

Guide to the Financial Return

Ordinary Receipts categories

- 001 **Offertories**
Include here all monies taken up as part of the regular first collection held at Sunday Masses at the offertory. Include with it all monies given as part of a regular contribution to the upkeep of the parish in other ways, e.g., **by standing order** on a monthly or quarterly basis, **gift aided contributions given in envelopes**, offerings conveyed to the parish outside Mass by for example the housebound or others who cannot attend the Sunday celebration.
- 002 If the parish holds a regular second collection at Sunday Mass, either after Communion, or as a retiring collection, for the general upkeep of the parish, enter this sum here. Do not include regular collections taken up for specific named purposes.
- 003 **Building or Development Fund (rename this category according to your own special fund if you have one)**
If the parish holds a regular second collection at Sunday Mass, either after Communion, or as a retiring collection, for a specific named purpose, e.g., a new Church roof, or raises money for such a purpose in special fund raising activities, include the sums here.
The difference between this category and 002 is that these monies must be used for the purposes declared in the relevant funds, or else returned to the donors. Large donations therefore have to have the donors recorded by name so that there is the possibility of returning funds if the project for whatever reason is not followed through. Every such fund should also declare from the outset an alternative use to which the funds would be put if the major project fails, and the literature should indicate that small donations and anonymous donations will automatically go to this secondary cause, if insufficient funds are raised for the declared fund.
- 004 Enter here the sum total of all the Diocesan collections taken up during the year that are sent direct to the Diocese. CAFOD Family Fast Days, Apostleship of the Sea and other collections that are sent direct to the charity are excluded here and are included at 030. Where cheques are made payable to the Diocese for collections, ensure that the corresponding entry is made under 072.
- 005 **Christmas & Easter Offerings**
Christmas and Easter offerings may be gift aided, but only if they are recorded as parish income and entered here and paid into the parish bank account. The offerings go to the parish clergy, the tax comes back to the Church. The Christmas and Easter offerings must pass through the books of the parish rather than go direct to the bank accounts of the clergy, because these monies are collected at a public Mass in the Church, and therefore there should be some public accountability. With Mass stipends an alternative approach is possible.
- 006 There are two ways to deal with Mass Stipends and also Stole fees, which, if they pass through the parish accounts should be included in this category (Stole fees = offerings at baptisms, marriages and funerals). All the money received for these purposes can be recorded in the parish books and paid into the parish bank account. In this event the gifts can be gift aided as in 005. Each month, the sum due to each priest in respect of Masses offered etc., is calculated and paid over from the parish account to the priest by cheque. If this procedure is followed there is no need to keep a second Mass stipend bank account. There is though a need to record accurately at the year-end how much money is held by the parish for these stipends.

The other way the matter can be dealt with is that it can be regarded as the priests' personal money from the outset. In this event, the offerings cannot be gift aided, and the

money should not be recorded in the parish books. Any bank account holding Mass stipends must be regarded as the joint property of the priests concerned and not a bank account of the charity.

- 008-010 Where the parish clergy perform a chaplaincy role for an institution in the parish and receive an offering or stipend for this work, this income is regarded as belonging to the parish and not to the priest personally, and so should be entered here as parish income.
- 012 Fetes etc. Show gross takings before deduction of expenses relating to the event: expenses are shown under 076.
- 013 Gross amount received without deducting cost of candles etc. cost of candles shown under 050.
- 014 Grants from DFE and LEA if these amounts pass through the parish Bank account. (Not if they pass through School Bank account)
- 016/017 The Receipts page of the Financial Return now asks you to differentiate between occasional lettings, e.g. of the parish hall, and rental income from tenancies. In the case of the latter please list the tenants and the respective property and details of the rent charged on page 9. For item 017, show gross amount due. Deduction of agent's fees and other expenses should be shown under 061.
- 018 E.g. 200 club net income.
- 019 Amounts received from sale of Catholic newspapers and publications.
- 021 Total of tax refund cheques received from Gift Aid Office (total amount before deduction of gift aid envelopes – this cost should be shown under expenses category 066).
- 022 Include Mass stipends and stole fees that pass through the parish account. See 006 above.
- 023 Ordinarily this should be a rent or hire fee.
- 027/037 Under recent changes in accounting regulations for charities it is no longer permissible to show any receipts as simply sundry or miscellaneous. Receipts must be entered under the appropriate Code, e.g. non-specific donations, grants, etc. under 029. Insurance claim receipts should be accounted for as a credit against the relevant expenditure and the net figure taken forward to the Financial Return. Refunds from utilities should similarly be credited against expenditure and a net figure entered on the Financial Return. Money collected towards the costs of First Communion and Confirmation course material can be credited against the corresponding expenditure and the net actual cost to the parish taken forward to the Financial Return. **Therefore, only enter under 027/037 receipts that come under the specific categories shown on page 5.**
- 028 A repository is a shop, which sells religious items. Other goods should not be sold, as this creates possible taxation problems and other complications. Cost of supplies are shown under 080. IF THE PARISH OPERATES A SHOP WITH A MORE PUBLIC FRONTAGE OR ANY OTHER BUSINESS-TYPE OPERATION, WHETHER BY VOLUME OF TURNOVER OR NATURE (e.g. separate EMPLOYEES), THE ACCOUNTS SHOULD BE ATTACHED TO THIS RETURN.
- 030 Contra entry to code 092.

Extra-Ordinary Receipts categories

- 029 Where legacies have been made, a copy of the relevant extract from the Will should be sent to the Finance Office.
- 029a Donations that are not part of the weekly offertory (gift aided and non gift aided) should be included under this category along with any grants received. Smaller values can be totalled up for the further analysis on page 5.
- 031 Loans. Where cash is made available to the parish, the amount transferred should be recorded here even if the cash has not come into the parish bank account. E.g., the Diocese might have paid a bill on behalf of the parish. However, overdrafts should not be included with 033 since they come through to the account through the negative bank balance.
- 035/036 Deal with situations where the parish has previously loaned money and is now paid back in part or full.
- 038 Enter here corresponding (contra) adjustments for payments of insurance, DDF, Diocesan payroll, etc., and payment of building contractors by the Diocese at parish request from the parish's Loan to the Diocese account, which have been shown under the appropriate code under Payments.

Ordinary Payments categories

- 050 Routine supplies for church: candles, incense, altar breads and wine, votive candles, flowers, etc.
- 051 Small repairs, maintenance contract and routine maintenance that is repeated on a regular basis such as redecoration etc. which does not involve any structural changes. Include any Health & Safety costs in this category.
- 052 Vestments, liturgical books, vessels and equipment for maintenance of Church.
- 053 Food plus routine items for cleaning house and general well being of occupants.
- 054 As 051 but in relation to the presbytery.
- 055 Furniture, curtains bedding, kitchen equipment, gardening equipment, carpets, etc.
- 056 Any remuneration approved by the Diocese (and not falling under any other category in the Financial Return) drawn by the Clergy from the parish (e.g. Clergy Support Salary)
- 058 Secretary, gardening, sacristan, organist, Church cleaning.
- 060 National Insurance paid for Parish Priests ONLY should be included here – any National Insurance paid for employees should be included in either 057 or 058.**

- 061 Annual insurance premium, water rates and Council Tax, agent's fees and repair costs on any property let for rent.
- 062 Supplies of electricity, gas and oil: (new boilers under 088)
- 063 Gross cost before grant if paid for by parish account, or grants from parish to Schools.
- 065 Annual DDF assessment.
- 068 Payment to suppliers of Catholic newspapers.
- 071 Payments to Clergy of Mass stipends and stole fees.
- 072 Contra entry to income item 004
- 075 Previously titled "Sick & Retired Priests' Fund"
- 079 For items that do not relate to the descriptions given in 205-209, please detail other regular (i.e. occur every year) sundry items that are significant and, in any case, every item of £1,000 or more. Otherwise all smaller items may be entered as a total. However, if again this total exceeds £1,000, a further breakdown should be made, indicating the number and magnitude of the items involved (e.g. 10 items below £50 and 1 of £350).
- 092 Contra entry to item 030.
- 094 This contribution is made to the new body *Catholic Safeguarding Advisory Service*.

Extra-Ordinary Payments categories

- 085 Enter here only funds that have been paid out of the parish bank account
- 088 Include all payments, including professional fees, relating to significant building works and alterations (e.g. new heating system, etc.) and provide a brief description for the auditors on page 10. (Show routine maintenance and redecorations under 051).
For any invoices over £5,000, please send copies to the Finance Office along with your Financial Return.
- 093 Please detail items that are not categorised in account 079 or that do not occur each year. Every item over £1,000 should be detailed otherwise all smaller items may be entered as a total. However, if again this total exceeds £1,000, a further breakdown should be made, indicating the number and magnitude of the items involved (e.g. 10 items below £50 and 1 of £350).
- 095 Enter here corresponding (contra) adjustments for receipts of funds for credit to the parish's Loan to the Diocese account, e.g. repayment of loans to other parishes, reinvested interest on Loans to the Diocese, receipts from rents, lease agreements, etc., which have been shown under the appropriate code under Receipts.

Schedule of Bank Accounts (see pg. 9)

The accounts should correspond to the information you have supplied to the Finance Office on previous Bank Account Information Sheets.

Appendix

This Appendix is the evidence needed for us to claim the new Gift Aid Small Donations Scheme rebate on your behalf. Each Mass centre in your parish can claim a 25% rebate on up to £5,000 of loose cash donations of £20 or less (giving you a rebate of £1,250 for each Mass Centre before any deduction). Qualifying value is the total shown in (a) on the form. The data should be collected from your weekly counting/banking sheets which must be retained by you for 6 years.

The Diocese can also claim this rebate and the qualifying value for this claim will be that shown in (b) on the form (which will be the total for all parishes in the Diocese).

Please submit a sample of your weekly counting sheet so that we have a copy for audit purposes.