US**

2.1 We are the Diocese of East Anglia {"the Diocese"}, a registered charity in England and Wales with number 278742.

2.2 The current legislation that applies to our processing of personal data is the General Data Protection Regulation ("GDPR"). We are registered under GDPR with number Z4781119. All relevant laws are together referred to in this policy document as the "Data Protection Legislation".

2.3 The Diocese is responsible for ensuring compliance with the Data Protection Legislation and with this policy. Any questions about the operation of this policy or any concerns that the policy has not been followed should be referred in the first instance to the Director of Finance and Resources.

**3. PERSONAL DATA WE MAY COLLECT AND PROCESS**

3.1 In connection with the employment or engagement by the Diocese of our employees and other workers, we will collect and process the categories of personal data relating to our employees and other workers set out in the Schedule to this policy. This may include data we receive directly from an employee or worker (for example, when they complete forms or correspond with us by mail, phone, email or otherwise) or from other sources (including, for example, third parties who provide employment references, customers, clients, suppliers and others), as well as Governmental and Regulatory or other authorities. Other personal data may be produced within the Diocese, such as employment and disciplinary records, to enable us to meet our legal obligations as an employer (for example to pay you), monitor your performance and to confer benefits in connection with your employment.

3.2 "Personal data" means recorded information we hold about you from which you can be identified. It may include contact details, other personal information, photographs, expressions of opinion about you, or indications as to our intentions about you. "Processing" means doing anything with the data, such as accessing, disclosing, destroying or using the data in any way.

3.3 The purposes for which we process the personal data of employees and other workers, and the legal basis on which we do so, will vary according to the category of personal data concerned. In most cases, the processing we carry out will be necessary:

1. for the performance of the contract of employment or engagement to which the data subject is party, or in order to take steps at the request of the data subject prior to entering into the contract; or

2. for compliance with a legal obligation to which we are subject; or

3. for the purposes of the legitimate interests pursued by the Diocese or by a third party, provided such interests are not overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data.
- 3.4 In certain cases, we will process the personal data where the data subject has given consent to the processing of his or her personal data for one or more specific purposes.
- 3.5 In exceptional cases, processing may be necessary in order to protect the vital interests of the data subject or of another natural person.
- 3.6 The basis on which we will usually process personal data relating to employees and other workers (based on paragraph 3.3 (1), (2) and (3) above) is set out in the Schedule to this policy, in each case by reference to the category of personal data in question; in the case of personal data processed for the purposes of the legitimate interests pursued by the Diocese, it sets out what those interests are.

The Schedule also sets out the period for which the personal data will be stored, or if that is not possible, the criteria used to determine that period, and when it will be erased.

#### **4. SENSITIVE PERSONAL DATA ETC**

- 4.1 We will only process “sensitive personal data” (also called “special categories of data” under the GDPR) about ethnic origin, political opinions, religious or similar beliefs, trade union membership, health, sex life, criminal proceedings or convictions, where a further condition is also met. Usually this will mean that you have given your explicit consent, or that the processing is necessary for the purposes of performing our obligations as the data controller or to enable you to exercise your rights as the data subject under employment law, social security law or the law relating to social protection, or for health or social care purposes.
- 4.2 Examples of how we may process sensitive personal data relating to employees and other workers include, as appropriate:
  - where we process information about an employee’s or worker’s physical or mental health or condition in order to monitor sick leave and take decisions as to the employee’s or worker’s fitness for work; or
  - where we process information about the employee’s or worker’s racial or ethnic origin or religious or similar information, in order to monitor compliance with equal opportunities legislation.
- 4.3 Information about criminal convictions will only be relevant in the case of employees or other workers with responsibilities that mean that special checks are justified, for example, criminal record checks on those working with children. For this reason, this issue is not further dealt with here.

#### **5. DISCLOSURE AND SHARING OF PERSONAL INFORMATION**

- 5.1 We may disclose personal data we hold to third parties:
  - a) if we are under a duty to disclose or share a data subject’s personal data in order to comply with any legal obligation; or
  - b) in order to enforce or apply any contract with the data subject or other agreements; or
  - c) to protect our rights, property, or safety of our employees, customers, or others, including exchanging information with other companies and organisations for the purposes of fraud protection and credit risk reduction, in which case the processing would be necessary for the purposes of the legitimate interests pursued by the Diocese, namely in order to achieve those ends.

5.2 We may also share personal data we hold with selected third parties for the purposes set out in the Schedule, for the purposes of the legitimate interests pursued by the Diocese, as set out in the Schedule.

## **6. DATA PROTECTION PRINCIPLES – OUR OBLIGATIONS**

6.1 We will ensure that your personal data is:

- a) processed fairly and lawfully and in a transparent manner;
- b) collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- c) adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- d) accurate and, where necessary, kept up to date;
- e) kept in a form which permits identification of data subjects for no longer than necessary for the purpose;
- f) processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures;
- g) not transferred to people or organisations situated in countries without adequate protection, unless there are appropriate safeguards in place, and enforceable data subject rights and effective legal remedies for data subjects are available.

6.2 We will check the accuracy of any personal data at the point of collection and at regular intervals afterwards. We will take all reasonable steps to destroy or amend inaccurate or out-of-date data.

6.3 We will not keep personal data longer than is necessary for the purpose or purposes for which they were collected. We will take all reasonable steps to destroy, or erase from our systems, all data which is no longer required.

6.4 We will process all personal data in line with the data subjects' rights.

6.5 We will process all personal data relating to employee and other workers that we hold in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measure.

6.6 We will ensure that personal data relating to employee and other workers will only be transferred to a data processor that provides sufficient guarantees to implement appropriate technical and organisational measures so that processing meets the requirements of the Data Protection Legislation and ensures the protection of the rights of the data subjects, and under a written contract that sets out (amongst other things) the subject-matter and duration of the processing, the nature and purpose of the processing, the type of personal data and categories of data subjects, and the obligations and rights of our organisation as data controller.

## **7. YOUR RIGHTS AS A DATA SUBJECT**

7.1 As a data subject, you have certain enforceable rights under the Data Protection legislation, including:

- a) the right to obtain from the controller confirmation as to whether or not personal data concerning them are being processed; and

b) if so, access to the personal data, plus a copy of the personal data undergoing processing.

7.2 You also have the right to ask for information as to:

- a) the purposes of the processing of your personal data;
- b) the categories of personal data concerned;
- c) the recipients or categories of recipient of the data;
- d) the envisaged period for which the personal data will be stored or, if that is not possible, the criteria used to determine that period;
- e) where the personal data was not collected from yourself as the data subject, any available information as to their source; and
- f) where personal data is transferred to a third country, the safeguards relating to the transfer.

7.3 In addition, as a data subject you have:

- a) the right (“right of rectification”) to obtain from us as the controller without undue delay the rectification of inaccurate personal data concerning yourself and (taking into account the purposes of the processing) the right to have incomplete personal data completed;
- b) the right (“right of erasure”) to obtain from us as the controller the erasure of personal data concerning yourself without undue delay, where:
  - i. the personal data are no longer necessary in relation to the purposes for which they were collected or otherwise processed; or
  - ii. the processing is based on your consent as the data subject, and you withdraw that consent (and there is no other legal basis for processing); or
  - iii. the processing is based on its being necessary for our legitimate interests as the data controller or those of a third party, and you as the data subject object to the processing, unless we demonstrate that the processing is based on compelling legitimate grounds which override your interests, rights and freedoms as the data subject, or that it is for the establishment, exercise or defence of legal claims;
- c) the right (“right of restriction”) to obtain from us as the controller the restriction of processing where the data is inaccurate, unlawfully processed, no longer required except for the establishment, exercise or defence of legal claims, or pending the verification whether we have legitimate grounds as the controller which override your rights as the data subject;
- d) the right (“right of portability”) to receive the personal data concerning yourself, which you have provided to us as the data controller, in a structured, commonly used and machine-readable format, and to transmit the data to another controller, where the processing is based on consent or carried out by automated means;
- e) the right (“right to object”) to object to processing based on our legitimate interests as the data controller, where these are outweighed by your interests, rights and

freedoms as the data subject, unless the processing is required for the establishment, exercise or defence of legal claims;

f) the right not to be subject to a decision based solely on automated processing, including profiling; and

g) the right to make a complaint to the supervisory authority (the Information Commissioner's Office).

7.4 For further information about your rights as a data subject, please contact the Director of Finance and Resources.

## **8. CHANGES TO THIS POLICY**

We reserve the right to change this policy at any time. Where appropriate, we will notify data subjects of those changes by mail or email.



**Schedule Data processing activities**

| Type of data subject | Type of data  | Type of processing   | Purpose of processing   | Legal basis of processing   | Type of recipient to whom personal data is transferred   | Retention period                         |
|----------------------|---|--|---|---|--|--|
| Employees/Workers    | Name<br>Address<br>Telephone number<br>Date of Birth<br>Personal email address, work email address,<br>Salary<br>Benefits<br>Bank details<br>National insurance number<br>Passport, visa, nationality<br>Medical disclosure<br>Employment/education history<br>Student loan information, court deductions,<br>Pension<br>Gender<br>Vehicle registration number<br>DIS beneficiary information<br>Employment references<br>Disciplinary/capability records,<br>Employee correspondence<br>References | Information held on personnel files and payroll spreadsheets (electronic) and in archive boxes and paper personnel files for use in payroll and employee management. | Storage of historic and current personal and employment documentation of employees, paper copies of current employment documentation                    | This processing is necessary for the purposes of carrying out the obligations and exercising the specific rights of employees in the field of their employment. It is necessary for the performance of a contract to which the data subject is party. | Internal – Shared with HR advisors<br><br>External:<br><br>Insurance companies relevant to employee insurance<br>HMRC<br>Home Office<br>Organisations dealing with benefits in kind and student loans<br>DBS checking organisation<br>A full list of third parties is available on request | <b>6 years from the employee leaving</b> |
| Employees/Workers    | Special Categories of Personal Data:<br>CRB check information, criminal conviction disclosure   | Information held on personnel files and payroll spreadsheets (electronic) and in archive boxes and paper personnel files for use in                                  | The processing is necessary for the purposes of performing or exercising obligations or rights of the Diocese as the employer or the data subject under | Storage of historic and current personal and employment documentation of employees, paper copies of current employment documentation.   | Internal – Shared with HR advisors<br><br>External:<br>Insurance companies relevant to employee insurance<br>HMRC  | <b>6 years from the employee leaving</b> |

|  |  |                                  |  |  |  |  |
|--|--|----------------------------------|--|--|--|--|
|  |  | payroll and employee management. | employment law, social security law or the law relating to social protection and the Diocese has an appropriate policy in place. |  | Home Office Organisations dealing With childcare vouchers, benefits in kind and student loans DBS checking organisation A full list of third parties is available on request |  |
|--|--|----------------------------------|--|--|--|--|

## **SCHEDULE 2**

### **NOTIFICATION TO PARISHIONERS FOR WHOM NON-SENSITIVE PERSONAL DATA IS HELD (SPECIMEN WORDING FOR INCLUSION IN PARISH NEWSLETTER AT 5 YEARLY INTERVALS)**

“In order to fulfill our requirements under The General Data Protection Regulation (GDPR) we need to notify you that the Parish holds information regarding you, which will include some of the following:

Your Name  
Your Address  
Your Telephone Number  
Date of Entry into our Register

This information is held for the purposes of maintaining our Parish Registers, our index of Parishioners and for keeping you informed. It will be updated every 5 years and will be held until no longer required. Once the information is no longer required it will be destroyed.

This information is securely held and access is restricted to the Parish Priest and those authorised by the Parish Priest.”

## **SCHEDULE 3**

### **NOTIFICATION TO PARISHIONERS WHO HAVE SIGNED GIFT AID DECLARATIONS (SPECIMEN WORDING FOR INCLUSION IN PARISH NEWSLETTER AT YEARLY INTERVALS)**

“**A reminder to all those who have previously signed Gift Aid Declaration Forms** – if any of your personal details have altered please could you contact \_\_\_\_\_ to arrange to make out a new Gift Aid Form or to cancel the existing one. Otherwise we will assume that the data we hold remains accurate.”

## **SCHEDULE 4**

### **WORDING TO BE INCORPORATED INTO FORMS WHICH SOLICIT PERSONAL INFORMATION**

#### **PROTECTING YOUR INFORMATION**

Information provided on this form, together with all other personal data held about these individuals by the Parish and the Diocese of East Anglia is processed in accordance with the Diocese's Privacy Notice which is available at [www.rcdea.org.uk/privacy](http://www.rcdea.org.uk/privacy) or from the Parish office.

## **SCHEDULE 5**

### **AGREEMENT TO BE SIGNED BY A NEW PARISH GIFT AID ORGANISER AND RETURNED TO THE DIOCESAN FINANCE OFFICE**

**The Roman Catholic Diocese of East Anglia**  
**Registered Charity No. 278742**  
**General Data Protection Regulations**  
**Agreement with Diocesan Trustees**

As Data Controller under the General Data Protection Regulations (GDPR) the Trustees are required to confirm their requirements with you.

As Parish Gift Aid Organiser you will obtain and hold personal data:

- Personal data obtained will be sufficient to enable recovery of tax paid from the Inland Revenue on the donations made under Deed of Covenant or Gift Aid, by tax paying individuals
- The information required will be specified from time to time by the Diocesan Gift Aid Organiser
- The information will be held securely and will be disclosed only to the Parish Priest, Diocesan Finance Office, Diocesan Gift Aid Organiser, HMRC and Auditors
- Any written requests by data subjects for information processed on them must be submitted immediately to the Diocesan Finance Office for action

I acknowledge receipt of this General Data Protection Regulation Statement of Particulars for Parish Gift Aid Organisers and will comply with the confidentiality requirements.

**Name of Parish**.....

**Name of Parish Gift Aid Organiser**.....

**Signature of Parish Gift Aid Organiser**.....

**Date**.....

**SCHEDULE 6**

**General Data Protection Regulation  
Form of Consent to Hold Personal Data**

**Data Controller:** The Trustees of The Roman Catholic Diocese of East Anglia

**Parish:**

**Purpose for which Data is to be held and Processed:**

**Typical Processing Activities:**

**Description of Personal Data:**

**Sources of Data:**

**Disclosure of Data:**

**Length of Time Data is to be Held:**

**Physical Security Measures Protecting Data:**

- I have read and understood the reasons why it is necessary for you to hold my personal data and I consent to the processing and disclosure in the manner described above.

NAME.....

Signed..... Date.....

[Date]

[State how delivered: e.g. By Hand or 1<sup>st</sup> Class and Registered Post]

PRIVATE & CONFIDENTIAL

[Name/address]

Dear [name]

**[CANDIDATE NAME]**

**FOR REFERENCES FROM EMPLOYERS:**

The above-named person has applied to this Church for the post of Parish Treasurer.

The applicant has advised us that [he/she] has previously worked for you and [he/she] has given us permission to contact you for a reference.

Accordingly, I should be obliged if you would complete the attached short questionnaire and return it to me in the stamped addressed envelope that is enclosed. Please either affix your business stamp to the questionnaire or return it with a sheet of your [Company/Organisation/Council/School] letterhead.

Thank you for your assistance.

**OR FOR REFERENCES FROM NON-EMPLOYERS:**

Your name has been given to me by the above named as a referee to support [her/his] application for the position of Parish Treasurer.

I would be grateful if you could provide me with any information you determine as relevant to support [name of candidate] in their application. In particular, I would be most interested to hear from you about their strengths and weaknesses.

It would also help me to know whether, if you had a similar position to be filled, you would employ [name] and, if not, what reasons you would give for not doing so.

Yours sincerely

**REFERENCE QUESTIONNAIRE**

|   |   |             |  |          |  |               |  |                               |  |            |  |                     |  |
|---|---|-------------|--|----------|--|---------------|--|-------------------------------|--|------------|--|---------------------|--|
| <b>Applicant</b>  |   |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Forename(s): _____  | Surname: _____  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| <p>1 When did the applicant work for you?</p> <p>Start Date: _____ End Date: _____</p>  |   |             |  |          |  |               |  |                               |  |            |  |                     |  |
| <p>2 What was his/her last job title?</p> <p>Please give a brief outline of the duties, level or responsibility, employees controlled, etc.</p> <p>_____</p> <p>_____</p> |   |             |  |          |  |               |  |                               |  |            |  |                     |  |
| <p>3 Reason for leaving? _____</p>  |   |             |  |          |  |               |  |                               |  |            |  |                     |  |
| <p>4 Would you re-employ?                      Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If NO, why not?</p> <p>_____</p> <p>_____</p>              |   |             |  |          |  |               |  |                               |  |            |  |                     |  |
| 5 As an employee was (s)he:   | <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">Trustworthy</td> <td style="width: 30%;">Yes <input type="checkbox"/> No <input type="checkbox"/></td> </tr> <tr> <td>Reliable</td> <td>Yes <input type="checkbox"/> No <input type="checkbox"/></td> </tr> <tr> <td>Honest</td> <td>Yes <input type="checkbox"/> No <input type="checkbox"/></td> </tr> <tr> <td>Punctual</td> <td>Yes <input type="checkbox"/> No <input type="checkbox"/></td> </tr> </table>  | Trustworthy | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     | Reliable | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     | Honest        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     | Punctual                      | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |            |  |                     |  |
| Trustworthy   | Yes <input type="checkbox"/> No <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Reliable  | Yes <input type="checkbox"/> No <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Honest  | Yes <input type="checkbox"/> No <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Punctual  | Yes <input type="checkbox"/> No <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| 6 Please rate his/her work/characteristics:   | <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">Quality</td> <td style="width: 30%;">Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/></td> </tr> <tr> <td>Quantity</td> <td>Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/></td> </tr> <tr> <td>Dependability</td> <td>Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/></td> </tr> <tr> <td>Relationships with colleagues</td> <td>Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/></td> </tr> <tr> <td>Attendance</td> <td>Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/></td> </tr> <tr> <td>Disciplinary Record</td> <td>Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/></td> </tr> </table> | Quality     | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/> | Quantity | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/> | Dependability | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/> | Relationships with colleagues | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/> | Attendance | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/> | Disciplinary Record | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/> |
| Quality   | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Quantity  | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Dependability   | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Relationships with colleagues   | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Attendance  | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| Disciplinary Record   | Good <input type="checkbox"/> Average <input type="checkbox"/> Poor <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| 7 Did (s)he have good control of staff?   | Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| 8. Did (s)he maintain discipline and control?   | Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>  |             |  |          |  |               |  |                               |  |            |  |                     |  |
| <p>9 Any other comments?</p> <p>_____</p> <p>_____</p> <p>_____</p>   |   |             |  |          |  |               |  |                               |  |            |  |                     |  |
| <p>SIGNED: _____ DATE: _____</p> <p>Position _____ Company Name _____</p> <p>Organisation stamp<br/>(or send back with letterhead)</p>                                    |   |             |  |          |  |               |  |                               |  |            |  |                     |  |