ACCOUNTING FOR PAROCHIAL FEES

A.   TABLE OF PAROCHIAL FEES

From 1 January 2013, the fees shown in the first column of the table of parochial fees **are payable to the Diocesan Board of Finance**. The fees shown in the second column of the Table of Parochial Fees are payable to the Parochial Church Council.

THE PCC WILL BE RESPONSIBLE FOR COLLECTING FEES AND ACTING AS AGENT FOR THE COLLECTION OF THE DIOCESAN BOARD OF FINANCE FEE.

Diocesan Board of Finance (DBF) fees

The DBF can direct either generally, or in particular cases, that any fee, or part of a fee which would otherwise be payable to it shall be payable to a substitute minister performing the service. An appendix to the Table of Parochial Fees, **"the Diocesan Table of Apportionment of Fees"** has been produced to show how the "Fee Payable to the Diocesan Board of Finance" is to be apportioned between the Diocesan Board of Finance and substitute ministers.

Parochial Church Council (PCC) fees

These fees should be regarded as a contribution toward the cost of the general upkeep of the church and churchyard for which the council is responsible. The prescribed fees are not, however, intended to include any payment for "extras".

For more detail on what the statutory fees cover and payments for "extras" please see the Archbishops' Council guide "A Guide to Church of England Parochial Fees" which is downloadable from the Fees page of the Church of England website.

B.   RECORD OF PAROCHIAL FEES

The Diocesan Board of Finance (DBF) requires the completion of a "Record of Parochial Fees Return" for all parishes (a sample of the record is attached to these guidelines as an appendix). You may send a Return for a benefice or group of parishes, provided that details of individual parishes are provided.

A completed "Record of Parochial Fees Return" sheet, together with the requisite payment (cheques payable to "Southwell & Nottingham DBF") should reach the diocesan office by the 15th day of the month following. To ensure that the Board of Finance has complete records for each parish **you are required to send a 'nil return' if you have no fee income.**

C.   ACCOUNTING FOR FEES

It may be that your incumbent dealt with the incumbent's fee in the past and accounted for fees received directly to the Diocesan Board of Finance, sometimes through a specially designated fees bank account, or their own personal bank account.

WE RECOMMEND THAT THE PCC TREASURER OR THE CHURCHWARDENS COLLECT FEES AND SEND THEM TO THE DBF ON BEHALF OF THE PCC USING THE RECORD OF PAROCHIAL FEES RETURN.

All cheques for fees should be made payable to the PCC. There is no need to open a separate fees bank account for the purpose of collecting fees, although if a

specially designated fees account exists and its operation is similar to that of the PCCs' main bank account (2 signatures required etc), that can continue to be used. The main PCC bank account can be used for collecting fees, although only the fee due to PCCs should be accounted for by PCCs as 'Fees for weddings and funerals'.

For instance, if the fee for a marriage is received, £381.00 (with no extras), then £175.00 is payable to the Diocesan Board of Finance (DBF) and £206.00 is payable to the PCC (see Table of Parochial Fees). The marriage service was conducted by the stipendiary incumbent of the parish. You would account for this fee as follows:

- Bank the payment made as you would normally.
- On the Record of Parochial Fees, enter the total fee paid £381.00 in the total column, the DBF fee in Column A, £175.00 and the PCC fee in Column C, £206.00.
- A payment to the DBF of £175.00 will be required at the end of the month, if this is the only fee collected. Payment can be made by cheque or bank payment, but must be accompanied by a Record of Parochial Fees Return and clearly show the reference number you have been given.
- Record the amounts as normal in your books of account, showing the total of fees received (receipts) and the amount of fees paid out to the DBF (payments).
- In your PCC accounts for the end of the year - only the PCC element of the fee should be disclosed as a PCC receipt/incoming resource. This figure will be **the net figure of the total fees received less amounts paid to the DBF**. In receipts & payments accounts, if there is an amount outstanding at the end of the year which is payable to the DBF, then this should be shown as a liability in your Statement of Assets and Liabilities. In accrual accounts a creditor balance for amounts outstanding should be recorded.

If a substitute minister officiated at the marriage service, a proportion of the DBF fee, as set out in the Diocesan Regulations and Guidelines, will be payable to the substitute minister. Record all amounts as above and on the Record of Parochial Fees enter the relevant amounts payable to the DBF in Column A and the substitute minister in Column B.

Please note the following:
   a) Team Ministries
There are a few Team Ministries where the established practice is to direct all fees from the benefice into a Team Account and then account for such fees to the Diocesan Board of Finance. We would prefer this method of accounting for fees in Teams.
   b) Assistant Curates and Parochial Licensed Lay workers
Assistant Curates and Parochial Licensed Lay workers **do not retain any fees** relating either to the benefice to which they are licensed or to any other benefice. **Any fees should be passed to the relevant PCC Treasurer/Churchwarden.**

D.   EXPENSES
The expenses of officiating ministers **should be fully reimbursed by the PCC**. PCCs are to use HM Revenue & Customs mileage rates for Retired Clergy, Self Supporting Ministers (SSMs) and Readers. Please see the HM Revenue & Customs website for the latest rates or check with the diocesan Finance Office. Please note that travel expenses for all Casual Duty and Occasional Offices should be handled locally. These are NOT payable from the fees as described in the Table of Parochial Fees or Diocesan Table of Apportionment of Fees, but in addition.