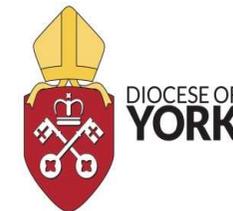


Diocese of York Cash Handling and Fee Guidelines



Revised July 2023

Introduction

These notes are intended to provide guidelines for parish clergy and treasurers regarding recommended practices for recording and controlling financial transactions. Actual instances of malpractice are very rare, but it is good to be able to show that our practices are of a standard appropriate to a public organisation.

There are a number of reasons for having sound financial procedures and controls, including;

- To protect the funds given to the church;
- To protect clergy, the Treasurer, Churchwardens, etc from unfounded allegations of malpractice;
- To provide simple and effective audit trails;

Please note that these guidelines are intended to be helpful rather than heavy-handed and bureaucratic. We realise that there may be particular circumstances where it is impractical to put them into full effect, but it is to be hoped that that will be seen as the exception, and that no opportunity is given for loopholes to open up. We would encourage parishes which choose not to adopt these recommendations to consider what alternative safeguards they might be able to implement.

1. General Parish Funds

Collections (loose cash and envelopes)

- Two people should be involved in counting the collection – where possible the individuals should not be related.
- The collection should be counted before it is taken away from the premises.
- All Gift Aid envelopes should be opened and the contents counted with the rest of the collection. The donation value should be noted on the envelope and the envelope passed on to the Treasurer (or Gift Aid Secretary) for their records.

- The total figure should be entered into the service book or other separate record and initialled by both individuals.
- Effective audit trails must be maintained to support claims for income tax repayments (Gift Aid) and, from 6 April 2013, the Gift Aid Small Donations Scheme top up. See details at <http://www.parishresources.org.uk/giftaid/smalldonations/>

These principles apply equally to special collections, e.g. at funerals. See page 6 for further advice.

Banking

- For good financial practice, all receipts should be banked without any deductions being made (eg to pay expenses for such things as church supplies, organist and choir fees etc). These should be paid separately and not deducted from receipts prior to banking.
- If there is a requirement for cash payments, a separate petty cash float for a fixed value should be used. It is recommended that this is operated on an imprest basis (where remaining cash plus receipts for money spent always reconcile to the total value of the float).
- Banking should be done as soon as possible, normally on a weekly basis. The person doing this should not take large amounts of cash home or keep it there.
- The personal security of Church Officers handling money must always be considered (eg people counting cash at the close of a summer fair, a person taking cash to the bank etc.).
- Ensure that debit card receipts are used as a means of confirming that all funds reach the bank.

Cheques

- All cheques should bear at least two signatures.
- There should normally be a minimum of four signatories, one of whom may be the incumbent.
- For any particular cheque, the payee should not be one of the signatories.
- Blank cheques should not be signed in advance of their use, even by just one signatory.
- Cheques presented for signature should be supported by appropriate documentation.

- Out of pocket and travel expenses, and allowable charges for church 'extras', are a separate matter from fees and should be treated as such.
- It is important that, by whatever means, clergy and lay officers have good enough records to be able to give an accurate and unambiguous figure for the number of weddings, funerals in church, crematorium funerals, etc during any period. That means that the fees can easily be reconciled with the parish mission returns, as enquiries are made about significant discrepancies. Incumbents may find it helpful to keep a register of funerals, listing in each case the name of the deceased, date, location and officiant. That is in addition to the legally-required register of actual burials.

Thank you for everything that you are doing to ensure good practice and administration in financial matters. Please do contact the diocesan office or your archdeacon if you have any queries.

Amanda Bloor, Andy Broom, Sam Rushton
Archdeacons

July 2023

If there is no direct involvement of a local church, the Funeral Director has been asked to give the minister a cheque made payable to York DBF. The minister will then be responsible for passing the cheque on to YDBF who will ensure that the correct parts of the fees are distributed to the appropriate parties.

Additional Charges

All of the information above relates to statutory *parochial fees*. There are other charges that a PCC can make for 'extra' services, but they must be reasonable and genuine. A PCC can charge for additional heating, but the charge must be in line with the actual extra cost. An organist's or vergers' fee may be passed directly through the PCC account. Out of pocket expenses for the officiant (e.g. mileage) may also be charged. It is not permissible to make a charge for facilities that should reasonably be covered by the PCC fee (e.g. 'administration', 'use of the PA system'), or to inflate charges to wedding couples who are not actually resident in the parish; anyone who has the right to be married in your church must be treated in the same way as resident parishioners.

Collections at funerals

The PCC is responsible for agreeing the destination of any collection taken at a service in church, including a funeral. In practice, the PCC may have a policy allowing collections for good causes at funerals and delegate the approval in each case to the incumbent. Some PCCs have a policy that collections in church should normally be divided equally between the church and the outside charity. Cash should not be taken out of church by undertakers or family, but instead it should be counted in the normal way and a cheque issued. Family members may be invited to be present whilst the collection is counted; this allows them to see any personal messages which have been included with the collection. It is essential that *all* the conditions for a collection are agreed between the church and the family before the service. It is also important that the congregation (as the donors) understand what cause(s) they are giving to, and the collection must actually go to the cause(s) in the terms stated, without any other deductions.

A final note

- All fees should be requested to be by BACS/cheque (not cash).
- These should normally be payable to the PCC.

Internet Banking

- If you choose to use Internet Banking to make payments, try to ensure that these are authorised by two people. Some banks offer charity specific accounts which allow for dual authorisation of internet payments (see [Diocese of York / Running Your Church / Finances / Online Banking for PCCs](#)). If your bank account does not allow for this, then you should ensure that there is a compensating control in place and no payments are approved and processed by one person.

2. Parochial Fees – Some background

People are required by law to pay for some services provided by the church and by clergy, including marriages and funerals. These payments are called *parochial fees*. The Table of Fees (rates) is prepared by Archbishops' Council and approved by General Synod. It is normally updated on 1 January each year. The appropriate rates are available from Finance at Diocesan House or from the Church of England website: [Life events parochial fees and guidance | The Church of England](#) We ask that you make sure you are using the current rates. Parochial fees are composed of two elements: these are 'fee payable towards the Diocesan Board of Finance' and 'fee payable to parochial church council'.

There are exceptional circumstances when fees are not charged, see below.

Fee payable towards the Diocesan Board of Finance

This element of the fee is the legal property of the DBF and helps to finance the stipend, training, development and support of the clergy.

Fee payable to parochial church council

This element of the fee is kept by the PCC as part of its general (unrestricted) income.

Can fees be waived?

There are some special circumstances in which there are no fees; there is no fee for a baptism or for the funeral or burial of a still-born baby or a child under 18 years old.

National guidance is that fees may be waived at the discretion of the incumbent or priest in charge for example, in cases of clear financial hardship. Retired clergy, curates, readers, etc do not have the authority to decide that fees should not be charged and in cases of local uncertainty please consult your archdeacon. The incumbent may not waive fees generally – they must be able to identify something about the particular case that would justify waiving the fee, and be prepared to produce a justification, if asked, as part of an audit trail. We recommend that incumbents and churchwardens should make a written note of any waivers that have been made.

The DBF will expect confirmation that in those cases where the DBF fee has been waived, a similar waiver has applied to the PCC fees. You should be aware that checks may be made by or on behalf of the archdeacons to ensure that proper records are being kept of all funerals and the associated fees.

Who may receive payment for officiating at occasional offices?

A minister who conducts a wedding or funeral may receive payment (from the DBF portion of the fee) *if and only if* they are a retired priest, who, at some stage before retirement, had a stipendiary post (i.e. received a curate's or incumbent's stipend). The rate set in this diocese follows the national recommendation of the Archbishops' Council and is equivalent to approximately 80% of the DBF fee.

It is a condition of the licence they hold, that Readers and non-stipendiary ministers may not keep any portion of the DBF's fee. They may receive out-of-pocket travel expenses, but not compensation for lost earnings. House-for-Duty clergy may not normally keep fees, but some individuals may have written permission from the bishop to retain them. Under the new regulations they would now retain the same element as would otherwise be payable to a retired priest. Ask the archdeacon or the bishop's office for advice if you have any queries in relation to these points.

Clergy who continue to have the right to retain fees

A very limited number of stipendiary clergy in the Diocese of York continue to have the right to retain fees. If this applies in your local situation, please contact Finance.

Parochial Fees – Best Practice

It is important to maintain sound audit trails and good financial control procedures over parochial fees, as with all receipts. As parochial fees are in two parts (DBF and PCC) it will be important that information flows between the two parties.

The DBF recommends that the people paying the fee (e.g. marriage couple, undertaker) should be encouraged to pay the total sum including both fee elements by BACS or cheque to the PCC. If payments are received in cash, then the cash should be kept securely and banked as soon as possible. The PCC treasurer should then issue a cheque monthly (quarterly for returns of £400 or less per quarter) for the total of the DBF's fees to the DBF, together with the appropriate benefice specific Return of Fees form which can be obtained from the Diocese of York website.

Please note if you wish to make electronic payments of the fees then always enter your benefice identity (your FWO statement code) followed by the word FEES in any reference field and email a completed copy of the fees return to: finance@yorkdiocese.org

Where a PCC receives the DBF portion of a fee and then pays it out to the DBF, the PCC is acting as the DBF's agent and these transactions do not form part of the income and expenditure of the PCC. As such these transactions do not need to be included in the annual accounts of the PCC.

Fees for Funeral Services not held in church

Guidance on handling fees for funerals not held in church, i.e. those that take place wholly at a cemetery or crematorium, has been issued to Funeral Directors. In brief, *if the minister taking the funeral is on the staff of a local church* (vicar, curate, Reader, etc) *or the arrangements have been coordinated by a local church*, then the Funeral Director is asked to make payment by cheque or BACS to PCC of that church for the whole of the fees and any out-of-pocket expenses. The PCC should then send the part comprising the DBF fee on to the diocesan office. If the service was conducted by a retired formerly stipendiary priest, the PCC should give the appropriate proportion of the DBF fee (about 80%) direct to the priest, and send the remainder of the DBF fee to the diocesan office. A table showing the exact split has been sent to treasurers.