



## **Frequently Asked Questions by PCCs**

### **What is the point of the Parish Giving Scheme?**

The Parish Giving Scheme offers church members a convenient and secure method of making their regular donations to their local church by Direct Debit. Where members wish to automatically increase their gift by inflation each year, they can do so automatically. Also, members can remain anonymous to their local churches if they prefer.

### **But our existing methods work fine, why change?**

There are limitations around both envelope and standing orders with the frequency of review and uplift. Cash has to be painstakingly counted and banked often taking up the time of volunteers. There can also be issues around succession planning if current systems rely on the knowledge and expertise of a few. PGS is also able to collect 'odd' amounts instead of rounding to the nearest pound.

### **But aren't Direct Debits un-safe?**

Have no fear. Giving by Direct Debit is the safest means of money transfer in that it is instantly reversible by the giver – this is not possible by standing order, cheque or cash. All gifts are protected by the Direct Debit Guarantee. More information is available on the website [www.directdebit.co.uk](http://www.directdebit.co.uk) or [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) (search for 'direct debit').

### **Do I have to be a tax payer to use the scheme?**

The Scheme can be used for both tax and non-tax efficient giving. If gifts are not uplifted by Gift Aid the scheme will still be able to collect 'odd' amounts with inflationary increases each year if church members have chosen to do so.

### **How does it help PCC Treasurers?**

The Parish Giving Scheme remits money directly to the local church's bank account on the 10th of each month. The amount remitted is the total for all the donors in the congregation. Any eligible Gift Aid is also passed on when received by HMRC each month. The Treasurer receives a monthly report showing names and amounts for each donation, except where the donor has chosen to remain anonymous.

### **How else does it help local churches?**

As more and more people switch to the Parish Giving Scheme, it will save many hours of administrative time at local church level. Donations are much easier for the Treasurer (or Giving Officer) to reconcile than standing orders or cash. It will improve cash flow, since Gift Aid is added each month, so there's no need to wait for the reclaim. Furthermore, with the inflationary uplift added to each gift unless the donor chooses otherwise the church receipts should increase year on year.

### **What measure of inflation is used?**

The system applies the most recently published January RPI on the anniversary of the first gift through the Scheme. It only applies this increase to those who have agreed to the increase on the Gift Form. The majority of people increase their giving annually by inflation.

### **Why is inflation so important?**

One of the biggest problems faced by local churches is that of static giving. If giving had kept track with inflation since the year 2000, it would have increased by over 50%.

Year	2000	2005	2010	2015	2016	2017
Gift Amount (example)	£40.00	£44.81	£51.42	£61.11	£61.85	£63.39

### **Who operates the PGS?**

The scheme was originally devised by the Diocese of Gloucester before transferring it into a UK charity run by the participating dioceses. The PGS has been rolled out across a number of Diocese including, Chichester, Winchester Liverpool, Exeter and Newcastle. 25 Dioceses will be participating the scheme by 2018.

### **What material is being provided?**

A full range of well presented material is being made available to churches in our diocese. This includes an Implementation Handbook for churches, leaflets for PCC members and church members, gift forms (Direct Debit mandates) and tokens for those who are ready to sign up.

### **How much will it cost us?**

The Diocese of Durham is paying the set up costs of participating in a scheme. There are NO additional costs to a participating parish.

### **How long does it take for the money to come through?**

Money is collected from donors on the 1st of each month, and remitted to PCC/church bank accounts on the 10th of each month – or the subsequent working day.

### **What are the main benefits of the scheme?**

The benefits of PGS are:

- An efficient system offered for the benefit of all our local churches
- Its positive effect on cash flow
- Easier to reconcile than standing orders or cash donations
- Most donors are inclined to automatically uplift the donation each year (option to opt out on gift form)
- Reduces the administrative and time burden on Treasurers and/or Giving Officers
- The church can still claim GASDS – to retain qualification for the maximum claim on £8,000 you just need to have a Gift Aid claim on a gift of £800 per year that is not a PGS gift, i.e. it is a Standing order of £66.67 minimum per month or weekly envelope(s) of £15.38 minimum.

### **What do PGS donors do as the bag or plate is passed round on a Sunday?**

We can provide scheme participants with PGS tokens (as illustrated in the header on first page) which can be placed on the plate or in the collection bag. This indicates that they participate in Scheme and give regularly to their church. It also enables them to express an act of offering during the course of worship.

### **What's the next step?**

Local churches need to register for the Parish Giving Scheme. Full details are given in an Implementation Handbook which can be requested from the Financial Resources Co-ordinator at Cuthbert House.

### **Where can I get more information?**

Diocese of Durham Finance Resources Co-ordinator 07796 769303 email on [Samantha.lee@durham.anglican.org](mailto:Samantha.lee@durham.anglican.org)