

Financial sustainability

Our churches continue to deal with the practicalities of mission and ministry as impacted by COVID19 especially on financial sustainability. Following a prolonged period of building closure, many faithful givers now returning to worship in person have been adversely affected and churches should continue to assess the impact on their cash and their continuing ability to deliver mission and ministry.

Below is an index of tools and information for church leaders and staff which we hope will help. These tools support giving and this information should increase efficiency in managing finances as well as provides signposts to further resources.

If you have question please email wendy.hopkins@durham.anglican.org

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Funds and Reserves

Churches as charities are permitted to spend their reserves to help cope with unexpected events, including the continuing impact of the COVID19 pandemic. You must identify which of your funds or assets have restrictions on their use. Designated funds may be reprioritised by the Parochial Church Council. If there are restrictions, in some instances there may be ways to amend these, but accessing or releasing restricted funds should only be considered if other options are not available. You should seek professional advice on this or consult the Charity Commission for help and guidance.

Parochial Church Council (PCC) Meetings

All decisions on financial matters must be taken collectively as a PCC with significant decisions and actions recorded in the minutes. In line with current Church of England guidance, while Parochial Church Councils (PCCs) and Annual Parochial Church Meetings (APCM) may take place indoors PCCs can also, if they wish, continue to meet online.

Care must be taken so that members of a PCC who are unable to participate in a meeting in that way are not excluded from the PCC's deliberations and decision making. The Chair should take steps to ensure that they are able to participate so far as possible, including where necessary by means of the procedure for conducting business by correspondence set out in rule M29 of the Church Representation Rules.

Following a virtual meeting, decisions such as the authorising of expenditure, entering into contracts or those that require a formal resolution of the PCC should be put in written form and circulated for formal approval under the correspondence procedure in rule M29 (which under Rule 76 can be conducted by email).

Cash Flow Management

Many churches have seen their income decrease as cash donations and trading income has been reduced or stopped. Churches should continue to monitor and review both income and expenditure alongside funds and reserves.

Unfortunately, many charities including churches continue to experience reductions in their income. If your general income is no longer covering ongoing expenditure consider the following;

- Review the priority and nature of expenditure. Some expenditure may be no longer necessary or can the costs be reduced? Make the most of any support provided through direct debit schemes with suppliers. Seek to reschedule any loan repayments over a longer timescale;
- Cancel contracts where costs currently outweigh benefits. Check if there are any penalty charges and whether there is any option of waiving these;

- Consider deferring major buildings work which are not essential, unless funds are secured whilst prioritising essential work to keep buildings water-tight/safe/secure;
- Where necessary plan to draw down any funds on deposit taking in to account notice period required and any loss in value.

Budgeting

Regular financial reporting, planning and budgeting within your PCC are even more **essential** in such uncertain and challenging times. Budgets, whilst often overlooked, are an essential tool in managing PCC finances. Budgets focus on the key objectives and mission and are a vital mechanism for allocating funds and with cash flow monitoring improve financial reporting and serve to diminish financial surprises.

Giving

Regular giving is the primary income for churches and is vital to mission and ministry. Keep promoting the Parish Giving Scheme, or if not in place with your church, the use of standing orders, as these are the most efficient ways to support your church.

To encourage people to support the church, the following wording may be helpful; *“This church relies on donations to provide care and support to everyone in this community. Please consider giving generously. Thank you for your help.”*

Parish Giving Scheme (PGS) – When your church has registered with PGS, new givers can sign up over the phone or online via www.parishgiving.org.uk (paper forms are still available). Churches not registered with the PGS should take this opportunity. Download the PGS Registration Form from the Diocese of Durham website [here](#) or email PGS@durham.anglican.org You will need a PCC resolution to register and this can be obtained via email agreement and/or the Standing Committee.

Standing Order – If your church does not currently use the PGS, encourage standing orders. Ask those who give by weekly envelope or by cash on the collection plate to set up a standing order. Make bank details available or use a template standing order form ([available here](#)) Make the form available to your members and accessible via your church’s website, email or a closed Facebook group. Members can either print it out and post to the bank or set up an order via their online banking.

Weekly Envelopes - Where church members give by weekly envelope it is vital that they are used wisely and as intended. Encourage members to set aside their gift each week.

Online Giving and Donations - Placing appeal notices on websites and social media is standard practice and a good way to remind people that the church is a charity that needs their support.

Online giving enables giving via smartphones as well as from a computer. Creating an online giving account is simple. The National Giving Team guide you through the set up process [here](#) For the best rates please visit the Parish Buying Scheme [here](#). If your church uses management software such as ChurchSuite or IknowChurch, these programmes can be used as an online giving platform. Websites such as JustGiving also enable your church to accept online donations (other platforms are available). Links can be provided from your church website with relative ease. Use Parish Resources to view the best rates (see Further Resources).

You will need to ensure any online giving button, link or page is easily found on your church website or via QR codes. Again Parish Resources provides helpful instruction on how to share your online giving page [here](#). If your church doesn't have its own website, you can create a 'donate now' on 'A Church Near You' via the Resources Hub. Videos are available for you to communicate the continuing need for financial support and can be customised to your church. For those conducting online services, consider a virtual offering. There are some really useful and inspirational case studies available on the Parish Resources website including a link to customise videos via <https://www.pariahresources.org.uk/encouraging-giving-online/>

Telephone giving – Churches that have a 'sum up' account can accept donations payable by card over the phone. Check to ensure you have 'Virtual Terminal' enabled on your Sum Up dashboard. If not, the primary account holder must email support@sumup.co.uk and request access. Sum Up provide 'Getting Started' details for their virtual terminal facility [here](#).

Safeguarding – When encouraging your givers to give in a different way, it is so important that they fully understand any changes, in line with the Fundraising Regulator Code (see Further Resources)A helpful guide for churches on applying the Code of Fundraising practice is available [here](#).

Gift Aid and Gift Aid Small Donations Scheme (GASDS)

Churches can claim gift aid on regular and one-off donations. Where donations are made, ask if the giver is a UK taxpayer who is eligible to 'Gift Aid' their gift. You will need to make a note of the donors Title, Initial, Last Name, House Number or Name and Postcode, and be able to identify their gift in church accounting records e.g. bank statements. The church does not need a signed copy of this declaration, but instead you must provide a copy of the declaration to them (email is ideal) and retain details of when you provided this

One off gifts of £30 or under by cash or contactless ONLY are eligible for GASDS. If collecting envelopes keep these and records as proof of regular small gifts.

It is best to advise givers to set aside regular gifts, and once collected, record a list with dates for your records so that churches are in the best position to make and support a later GASDS claim. Please remember that electronic bank transfers and cheques are NOT eligible for GASDS, but contactless payments are.

2021 Year End Reporting

The annual reporting requirements are stipulated in **the Church Representation Rules 2020 (Part 9)** available [here](#).

In 2021 parishes should (again) refer to the impact of the pandemic in the annual accounts and trustees annual report in order to provide readers with an explanation of the extent to which the pandemic continues to impacted mission, ministry and finances.

For **Receipts and Payments** accounts, note the impact on church activities, its benefactors, finances and the reserves policy. For **Accruals** accounts you must also state whether the parish is a Going Concern – the assumption that the organisation will still be operating in 12 months after the accounts were signed. If there is significant uncertainty, explain this in the annual report and what action the PCC is taking to address the issue.

The Return of Parish Finance annual statistical return to the National Church will again be collected in mid-June (2022). The deadline for returning copies of your annual report and accounts to the Diocesan Office is 28 days after your parish APCM, which should be held by end of May 2022. Reports should be emailed to Diocesan.Office@durham.anglican.org or posted to Cuthbert House, Stonebridge, Durham, DH1 3RY.

For Registered PCCs, the Charity Commission require organisations to file their annual reports on time, this being 31st October 2022 for all PCCs.

Further Resources

Further guidance is available from the National Church via the **Parish Resources** website [here](#)

All parishes in the Diocese are block members of the [Association of Church Accountants and Treasurers \(ACAT\)](#)

To access ACAT online facilities please email wendy.hopkins@durham.anglican.org for a copy of the username and password.

The **Charity Commission** published COVID 19 guidelines [here](#)

The Charity Aids Foundations (CAF) have a free and helpful directory of funds and resources available to organisations [here](#).

The Charity **Stewardship** publishes Resources and Guidance for Churches and regular updates are posted [here](#).

Stewardship provide a cash flow explanation [here](#) (April 2020).

The Fundraising Regulator Code of Practice (updated June 2021) is available [here](#)

The Church of England has provided a live webinar 'Receiving Online Donations' via its Digital Labs service [here](#).