

## **PRESBYTERY OF ARGYLL**

### **STEWARDSHIP AND FINANCE**

#### **ANNUAL FINANCE TIMETABLE**

Church finance, and its governance, can seem quite complex; this is particularly applicable in our Presbytery, which is geographically very large and as a consequence meets only quarterly for reasons of cost and logistics. Opportunities for presbyters, and through them congregations, to be informed are therefore reduced.

This paper sets out the annual timetable of events, approvals and submissions in respect of congregations, Presbytery S&F Committee, and Presbytery itself, together with explanations where appropriate.

The paper is primarily to assist congregational Treasurers in the conduct of their duties; it should also inform Kirk Session Moderators and Clerks, and Board Chairs and Clerks where appropriate, of the governance requirements, such that they can ensure that their Treasurers are appropriately supported and encouraged in compliance.

It is important to emphasise that while the traditional division of responsibilities between Kirk Session - (Spiritual) and Board/Financial Court (if there is one) – (Temporal) may apply to day-to-day affairs of the congregation, **all elders and members of the Board/Financial Court(if there is one)** are trustees of the registered charity which is the legal entity comprising the congregation; they are thus collectively and individually legally responsible for the conduct of the finances of the congregation, and collectively and individually legally liable for any default, or breach of charity law.

N.B. Report of Council of Assembly to General Assembly 2013, Para.3.3.

“The Governance Group of the Council is charged with exercising the supervisory function required by the Church’s Designated Religious Charity status. This includes the approval of Presbytery accounts and the supervision of Presbyteries in regard to their scrutiny of congregational accounts, all as required in terms of the relevant Regulations for Presbytery and Congregational Finance. The Church’s status as a DRC could be compromised by a failure of any of its component elements to comply with charity law and this would have serious consequences including a significant loss of various tax reliefs”

It is the intention of Presbytery S&F that guidance papers and other relevant information will be published and regularly updated on the Presbytery of Argyll website.

## TIMETABLE

(NB action by congregation –light type, *action by presbytery S&F Committee – italic type, action by Presbytery –bold type*)

### July

Scrutinise carefully the deliverances of the latest General Assembly relating to congregational finance. The proceedings of the General Assembly are available on the Church of Scotland website; failing that, each minister in a charge is also sent a copy of “the Blue Book”, a hard copy of the proceedings, failing which request a copy of the relevant section from the presbytery S&F convener. The financial deliverances typically run to only five or six pages, and it is crucial that treasurers understand the implications contained therein for their congregation’s finances, in particular relating to Ministries and Mission Requirements (see for further information the Presbytery S&F Committee briefing paper “The Bewildered Presbyter’s Plain Guide to Ministries and Mission Requirements” – available on the Presbytery website - and the now very limited designation of restricted funds for exempt purposes to ensure that they are not assessed for M&M purposes.

If you have any queries, contact the presbytery S&F convener.

Treasurers of congregations experiencing difficulty in meeting their obligations to “121” should discuss the matter with the congregation’s trustees, and if appropriate contact the presbytery S&F convener by the end of July, setting out the issues. Presbytery **may** be able to provide limited short-term assistance.

### August

*Presbytery S&F committee meets and finalises allocation of the 5% of the total M&M contribution under the control of Presbytery, setting net recommended Ministries and Mission Contributions for the year ended December.*

*Presbytery S&F Committee reviews Stewardship programmes of congregations and if necessary makes recommendations to Presbytery*

### September

**Presbytery meets, reviews and confirms Presbytery S&F recommendations.**

*Finalised M&M contributions for the current year confirmed to “121” S&F.*

Congregations submit certified accounts to OSCR.

*Presbytery treasurer submits certified accounts to OSCR.*

### October

Congregational treasurers prepare draft budget for ensuing year. Treasurers and trustees in general must take account of any liability for deferred Ministries & Mission contributions (M&M is assessed many years in arrear – the 2016 assessment, for example, will be based on the average annual adjusted income of the congregation over 2012, 2013 and 2014.) This is especially important where

a congregation has mounted a fund-raising programme, then spent the funds raised without setting aside the portion of the funds needed to meet the increased M&M liability in future years.

*Presbytery treasurer prepares budget for ensuing year.*

### **November/December**

“121” S&F issues M&M requirement schedules to individual congregations, and in summary to Presbytery S&F

Congregational treasurers check the basis of assessment, requesting detailed breakdown from “121” S&F if required. (This is an important entitlement; 121 S&F is dealing with many hundreds of disparate sets of accounts and has been known to make mistakes.)

Adjusted congregational budgets are discussed and approved by congregational trustees (recommended conference review by trustees jointly, then formally minuted adoption by both Kirk Session and where appropriate Board/Financial Court separately.) Plans for Stewardship programme in ensuing year should be agreed.

*Presbytery S&F meets, reviews and recommends Presbytery budget to Presbytery.*

**Presbytery meets, reviews and adopts budget.**

### **January/February**

Congregational accounts drafted and inspected. (Note that it is considered prudent that accounts be finalised to the satisfaction of the independent examiner/auditor before being presented to the congregational trustees (again recommended conference review by trustees jointly, then formally minuted approval by both Kirk Session and where appropriate Board/Financial Court separately); accounts should be signed on behalf of congregation before signature by independent examiner/auditor, who should also complete and sign the relevant “121” S&F accounts checklist.

*Presbytery accounts drafted and inspected. Accounts finalised to the satisfaction of the independent examiner/auditor are presented to Presbytery S&F, who review and recommend adoption by Presbytery.*

*Presbytery S&F consider initial allocations from the 5% of the total M&M contributions under the control of Presbytery to meet requirements for Local Ministry Support and Gaelic services (inasmuch as they are not met from charitable trust sources.)*

### **March**

**Presbytery meets, reviews and adopts presbytery accounts; accounts are signed on behalf of Presbytery before signature by independent examiner/auditor.**

**Presbytery reviews and agrees initial allocations from the 5% of the total M&M contributions under the control of Presbytery.**

*Presbytery accounts submitted to “121” S&F for attestation.*

Congregations receive, but are no longer required to approve, the accounts at the Stated Annual Meeting. Congregations submit signed accounts, together with signed “121” S&F checklist, to Presbytery Superintendence Committee.

**April/May**

*Presbytery S&F follow up any matters of concern highlighted in the audit checklists, and ensure rectification.*

**June**

*Presbytery S&F requests data on Stewardship programmes of congregations.*