

Financial sustainability during the Coronavirus

Areas of concern for many of our churches are the practicalities of financial sustainability during the outbreak. As our buildings have had a period of closure and faithful givers being potentially impacted, many churches will have to assess the impact on their cash and the ability to finance mission and ministry.

We have put together an index of useful tools and information for church leaders and staff to refer to during the outbreak which we hope will help lessen the impact. Not every point will suit your church or its members but our hope is that you will be able to try some of the tools and suggestions below.

This is a working document that is being updated regularly.

If you have questions about these issues, or have any additional questions, please email Samantha.amsden@durham.anglican.org

Revision Date	List of Changes	Author
April 2020	First Version	Samantha Amsden
29 th May 2020	Online Donations & Safeguarding GASDS Government Support –grants Examination Guidance	Samantha Amsden
September 2020	Reopening Churches & Safe giving Government Support Measures - update Additional Coronavirus Funding	Samantha Amsden
December 2020	Giving - Online Donations Employees & Job Retention Business Rates Relief & Grants 2019 & 2020 Year End Reporting	Samantha Amsden
March 2021	Giving – PGS Employees & Job Retention Business Rates Relief & Grants 2020 Year End Reporting	Samantha Amsden

This document will be kept under review and updated as events develop, with each update issued as a new version. The current version will always be available to download from the Diocese of Durham website via the Covid-19 page.



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Funds and Reserves

Churches as charities are permitted to spend their reserves to help cope with unexpected events like those unfolding at present. You should identify which of your funds or assets have restrictions on their use. Designated funds may be reprioritised by the PCC. 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. All decisions on such financial matters should be taken collectively as a PCC with significant decisions and actions recorded in the minutes.

Cash Flow Management

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

Monitor the level of reserves and whether these are accessible in light of any restrictions. Shortfalls in income have been experienced for all charities at this time. If general income is no longer covering expenditure consider the following;

- Review the priority of expenditure, can some payments be deferred? Some expenditure may be no longer necessary such as heating and some administration costs. Talk to utility and insurance providers and offer to spread payments out over the year. 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.
- Defer all but essential maintenance to church buildings e.g. only work to keep buildings water-tight/safe/secure.
- Draw down any funds on deposit with consideration given to any notice period required and loss in value.
- Have a conversation with your clergy about whether it is financially possible for them to defer payment of expenses.

Stewardship have produced a cash flow explanation [here](#) and a very simple example statement via <https://www.stewardship.org.uk/downloads/plan-a.pdf>

Giving

Regular giving is the primary income for churches and is vital to sustain mission and ministry. Let your church members know that they can continue to support the church through the Parish Giving Scheme (PGS) or by setting up a Standing Order. 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 - If your church has registered with PGS, new givers can now sign up over the phone or online via www.parishgiving.org.uk in addition to completing a paper gift form. Churches not yet registered with the PGS can take steps now to register. Download the PGS Registration Form from the Diocese of Durham website [here](#) or email PGS@durham.anglican.org. The PCC resolution can be obtained via email agreement and/or the Standing Committee.

Standing Order – If your church does not currently use the PGS, standing orders will be of benefit to you in the current climate. Ask those who currently 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](#)), just amend the details in red to suit your church. 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 continue to give by weekly envelope it is more vital than ever before that they are used wisely and as intended. Encourage members to set aside their gift each week. As circumstances change, their gift can either be collected at reasonable intervals if possible (according to current government guidelines), or let members know when the church is open and that they can bring their envelopes at those times or leave in a safe place, or with a nominated officer.

Online 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 support.

Online giving enables giving via smartphones as well as from a computer. Creating an online giving account is simple. A helpful video is available [here](#) to guide you through the set up process. For the best rates please visit the Parish Buying Scheme [here](#)

The Church of England also provides a live webinar ‘Receiving Online Donations’ via its Digital Labs service. The webinars are free to attend and resume in the new year. You can register via Digital Labs [here](#). Alternatively, a previous recorded version is available [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. (Refer to Parish Resources to view the best rates).

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 ([available 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 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 – If asking your givers to give in a different way, it is important that they fully understand any changes. It may be helpful to familiarise yourself with the Fundraising Code of Practice which was revised in October 2019. A helpful guide for churches on applying the Code of Fundraising practice is available [here](#).

Safe giving in Church – As churches reopen, you will need to assess the risks associated with giving and cash handling. Churches are not currently permitted to pass a collection plate but instead can provide a safe place to collect cash donations. Churches should encourage donors to use online giving and contactless resources instead. Considerations include:

- Providing safer ways to give, via the Parish Giving Scheme, standing order or via an online provider.
- If using contactless units, provide hand sanitiser and wipes alongside screens and devices.
- Handle cash as little as possible, only have one person handle cash when counting and maintain strict hygiene routines, providing gloves and hand sanitiser.

Gift Aid and 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 donor's 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. A template is available [here](#).

One off gifts of £30 or under by cash or contactless ONLY are eligible for GASDS. If collecting envelopes keep envelopes and records as proof of regular small gifts. In normal circumstances 12 gifts of £20, would be eligible for GASDS, but one gift of £240 would not be. During the COVID 19 crisis HMRC would accept separate weekly envelopes containing £30 or less given when churches re open as eligible for GASDS. Alternatively one envelope with a declaration which clearly states how much was being donated each week would also be eligible. For example: If a donor sends (say) £40 "to cover the next four weeks" then this would be eligible as £10 per week provided it is made clear (date provided for the weeks covered) that it is four separate donations in the same envelope.

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.

Gift Aid declarations can be made via contactless payments taken via the 'give a little' app when used with the Sum-up card payment machine. There is usually a charge for this facility through the 'premium' version however Gift Aid declarations are now available free of charge (see Free Software for further information).

Employees and Job Retention

If your church runs a PAYE payroll scheme and has used the 'furlough' scheme, note that the scheme has had a further extension up until 30 September 2021 . ATT have published a helpful briefing on the updated CJRS available [here](#)

COVID-19: guidance for employees, employers and businesses is available [here](#)

For other workers outside of a PAYE scheme e.g. cleaners, church officers, organists, etc. they will be working under contracts of employment, be a business on their own account, or otherwise be genuinely self-employed. Such workers are entitled to payment for any services rendered. If no work is done, there is no entitlement to pay. Those who are self-employed are not entitled to sick pay unless their earnings are liable for class 1 National Insurance Contributions (e.g. where an individual is a director of their own limited company). This means that, for example, organists who are not on contracts of employment but are self-employed will not be entitled to payment during any period when they are unable to play at church services or perform the other duties of their role. The Government has announced a package of support for the self-employed and you should encourage any self-employed workers to seek Government guidance.

Additional Government Support Measures

In addition to the Job Retention Scheme, the Government has announced a range of measures that may be applicable to your church. Any support provided will likely evolve over time.

Business Rates Relief and Grants - The Local Restrictions Support Grant (LRSB (Closed) Addendum) supports organisations that have been required to close due to national restrictions. Your organisation may be eligible if it occupies property on which it pays business rates (and is the ratepayer) and has been unable to provide its usual service from its premises. For example, this could include non-essential leisure, sports facilities and hospitality provided through a church hall. You will need to visit your local authority website to find out how to apply or in most cases if you have previously applied for a Covid business support grant and are affected by the latest lockdown your local authority should use the details you previously supplied to make a new grant payment. Any new applications need to be received by 31 March 2021 when most of the grant schemes close.

National Lottery Community Fund - The Government allocation of funding to the Coronavirus Community Support Fund (CCSF) has now closed to new applications. You can still apply for emergency National Lottery funded grants in England to help your community through COVID-19. The National Lottery want to support projects and organisations playing a vital role in helping their communities during the pandemic and will prioritise organisations supporting people and communities who experience disproportionate challenge and difficulty as a result of the crisis. This category includes, for instance, organisations supporting older people; disabled people (including people with long-term health conditions); LGBTQ+ and Ethnic minority communities. It also includes organisations who provide advice and support to those pushed in crisis as a result of the pandemic and those organisations supporting people and their families with end-of-life care. You can apply [here](#)

A useful summary of additional measure that may be applicable can be found [here](#). This provides information on:

- Job Retention Bonus
- Supporting the self-employed
- VAT deferral
- Tax - Improved Time To Pay arrangements
- Paying Statutory Sick Pay (SSP)
- Potential tax issues arising from international travel restrictions
- Package for Innovative Businesses: Future Fund and £750m R&D commitment

Additional Coronavirus funding

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

Parish Share

Parish share is vital to pay clergy stipends across our diocese. If you currently contribute parish share by sending a cheque to Cuthbert House these will still be collected, but to reduce the need for diocesan staff to travel, please consider making payments by standing order.

Please pay to the **Durham Diocesan Board of Finance** at the National Westminster Bank plc,

GENERAL Account No: 05120055

Sort Code: 52-30-44

Please include the account reference for your parish available [here](#). Or contact Maureen.clark@durham.anglican.org. Please get in touch with Maureen if you think you may not be able to keep up your regular payments.

2020 Year End Reporting

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

Parishes will have to refer to the impact of the pandemic in the annual accounts and annual report and provide readers with an explanation of what has happened, including the opportunities created. For **Receipts and Payments accounts**, note the impact on church activities, its benefactors, finances and the reserves policy.

For **SORP accounting**, you must 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.

Please note that audits and independent examinations may not be as straightforward, it would be prudent to allow more time for verifying and providing evidence.

The parish returns system is now open for parishes to submit their **Return of Parish Finance** and will remain open until the 18th June 2021.. This is the annual statistical return to the National Church which the Diocese will also use to inform your parish's 2022 guided pledge of Parish Share. Where possible please enter your 2020 parish data directly via the website, alternatively you can download and complete a copy of the Return and forward to the Diocesan office for input. Please note that the return has been revised for 2020, revised forms are available [here](#) and can be emailed to Diocesan.Office@durham.anglican.org or posted to Cuthbert House, Stonebridge, Durham, DH1 3RY for entry.

The deadline for returning copies of the annual report and accounts to the Diocesan Office is 28 days after your parish APCM. Reports can be emailed to Diocesan.Office@durham.anglican.org or posted to Cuthbert House, Stonebridge, Durham, DH1 3RY.

For Registered PCCs, The Charity Commission expect organisations wherever possible, to file their annual reports on time. However, where the situation impacts on the completion of annual returns and accounts, PCC's should report any delays via filingextension@charitycommission.gov.uk. Please include your charity name and charity registration number when you email

Free Software

Giving Strategy Funding from the Archbishops Council will cover the cost of premium membership to the 'Give a little' app. The app enables you to take online donations and contactless donation (if you have a Sum-Up contactless device) . The premium version features a Gift Aid Declaration which will enable the parish to claim Gift Aid on online and contactless donations. The facility will be available until the end of 2021 with no additional charge to the parish. Visit [Parish Buying](#) for more details.

Further Advice and Guidance

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

All parishes in the Diocese are block members of the [Association of Church Accountants and Treasurers \(ACAT\)](#) To access their online facilities please email samantha.amsden@durham.anglican.org for a copy of your username and password.

The **Charity Commission** has published Covid 19 guidelines, visit their website [here](#)

The Charity **Stewardship** has also published Resources and Guidance for Churches. Regular updates are posted on their website [here](#).