

## Schedule C

### **GUIDELINES FOR MANUAL PREPARATION OF STANDARD CHURCH OF IRELAND REPORT**

This document provides guidance for treasurers who prepare their accounts on a manual basis. It is set out as a template for smaller parishes that will not be expected to prepare a Balance Sheet under the new Charities legislation.

- The report overleaf is the proposed Church of Ireland report, which it is expected will be approved by the Charity Commissions in Northern Ireland (NI) and Republic of Ireland (ROI) when they are in a position to do so. The Charity Commission in ROI has not yet been established. The Charity Commission in NI has been established and is proposing to issue guidance on financial reporting in late 2010 / early 2011.
- The fund accounting layout is consistent with Statement of Recommended Practice (SORP) for charities which is expected to be approved under the Charities Acts in NI and ROI.
- The report follows the same format as that which is produced by the two accounting software programs which have been tailored specifically for COI parishes.
- The report is split into two sections, the Statement of Financial Activities (SOFA) and the Reconciliation of Parish Funds. Both sections are analysed by fund group, these being 'restricted' and 'unrestricted' funds.
- Most parish treasurers will already be familiar with the concept of 'restricted' and 'unrestricted' funds.
  - 'Unrestricted' funds are the free funds of the parish that are available for spending on all the business of the parish
  - 'Restricted' funds have been given for a specific purpose and must be used for that purpose – e.g. organ fund/ upkeep of graveyard etc
- The books of record of the parish must clearly distinguish between the income and expenditure of the two kinds of funds. Therefore a parish will need to be able to assign each transaction to a 'restricted' or 'unrestricted' fund.
- The Statement of Financial Activities (SOFA) should include **all** income and expenditure related to the parish in order to establish a net income per fund for the period.
- The Reconciliation of Parish Funds includes any capital receipts or payments during the period and also takes into account any recognised gains / losses on investments and fixed assets, along with the surplus / deficit transferred from the Statement of Financial Activities (SOFA) in order to establish the total parish funds at the end of the period.

- The Parish Capital balance is the value of parish assets and investments, cash and bank balances and, if appropriate, properties held by the parish
- The Opening Balance is the value at the end of the previous year. The movement on parish funds should be shown as a note, e.g. for Parish A

**Parish Funds Movement Note**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
Opening Balance			
– Market value investments	70,000	27,000	97,000
– Fixed Assets	10,000	-	10,000
– Cash	<u>20,000</u>	<u>5,000</u>	<u>25,000</u>
Total Opening Balance	100,000	32,000	132,000
Transfer from			
Income / Expenditure Account	(10,000)	4,000	(6,000)
Other recognised gains / losses			
– Gains / losses on investments	2,000	(5,000)	(3,000)
– Gains on fixed assets revaluation	1,000	-	1,000
Closing Balance			
– Market value investments	72,000	22,000	94,000
– Fixed Assets	11,000	-	11,000
– Cash	<u>10,000</u>	<u>9,000</u>	<u>19,000</u>
Total Closing Balance	<u>93,000</u>	<u>31,000</u>	<u>124,000</u>

- Where relevant, all items on the SOFA should be explained by cross referenced notes to the accounts. When in doubt, a note should be provided.

This format, adjusted if necessary to be compliant with that which is in due course adopted by the Charity Commissioners, will be the basis for an accepted C of I template for financial reporting. The format shown draws heavily on work already completed in Scotland, England and Wales and it is likely that the Charity Commissions in NI and ROI will issue comparable guidance.

Church House, Dublin  
March 2010

## Parish A

### Church of Ireland Statement of Financial Activities (SOFA)

	Notes	2009 Unrestricted funds	2009 Restricted funds	2009 Total	2008 Total
<b>Income</b>					
Voluntary giving	1	50,000	20,000	70,000	70,000
Legacies		-	-	-	5,000
Investment income / Interest receivable	2	1,500	3,000	4,500	5,000
Fundraising events	3	5,000	2,000	7,000	7,000
Property related income	4	3,500	1,000	4,500	5,000
General parish income	5	3,000	-	3,000	2,000
Extraordinary income		-	-	-	2,000
Sundry income	6	1,000	-	1,000	1,000
<b>Total Income</b>		<b>64,000</b>	<b>26,000</b>	<b>90,000</b>	<b>97,000</b>
<b>Expenditure</b>					
Staffing costs - Clerical		35,000	-	35,000	30,000
Staffing costs - Lay		8,000	-	8,000	7,000
Diocesan levies		5,500	-	5,500	5,000
Donations to Charities and Missions	7	3,500	6,500	10,000	10,000
Repairs / Upkeep	8	3,000	7,000	10,000	12,000
Light, Heat and Power	9	3,000	-	3,000	2,000
Fundraising costs	10	500	500	1,000	1,000
Special project costs	11	-	5,000	5,000	5,000
Financial & Professional costs	12	2,000	2,000	4,000	3,000
General parochial overheads	13	6,500	-	6,500	6,000
Parochial ministry overheads	14	3,000	-	3,000	4,000
Sundry expenses	15	4,000	1,000	5,000	5,000
<b>Total Expenditure</b>		<b>74,000</b>	<b>22,000</b>	<b>96,000</b>	<b>90,000</b>
<b>Net (Deficit) / Surplus Income over Expenditure</b>		<b>(10,000)</b>	<b>4,000</b>	<b>(6,000)</b>	<b>7,000</b>
<b>Reconciliation of parish funds</b>					
<b>Parish Capital</b>					
Opening Parish Capital Balance		100,000	32,000	132,000	120,000
Transfer from Parish Income / Expenditure Account		(10,000)	4,000	(6,000)	7,000
Approved transfers between funds		-	-	-	-
<b>Closing Parish Capital Balance</b>		<b>90,000</b>	<b>36,000</b>	<b>126,000</b>	<b>127,000</b>
<b>Other recognised gains / losses</b>					
Gains / (losses) on investment assets		2,000	(5,000)	(3,000)	5,000
Gains on revaluation, fixed assets		1,000	-	1,000	-
<b>Total other recognised gains / losses</b>		<b>3,000</b>	<b>(5,000)</b>	<b>(2,000)</b>	<b>5,000</b>
<b>Total Parish Funds</b>	16	<b>93,000</b>	<b>31,000</b>	<b>124,000</b>	<b>132,000</b>

Where notes have been added, the intention is to illustrate that notes probably would be needed to explain the summary figures

All incoming resources and resources and expended for the current and prior year are derived from continuing operations. All gains and losses arising in the current year and in the preceding year are included above.