

PAROCHIAL WORKING EXPENSES

This Leaflet has been prepared in order that clergy and PCCs should have a clear statement of the Board of Finance policy to guide them.

The Board hopes that all parishes have explicit arrangements in place for dealing with the working expenses incurred by clergy, assistant clergy and accredited lay workers. As a general policy it is expected that all such expenses incurred in the course of their ministry will be met by the PCC. Where expenses are claimed from a group council the recommendations are equally valid.

BOARD POLICY

The Board's policy is that:

- (i) The basis on which expenses are to be met should be discussed in detail by clergy and the Churchwardens (with or without their Standing Committee, PCC Officers or other members, according to the wishes of the PCC); and that the recommendations which they agree should be submitted to the PCC for approval.
- (ii) Limits placed on expenditure by the PCC should not be exceeded without prior approval (unless the cleric is prepared, if necessary, to meet the additional cost out of his or her own pocket).
- (iii) The PCC's approval should always be obtained before expenditure of any unusual kind is incurred.
- (iv) In any case where total working expenses are expected to be disproportionate to the PCC's ability to meet them, requests for help from diocesan funds (raised through parish share) should be made in advance in October enclosing the parish budget to the Secretary for consideration by the Board. PCC's and clergy requesting help will need to:
 - give details of the method they have agreed of accounting for and paying parochial working expenses;
 - justify the expenditure incurred;
 - enclose a copy of the latest PCC accounts.
- (v) There should be a minimum figure, variable from year to year, to reflect inflation and quota levels, below which it is unlikely that a grant will be made towards parochial working expenses: that figure is 25% of the share of the parish concerned.

- (vi) Under no circumstances should PCCs pay an annual amount to clergy to cover expenses without a proper record of actual expenses being made. Parishes (and clergy) which do so, risk their payments being regarded as taxable income by the Inland Revenue.

TYPE OF EXPENSES

The basis on which it is recommended that PCCs should meet expenses is:

PRINTING AND STATIONERY

The cost of headed writing paper purchased for official use should be regarded as a claimable expense of office. Alternatively, the bill could, by agreement with the PCC be forwarded to, and paid direct by, the Treasurer. Many parishes print paper for use not only by their clergy but also by their lay officers; and the cost of this should be a direct PCC expenses.

Other expenditure on printing or special stationery should be approved in advance by the PCC and the account be sent by the printer to the treasurer. This also applies to the purchase of books, papers and any other materials, or the hire of equipment, required for Sunday Schools, confirmation classes, discussion groups, Lent courses, fund raising campaigns.

OFFICE EQUIPMENT

If a cleric wishes to have the use of a personal computer, typewriter, filing cabinet or other office equipment, he or she should decide whether it is to be his/her own property – in which case he/she should pay for it himself – or whether he/she would prefer it to be parish property. If he/she wants the parish to pay, the PCC approval for the expenditure must be obtained before placing an order and the account should be sent direct to the treasurer. The equipment must then be left, in good condition, in the parish if the cleric moves. Computer grants of up to £500 are available for the DBF whilst funds permit. Computers purchased should be internet compatible.

TRAVEL EXPENSES

This is likely to be by far the largest item of expenditure, and the one on which it is most difficult to be fair to all concerned. There are two basic ways of dealing with it:

Payment for approved mileage as recommended by the Archbishop's Council under the Fixed Profit Car Scheme agreed with the Inland Revenue. Adoption of this method calls for prior agreement as to the types of journey which are chargeable in this way and maximum expenditure which the PCC feels able to incur in any one year. It is also vital for a precise record of mileage to be kept. If it appears that the cost is likely to exceed the funds available to meet it, a joint decision must be taken by the cleric and PCC as to how the situation is to be dealt with. Changes to the FPC Scheme will be advised in the Bulletin. If in doubt, consult the Accounts Department at Church House.

PUBLIC TRANSPORT

The cost of all journeys which clergy make by public transport in the course of their duties should be met by the PCC as an expense of office.

POSTAGE

All postage expenditure incurred on parish business should be repaid by the PCC.

TELEPHONE

Telephone line rental and service charges are an expense of office which should be met by the PCC. A decision needs to be made whether the clergy person is to estimate his/her private calls and pay for them to the PCC when submitting the quarterly account for payment, or whether an estimate of official calls should be made and repaid.

EMAIL AND INTERNET

Since it is now expected within this Diocese that clergy are connected to e-mail, a fair mechanism must be established between the cleric and the PCC to reimburse him/her private calls and pay for them to the PCC and the PCC to reimburse him/her for the additional costs incurred. There may be a need to reflect some degree of private usage so it is possible that not all costs will be refunded.

SECRETARIAL ASSISTANCE

If it is agreed by the PCC that paid secretarial assistance is required by the cleric, the full cost should be approved and paid by the PCC.

ROBES

If it is not recommended that the cost of personal robes (other than a surplice, which is a requirement of Canon Law) or of providing locums during sickness should be regarded as working expenses. Any other items which arise should normally be dealt with by obtaining PCC approval before expenditure is incurred, and then having the account submitted direct to the PCC Treasurer.

REPAYMENT

It is recommended that when Churchwardens discuss expenses of office with their clergy they should decide:

- (i) which expenses are to be met by the cleric and then reclaimed and which accounts are to be submitted direct to the PCC Treasurer;
- (ii) how the cost of travel is to be dealt with and;
- (iii) whether claims are to be submitted monthly or quarterly on a claim form;
- (iv) if the agreement is to be reviewed and how often.

In cases where a clergy person has responsibility for more than one parish, their Churchwardens should meet and agree the proportion of working expenses to be borne by each PCC. Where no other obviously fair way of doing so is available, it is recommended that the split should be proportionate to the parish share of the parishes concerned.

HOW AGREEMENT MAY BE REACHED

For the guidance of PCCs and clergy who have said that they would find it helpful to have the matter of expenses covered by a written statement of the agreement, which has been reached between them, the Board's recommendations have been summarised in a suitable format as follows:

SPECIMEN AGREEMENT

By a resolution of the Council dated....., it is agreed that expenditure incurred by the Minister will be met by the PCC as follows:

- Travel)
- Printing)
- Stationery *) required for parochial business
- Postage*)
- Special Material)
- Surplice (as required by Canon Law)
- Office equipment
- Secretarial assistance
- Locum tenens during holidays
- Telephone - rental*
- calls on parochial business*
- Email/Internet connection*
- Other approved items

All items of expenditure marked with an asterisk will be repaid against (monthly/quarterly) claims. It is understood and accepted that if total expenditure on these seems likely to exceed the amount included under this heading in the PCC's estimates of expenditure for the current year, the position will be reviewed by the Minister with the (Churchwardens/PCC Treasurer/Standing Committee); and a report will be made to the PCC so that it can be decided what action should be taken.

It is also understood that the authority of the (PCC/Standing Committee) will be obtained before other expenditure is incurred and that the bills for this may then be passed to the PCC Treasurer for payment. In the event of any clergy being unable to reach agreement with the PCC, the Archdeacon should be asked to give advice and help (If this happens the Archdeacon may be assisted by a lay member of the Board acting as assessor).