

PAROCHIAL WORKING EXPENSES

The material on this website and in this document, whilst it may include some information on matters that are legally binding on clergy, lay ministers and other lay officers and volunteers, should be generally understood as guidance and for information unless it explicitly states otherwise. In particular, it should not be construed as forming part of any employment contract.

When the Diocesan Board of Finance recommends stipend levels each year to the bishop, it does so on the assumption that Parochial Church Councils will be meeting the working expenses of their clergy in full. It is essential therefore that the clergy discuss regularly with their Parochial Church Councils the true cost of all expenses as they occur in their particular circumstances, and come to an agreement on how to meet them. The archdeacon will be pleased to be available to assist this process.

When purchasing goods or services for which reimbursement is to be sought, the clergy should first be certain that the proposed purchase comes within the guidelines agreed with the Parochial Church Councils. If it does not, prior approval should be sought from the PCCs. For all purchases, paid invoices should be retained or receipts obtained.

Clergy should discuss with their PCCs questions such as the visiting of parishioners in hospital, which can be very expensive, so that all are agreed about what the parish expects and the PCC is prepared to finance.

The properly reimbursable expenses of the clergy include the following:

- Postage
- Stationery
- Telephone (including answering machine)
- Cost of any secretarial assistance
- Provision or depreciation of office equipment
- Maintenance of Robes
- Hospitality
- Provision of Locum Tenens
- Travelling

Other items which might be included, after negotiation with PCCs, are:

- Books
- Repair/replacement of carpets, chairs etc. in the "official" part of the house
- "In-Service" training

In this diocese, particularly in the rural areas, it is travelling expenses which form by far the largest part of the expenses claim of most of the clergy. The clergy should record on a daily basis details of all journeys undertaken on behalf of the parishes. It is important that clergy retain copies of these lists of detailed journeys for possible examination by HMRC. Where clergy serve two or more parishes, it is essential that agreement be reached as to the proportions of expenses to be borne by each parish. Where there is more than

one parish, expenses include travel between the parishes.

Each year the Diocesan Board of Finance recommends a mileage rate for the reimbursement of travelling expenses following the annual negotiations between the Archbishop's Council and the Inland Revenue. The current rate is shown on the diocesan website **NEW LINK REQUIRED**

<http://www.stedmundsbury.anglican.org/assets/downloads/Accounts/DBF%20Mileage%20Rates%202013.pdf>

Parochial Church Councils are encouraged to reimburse expenses on a monthly basis, on the receipt of itemised claims. In order to ensure that correct amounts are reimbursed and clergy do not have to pay Income Tax on their reimbursed expenses, Parochial Church Councils should take care to ensure that reimbursement is not made by the payment of a block grant.

Some clergy feel that their PCCs should not be asked to reimburse the full cost of all their expenses, and make the balance their own personal contribution to PCC funds. Clergy wishing to make a contribution of this nature to parochial funds are advised to claim and be reimbursed the full cost and then to make a payment back to the PCCs, preferably via Gift Aid. It is far better for the PCCs to know the full cost of the expenses its clergy are incurring, thus making the situation open for all to see, including potential successors.

Fuller information on expenses and their reimbursement is contained in the booklet "*The Parochial Expenses of the Clergy - A Guide to their Reimbursement*" issued by the Central Stipends Authority. This booklet is rewritten regularly to keep up to date with best practice and to reflect changes in the tax regime applicable to working expenses. A copy of the latest edition may be viewed and downloaded from the Church of England website clergy and office holders/the Parochial working Expenses of the Clergy.

<http://www.churchofengland.org/clergy-office-holders/remuneration-and-conditions-of-service-committee/the-parochial-expenses-of-the-clergy.aspx>

The recommended expenses claim form is available from the diocesan website

NEW LINK REQUIRED

<http://www.stedmundsbury.anglican.org/assets/downloads/Accounts/EXPENSE%20CLAIM.pdf>

If for any reason the PCC is unable or unwilling to reimburse the legitimate expenses of their clergy, the clergy concerned should consult the Archdeacon at the earliest possible opportunity.

