



ARRANGEMENTS FOR PAROCHIAL FEES

with effect from 1 April 2017

INTRODUCTION

In 2013 the administration of parochial fees changed. From **1 April 2017** the Diocesan Board of Finance will become responsible for the administration of **funeral fees**. The administration relating to monuments and weddings remains unchanged. As part of the Renewal and Reform agenda set by Archbishop Justin, dioceses have been encouraged to consider best practice from other dioceses. The arrangements for funeral fees is based on the experience of the Diocese of Lincoln where the system has operated for three years.

This document contains revised guidance to assist clergy and PCCs in working these new arrangements. The forms will be available on the Diocesan website at:
For parishes/parish finance/parochial fees
For ministers/information for clergy

The forms are designed to be completed electronically and sent by email but can, if necessary, be printed and sent by post. Similarly, it is anticipated that payments will be made by BACS transfer where at all possible. Where a benefice operates a central fees collection system then that account should be used and the Diocesan Office informed. The headings in the form relate directly to the sections on the national Fees Table.

SECTION 1

1 What are parochial fees?

Parochial fees are the fees charged for certain services (sometimes "occasional offices") conducted by the Church of England. These are set by the Church of England's governing body, the General Synod, and by Parliament. These fees are legally chargeable and recoverable as a debt. The current table of fees is available on the Diocesan website at for parishes\parochial fees.

The protocols laid out in the document are designed to address the following issues:

- Ensure that all parties are aware of the legal framework within which we operate
- Ensure that all parties receive the fees to which they are due
- Provide clarity and uniformity to all parties on the level and destination of statutory fees

- The promotion of good practice across the Diocese
- The need for a robust audit trail for all Statutory Fees
- The need for advice, training and support to be made available to all parties

2 The legal position

The legal changes to fees came into effect on 1 April 2013. The fee previously known as the "Incumbent's Fee" is now to be known as the DBF Fee and is the property of the Diocesan Board of Finance.

3 Principles

- Fees should be justifiable on the basis of a relationship to actual costs incurred.
- Fees should be as inclusive as possible, leaving "extras" to apply only to those items over which people have a genuine choice
- Fees cannot be waived generally, only in particular cases and only by the priest/incumbent who must be able to point to justifiable reasons, such as hardship, and should consult with the Archdeacon.
- No parochial fees are payable in relation to the death of a person who has not reached the age of sixteen.
- Retired stipendiary priests with Permission to Officiate (PTO) will also be eligible to claim 80% of the DBF Fee for providing pastoral care and presiding at associated services.
- The incumbent should not normally handle fees.
- In all cases, it is strongly recommended that all payments are made either by electronic transfer or by cheque and only exceptionally by cash.

4 Ownership and destination of fees

From 1st January 2013, a parochial fee is, in all but a very few cases (eg Cathedrals, a few clergy who have retained the right to retain their fees), the property of either the Diocesan Board of Finance or of a PCC.

In general the diocesan fee relates to the provision of authorised ministry, the costs of which are usually borne by the diocese, and the PCC fee relates to church buildings, local administration and ministry costs. A PCC may also act as an "agent" for payments made to musicians and other local bodies. PCCs should set their own schedule of fees annually for any services to take place in the next year.

SECTION 2: PROCESS FOR ADMINISTRATION OF FUNERAL FEES

1. On arranging a funeral, the member of clergy, parish administrator or whoever in the parish takes the booking, completes form PFI, which identifies all the relevant details and costs relating to the funeral. The form can be downloaded from the diocesan website in an old version of Excel, also Office 10 and as a PDF. The Excel versions are interactive. Also download the relevant guidance form.

2. The completed form is sent from the parish to both the Diocesan accounts team, the PCC treasurer and to the Funeral Director immediately. Email communication is much preferred. The address that the completed form should be sent to is fees@cofesuffolk.org
3. On receipt of form PFI, the Diocesan accounts team immediately sends the PCC elements of the fees to the PCC, along with the local disbursements by BACS transfer. An e mail alert will be sent to the treasurer.
4. The PCC passes on any payments due to others including those collected in its capacity as an agent (eg flowers, choir, vergers, bellringers etc.)
5. The total amount of fees due, as identified on form PFI is sent to the DBF by the Funeral Director at the end of each calendar month or sooner, along with a schedule which identifies each funeral.

SECTION 3: QUESTIONS

FOR RETIRED CLERGY

How to claim

Retired stipendiary clergy are entitled to 80% of the DBF fee. This should be claimed using occasional offices claim form (available from the diocesan website). Claims should be countersigned by the rural dean or incumbent and submitted to the Diocesan Office either monthly or quarterly. No claim will be paid if it is more than six months old. The Diocesan accounts team, on receipt of a completed claim form, pays any fees due to the officiant, (including travel expenses) where appropriate.

What to do if a Funeral Director contacts you direct inviting you to conduct a funeral.

Where a parish minister has not been contactable and a Funeral Director contacts a retired cleric to conduct a service and there is an incumbent in post, liaison must be made with the incumbent. When the service is at the crematorium the cleric becomes responsible for the form PF1, where a service is to be held in the parish church then the parish should be responsible for form PF1. Retired clergy are reminded that it is good practice to inform the parish priest that you have been asked to conduct a funeral, thus enabling local pastoral care to be provided.

Travel expenses

In each case, any of-pocket travel expenses incurred by the minister may be claimed from the PCC at the recommended rate. Where mileage is claimed the minister should provide as accurate as possible an estimate of the likely number of miles that will be claimed. Anyone who wishes to waive their expenses (or their fee) may do so.

FOR PARISHES

Handling fees

The responsibility for handling fees should normally fall to the PCC or benefice treasurer. Any receipts and/or payment of fees in cash should be strongly discouraged. Where there is no alternative to making or receiving payments in cash, a full written record should be kept of the transaction and receipts provided where appropriate.

What to do when a benefice is in vacancy

When a benefice is vacant the rural dean and church wardens should agree a point of contact for funerals and this should be communicated to the local Funeral Directors. Whoever is the point of contact will be responsible for completing form PF1. If a local arrangement hasn't been set up then the rural dean will act as the point of contact.

Tax for officiant and organists etc.

All persons, including retired clergy, receiving fees or payment for occasional services or occasional offices are reminded that these are taxable sources of income and must be included in declarations to HMRC.

Gift Aid

The PCC will benefit further if any fees or travel expenses claimed are then donated back to the PCC, thus allowing for a Gift Aid claim.

How will the BACS payment operate?

The DBF will collect all the PCC accounts details, (including whether one account operates for a whole benefice)

Upon receipt of PF1, the Funeral Director will be invoiced.

The payment will be set up for the PCC. The treasurer and / administrator will receive notification of the payment.

What about treasurers who don't have internet access?

In those circumstances mail can be used.

What does the PCC fee cover?

The Fees Measure and guidance notes make it very clear that the fee covers the administration of the occasional office, this would normally include travel associated with visiting the family, and other 'routine expenses'. A funeral is a normal part of parish life and the costs associated with it are the responsibility of the PCC. HMRC have very clear guidelines about what can and cannot be claimed, a blanket general expenses fee for travel is contrary to both national and diocesan guidelines. The PCC is responsible for the costs associated with pastoral visiting and retired clergy should claim that from the PCC. The Funeral Director is responsible for providing transport or covering the travel costs of the officiant to the funeral or crematorium.

Memorial and thanksgiving services

These are not statutory services. However, they do involve ministers and churches in a lot of work. The national guidance states 'A charge may also be made for special services (e.g. memorial services or services of prayer and dedication after a civil marriage). It is recommended that the charge for a special service should, where

possible, be based on the parochial fee for the equivalent funeral or marriage service.'

Services concerning more than one parish

Where a service involves more than one parish this should be noted and one parish act as the recipient for all the fees and then pass the relevant fee to the other parish.

Clergy with right to retain fees

Those clergy who have exercised their right to retain fees will continue to be paid direct by Funeral Directors.

What about any anomalies that crop up?

Contact Canon Hedger at the Diocesan Office.

Alternately record on the quarterly return form used for weddings and monuments

Updates

Updates on progress, common questions / mistakes will be circulated via the e bulletin.

14 Further information and clarification

Contact; the Revd Canon Graham Hedger

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