

STANDARD FORM OF ACCOUNTS CHURCH - (SHORT FORM)

Receipts and Payments Accounts

For the year ended 31 August 2018

This form should be used when all the following instances apply:

- a) Where income is under the Accruals threshold £250,000. (For churches in Scotland please use the OSCR forms) (Information on accounts thresholds is on the Methodist website www.methodist.org.uk)
- b) where there are no restricted or endowment funds (other than Collections for External Organisations) that need to be shown separately from general funds

If the Church maintains a Benevolence Fund the Short Form can be used by accounting separately for the Benevolence Fund (like External Organisations)
- c) where the Church holds no equity based investments
- d) where there are no Internal Organisations maintaining separate funds and reporting to the Church Council (although if a Church wishes to incorporate the receipts and payments of its Internal Organisations into the main Church accounts, it may do so using lines a5 and b6 to record the receipts and payments respectively. A Note to the accounts may be added to give further detail).

Financial Reporting

All local Churches are required by the Methodist Conference to submit their annual accounts to the Circuit Treasurer by 31st March. This requirement is fulfilled by the completion of the Standard Form of Accounts or a set of Accounts audited by a Registered Auditor together with a Declaration form signed by the Treasurer and Chair of the Trustees.

Churches in Scotland – please use separate forms from OSCR website www.oscr.org.uk

Charity Registration

In England and Wales religious charities with a gross income exceeding £100,000 are required to register with the Charity Commission. All other churches with an income below this level continue to be Excepted Charities under Statutory Instrument 1734 of 2012. If

required, Churches should make their accounts available to the public on request.

In Scotland Churches have registered with the Office of The Scottish Charity Regulator (OSCR) in order to maintain charitable status under the Charities and Trustee Investment (Scotland) Act 2005. The Excepting Order no longer applies.

In the Isle of Man religious charities are exempt from registration. In the Channel Islands new legislation is being considered in Jersey but not in Guernsey. In the absence of specific regulations a Standard Form of Accounts must be completed.

STANDARD FORM OF ACCOUNTS (Short Form)

The Standard Form of Accounts (Short Form) has been designed to meet the requirements of the charity regulators and will suit most circumstances without amendment. Treasurers should complete the Church/Circuit details in the financial accounts on page 1. All Declarations must be completed prior to the form being sent to the Circuit Treasurer.

The form is designed to present the accounts in a simple and straightforward manner. Additional Notes can be used to explain any of the figures to the Church Council, and Treasurers should design their own forms for this purpose to suit local needs. It is strongly recommended that Church Councils carry out an annual review of their activities and include these in their Trustees' Annual Report.

The Charities Act 2011 requires registered charities to complete a Trustees' Annual Report. A full report is required where the charity is required to carry out an audit. A briefer report is permissible in the case of other charities. Guidance is available from the Charity Commission website and on the Methodist website. An audit is not required for charities preparing Receipts and Payments Accounts.

Where the charity is registered (rather than required to carry out an audit which applies only to charities exceeding a gross income of £500k), a trustees Annual Report has to be sent to the Charity Commission along with the accounts. This is now done electronically; paper versions are not accepted by the Charity Commission. Advice is given on their website when updating the annual details as to how

to put the paperwork into a format acceptable to them.

The Trustees' Annual Report should be prepared along with the Annual Accounts and include objectives and activities and confirm the trustees have established a reserves policy. The Reserves Policy should be sent to the Circuit Treasurer by 31 March.

The requirements of the SORP are endorsed by the Charity Commission.

Independent Examiners' report

When the accounts have been finalised, and the Independent Examiner has completed his/her work, the separate Declaration and Examiner's report should be signed by the appropriate officers on behalf of the Church Council as charity trustees.

The Standard Form of Accounts (Short Form) together with the Declaration and Examiner's report should then be forwarded to the Circuit Treasurer no later than **31 March** following the accounting year end.

The Circuit Treasurer requires only the completed Standard Form of Accounts. The Church should retain these guidance notes, the Annual Report and any Notes to the accounts.

HOW TO COMPLETE THE FORM

Round all amounts to the nearest pound.

Page 1

Please provide these basic details.

Page 2

SECTION A

a1 RECEIPTS:

a2 Offerings and Tax recovered - Include all offerings taken for the benefit of the Church during the year and the tax recovered under Gift Aid. **Do not include collections received for and paid away to External Organisations.** This is not income to the Local Church. See section D below.

a3 Bank and CFB interest and investment income - Include all bank and Central Finance Board (CFB) interest under this heading including money held via Trustees for Methodist Church Purposes (TMCP).

a4 Lettings - If the Church premises are let (income from leases, licences and occasional lets are included

under this heading) to internal and external hirers, enter the total income under this heading.

a5 Other receipts - All other receipts (including capital receipts and receipts for Internal Organisations). Further details of this total, if necessary, may be given on a separate sheet by way of a Note to the accounts. (Further guidance on capital receipts is available on the Methodist website www.methodist.org.uk)

a6 Total Receipts - Add together the figures on lines a2 to a5 to arrive at the total receipts for the year.

SECTION B

b1 PAYMENTS:

b2 Circuit Assessment or Share - Enter the amount paid to the Circuit (and in the case of Local Ecumenical Partnerships (LEPs), any amount charged to or given by the Church to the LEP partner) under this heading.

b3 Donations - Include all money donated to other causes out of Church funds. **(Do not include money that has been specially collected for payment to other beneficiaries/external organisations – see Section D).**

b4 Repairs and maintenance - Include here all repairs, maintenance and renewals the Church paid for during the year including the purchase of replacement equipment for use in the Church buildings.

b5 Utilities - This heading includes the cost of gas, electricity, water charges, and insurances, and any Council taxes.

b6 Other payments - All other payments (including payments by Internal Organisations). Further details of this total, if necessary, may be given on a separate sheet by way of a Note to the accounts. (These may include e.g. large purchases or payments for a property scheme).

b7 Total Payments - Add together the figures on lines b2 to b6 to arrive at the total payments for the year.

SECTION C

c1 Net Receipts/Payments for the year - Deduct line b7 from line a6 to arrive at the net receipts for the year. Where payments exceed receipts, put the resultant amount in brackets.

c2 Total funds brought forward from last year - Bring forward the figure from last year's accounts - figure (c7) in the column headed "last year's amount to the nearest

£". A breakdown of this total may be given, if necessary, on a separate sheet by way of a Note to the accounts.

c3 TOTAL FUNDS AT END OF YEAR – Add lines c1 and c2 to give this year's total which should equal the sum total of cash in hand, and all bank, building society, post office etc and Central Finance Board accounts, and TMCP Trustees Interest Fund (If the figure on line c1 is negative, subtract from c2 to arrive at subtotal.)

c4, c5 & c6 Assets/Liabilities & Insurance cover - Complete the information regarding other assets/liabilities the Church may have, and state the insurance cover on the Church premises.

SECTION E For information only: money received and passed onto external organisations.

EXTERNAL ORGANISATIONS

Offerings/Gifts & Gift Aid for other External Organisations. (These amounts do not count as income to the Church)

e1 Balance brought forward – enter any balance brought forward from the previous year on this line.

e2 Offerings/Gifts - Enter the total received during the year

e3 Offerings/Gifts - Enter the amount paid away during the year

e4 Subtract line **d3** from (lines **e1 + e2**) to arrive at any balance still to be paid but treasurers should make every effort to ensure the total amount raised is paid away within the same financial year. Further details can be given by way of Note to the accounts.

These amounts must not be included in any other part of the Accounts.

Ensure the previous year's receipts and payments figures are entered in the right hand column.

Section D: analysis of funds

d1 Balances held at TMCP at 31 August. Enter from the TMCP report.

d2 Balances held at CFB at 31 August. Enter from the CFB statement.

d3 Bank and cash balances at 31 August. Enter the balances here.

D4 This is a total of d1+d2+d3

Managing Trustees and Methodist money.

Treasurers are reminded that they should read the 'Managing trustees and Methodist money' document which is available on the Methodist website. This document focuses on the principles and responsibility of trusteeship.

With a view to reducing unnecessary bureaucracy the Methodist Council has obtained agreement from the Charity Commission to amend financial reporting procedures within the Church. Local church accounts need only to be reported to the Circuit and Circuit accounts to the District. District accounts should be forwarded to the Finance Office, 25 Marylebone Road, London NW1 5JR

All registered Charities will need to report both via the Methodist reporting line and to the Charity Commission in England and Wales or to OSCR in Scotland.

Further details are available on the Methodist website www.methodist.org.uk.