

DIOCESE OF EXETER

BISHOPS' GUIDELINES FOR CLERGY AND PARISHES REGARDING PAROCHIAL FEES

From our Bishops

As a Church, we want to offer the best possible ministry to those who come to us for weddings, or who have been bereaved. Part of that ministry is clear and simple accounting for the costs that are involved.

The Parochial Fees Measure, which took effect on 1 January 2013, made a significant difference to the way we deal with fee income from weddings, funerals and associated activities. It requires us to change the way we account for fees and so it is important that clergy and Readers, as well as those who administer parish finance, familiarise themselves with what has changed. It is important that all who have responsibility for managing fees do so according to these Guidelines, which are intended for reference by clergy, Readers, and Treasurers.

Although fee income is apportioned between the PCC and the Diocesan Board of Finance (DBF), we do not want people to feel that the DBF portion just goes into some anonymous fund held by the DBF at Exeter. Just as the PCC fee reflects the costs to the parish in providing the service, so the DBF portion goes straight into paying the stipends of parish clergy. The DBF fee income is a means by which the Diocese can pay adequate stipends and pensions to clergy. It makes a significant contribution to keeping Common Fund levels down.

The ministry of retired and other clergy with Permission to Officiate (PTO) is immensely valuable to parishes and the Diocese as a whole, as well as to the families they deal with. The Diocese acknowledges their contribution through the payment of appropriate fees and expenses for conducting services. Although retired clergy with PTO may receive a portion of statutory fee income in addition to their pension, stipendiary clergy do not directly benefit from any part of statutory fees. The benefit to stipendiary clergy comes in the form of stipends paid by the DBF funded in no small part by statutory fee income. Readers and Self Supporting Ministers (SSMs) (Priests and Deacons) are normally unpaid, but there are circumstances where it is right for an appropriate share of a fee to be paid, provided this is in their role description and specifically approved by the Bishop.

We are partners in ministry. In order to maintain the parochial ministry we rely enormously on retired clergy, SSMs, and Readers as well as parochial clergy and many hundreds of lay people. We are very grateful to all those who, whether upfront or behind the scenes, work so hard to bring Christian ministry to people at these times of great joy and great sorrow. We very much hope that, once everyone has got used to these new ways of handling fees, our churches will continue in that spirit of service to the community and sensitive sharing of the gospel that is at the heart of the life of the Church of England.

†Michael Exeter

†Nick Crediton

†John Plymouth

CONTENTS

<u>REF</u>		<u>PAGE</u>
<u>1.</u>	<u>Introduction</u>	
1.1	Ownership and destination of fees	1
1.2	Handling of statutory fees	1
1.3	PCC fees – the elements	1-2
1.4	Extras	2
<u>2.</u>	<u>Clergy</u>	
2.1	Stipendiary Clergy	3
2.2	Retired Clergy	3
2.3	Self Supporting Ministers and Readers	3
2.4	House for Duty Priests	3
2.5	Chaplains	4
<u>3.</u>	<u>Services</u>	
3.1	Marriages	4
3.2	Blessings of Marriage in church following a civil ceremony	4
3.3	Collections at Weddings and Funerals	5
3.4	Funerals	5-6
3.5	Burials	6
3.6	Searches in Registers	6
3.7	Waiving of fees	6-7
<u>4.</u>	<u>Audit</u>	
4.1	Inspection of Parochial Registers / Fee Audits	7
<u>5.</u>	<u>Copyright</u>	
5.1	Video and Audio Recordings of Weddings and Christenings	7-8
5.2	Christian Copyright Licensing	8

I. INTRODUCTION

I.1 Ownership and destination of fees

Under the amended 1986 Measure a fee is in all but a few very cases the property either of a Diocesan Board of Finance (DBF) or a Parochial Church Council (PCC). In general, the DBF fee relates to the provision of authorised ministry (the costs of which are usually borne by a DBF) and the PCC fee relates to church buildings and local administration and ministry costs.

The DBF fee is legally owned by the DBF and it is for the DBF to decide to which of its purposes that income should be applied. A PCC may also act as 'agent' for payments to musicians and others. The 'Incumbent's fee' has, therefore, become a thing of the past.

The Parochial Fees Order shown at: <http://www.legislation.gov.uk/ukcm/2011/2/enacted> prescribes when a fee is payable. There may, however, be a few occasions when a judgement needs to be made on whether a service is within the description of a service contained in the Order. There is a fairly obvious difference between a pastoral service/ministry which is a public service (with a fee payable if it is a service of a description contained in the Order) and more private, pastoral ministry/prayer with family/friends only. Clergy and churchwardens will need to exercise their judgement in such cases, consulting the Archdeacon where necessary.

I.2 Handling of statutory fees

The Diocese has had to create a new record of names and contact details of those people who will be remitting or forwarding DBF fees from 1st January 2013. They are known as "Fees Contacts". The aim is to minimise the number of contacts to a fraction of our 520 parishes, and thereby to reduce costly administration. The fees contact may act in respect of a Mission Community; a benefice of one or many parishes; or a group of parishes. This person could be a PCC or group treasurer, a church office administrator, or a parish priest if that is more convenient. They will take responsibility for sending preferably a single cheque or direct credit, along with the relevant completed Record of Fees Received sheet/s (including nil returns) for each parish/church for which they are the designated fees contact. It will still be possible to send separate cheques for each parish/church as long as they are collated and forwarded together by the fees contact. Each fees contact should have been notified of a unique reference to be quoted on all Record of Fees Received Sheets and bank credits of fees.

If it is necessary (perhaps as a result of resignation or pastoral reorganisation) to change the fees contact at any time please advise Ian Halliday at The Old Deanery as soon as possible.

All statutory fees should be passed to the Fees Contact who will then make the appropriate apportionment to the PCC, DBF and Retired Minister as necessary. Thus, since January 2013 it is unlikely that Incumbents will handle fees, except in those cases where they have offered to act as fees contact. However, parish clergy should expect to liaise with their local fees contact/s in providing or confirming the necessary details of fees generated.

Some parishes find it easier to open a separate bank account specifically for fees although this is not necessary as long as fee income is segregated / restricted. The use of cash is strongly discouraged.

Given the immense value of their ministry to the Diocese, fees contacts are asked to avoid undue delay in paying retired clergy.

All parishes should submit apportioned fees to the DBF, via their designated "fees contact" person on either a monthly or quarterly basis, together with completed Diocesan Record of Fees Received sheets (see next paragraph). It is not unreasonable to expect fees to be submitted within six weeks of the quarter

end. A reminder will be issued by the DBF where fees have not been submitted within a reasonable timeframe.

A revised Record of Fees Received Sheet (in Excel format) must be used when remitting DBF fees from 1st January 2013. It can be downloaded from the Diocesan webpage below. Each

<http://www.exeter.anglican.org/index.cfm?page=church.content&cmid=135>

There is a separate Diocesan bank account specifically for fees, and not Common Fund or other non fee remittances. It is named 'Exeter Diocesan Board of Finance Ltd Fees Account', but cheques may be made payable to 'EDBF Ltd Fees A/c' for ease. The sort code is 56-00-49, and the account number is 32537417. Direct credits may be made to the new account, but only if accompanied by an e-mail notification of the Record of Fees Received Sheet to the following e-mail address fees@exeter.anglican.org.

The current Table of Parochial Fees <http://www.churchofengland.org/weddings-baptisms-funerals/fees.aspx> must be displayed on all church notice boards and the PCC Treasurer and Churchwardens should also have a copy for their records. In addition to the prescribed fees, all extra fees charged locally and agreed annually by the PCC, should be displayed e.g. organist, choir, bell-ringers, provision of specially purchased music sheets or recordings, taking of films, video tapes or sound recordings, heating, flowers, etc. Certain local fees such as those for the organist should relate to the guidelines published by the Royal School of Church Music (www.rscm.com) which in turn uses the Incorporated Society of Musicians on which to base the *Recommended Minimum Salaries and Fees* (www.ism.org) to ensure that the charges made are both fair and reasonable.

1.3 PCC fees – the elements

The level of fees due to a PCC is built up from assumptions about PCC costs of ministry and the time taken in support work. These fees have a number of elements.

- A location/building element based on national statistics for overall costs of repairs and maintenance of church buildings plus assumptions about the number of hours in use.
- An element for administrative staffing based on a secretarial rate of pay.
- PCC fees for burials and monuments include an element to provide for long term maintenance of the churchyard.
- Fees for banns, searches and certificates are payable to the PCC with no apportionment to the DBF.
- In respect of PCC fees for services at public cemeteries or crematoria;
 - i) where the fee relates to a burial or funeral service which takes place other than in a church or churchyard, the council of the parish on whose electoral roll the deceased was entered, provided that where the deceased was entered on the electoral roll of more than one parish, the fee shall be shared equally between each of the councils of those parishes,
 - ii) where the fee relates to a burial or funeral service which takes place other than in a church or churchyard and the deceased was not entered on any electoral roll, the PCC of the parish where the deceased had his or her usual place of residence,
 - iii) in any other case, the PCC of the parish where the service or other event to which the fee relates takes place.

1.4 Extras

Under the new legal provisions, 'extras' can only be charged for items over which those receiving the ministry have a genuine choice. 'Extras' should never be imposed by the Incumbent or PCC where those paying the fees have not agreed that they wish to be provided with the 'extras' in question. 'Extras' include the cost of heating the building (but not lighting) and the remuneration of a verger (where a paid verger is deployed) where the costs would normally be met by the PCC, as well as items such as music, flowers, bell-ringing etc. where it is likely that the PCC will act as the agent collecting payments and pass them on to those who offer the service in question.

Extra charges or "compulsory donations" should not be made for the use of the church or for the completion of registers – these are covered in the PCC element of the fee.

Travel expenses should bear a clear relationship to actual distances travelled, both for services and related pastoral visiting.

2. CLERGY

2.1 Stipendiary Clergy

It is the Incumbent's responsibility for ensuring that those who officiate at services on their behalf are reimbursed in accordance with these Guidelines. All Clergy who hold the Bishop's Licence, and Retired Clergy with Permission To Officiate (PTO), are asked to accept their mutual responsibility one to another and to comply with the Bishop's Guidelines in the treatment of fee income.

All working expenses should be met in full accordance with the current PCC or diocesan mileage rate and are payable to Stipendiary Ministers, Retired Clergy, Self Supporting Ministers and Readers. In the case of funerals, the reimbursement of expenses is usually made by the person in charge of making the funeral arrangements or the Funeral Director on his / her behalf.

Fees are to be apportioned by the PCC to the DBF as per the Table of Parochial Fees <http://www.churchofengland.org/weddings-baptisms-funerals/fees.aspx>.

2.2 Retired Clergy

We value the contribution made to church life in the diocese by Retired Clergy.

Only Retired Clergy with Permission To Officiate (PTO) should be officiating at services and claiming an apportionment of the fee. Archbishops' Council have stated that if a minister without PTO takes a Church of England service he / she is acting illegally, and by taking the service itself he / she is liable to action under the Clergy Discipline Measure (CDM) even if he / she takes no fee.

Fees are to be apportioned by the PCC on the basis of 50% of the DBF fee to the officiant Retired Minister and 50% entered on the Diocesan Record of Fees Received sheets for periodic remittance to the DBF. Retired clergy should only receive half of the DBF element of statutory fees when a) there are no clergy licenced to the benefice; or b) the clergy licenced to the benefice are not available to officiate for whatever reason (other commitments within the benefice, holiday, illness).

Not infrequently, engaged couples, or families of deceased parishioners ask the serving parish priest if an ordained friend or relative may officiate. Although the serving parish priest will normally agree, he/she is only doing so as a courtesy to the couple or family. It is a major role of serving clergy to conduct weddings

& funerals in the benefice. If the officiant “guest” clergyman were paid any fee it would represent a financial loss to the Diocese & increase the call on Common Fund to all parishes.

If the clergy licenced to the benefice are not available to officiate (either from the outset, or at the last minute), it would be legitimate for the officiant retired priest to receive half of the DBF fee even if they happen to be a friend or relative. In other words the need for an officiant retired priest precedes the request to officiate.

All working expenses should be reimbursed.

Retired Ministers receiving such part fees are responsible for declaring the income to HMRC for tax purposes.

Should the Retired Minister not wish to accept a fee, then the fees contact should include the whole DBF fee in the next remittance to Diocesan office.

2.3 Self Supporting Ministers and Readers

Self Supporting Ministers (SSMs) and Readers are not entitled to receive a portion of fees unless this has been provided for in their role description, and approved by the Bishop. The fees contact should include the whole DBF fee in the next remittance to Diocesan office. All expenses incurred should be reimbursed to SSMs and Readers.

2.4 House for Duty and part stipendiary Priests

The provision of pastoral care for specified parishes or benefices by means of House for Duty or part stipendiary appointments is likely to grow. These are all stipendiary ministry since the provision of free housing is of considerable value and, in employment terms, this is payment in return for service. In respect of fees from the specified parishes or benefices, House for Duty and part stipendiary appointments are treated in the same manner as full stipendiary appointments.

However, if they are asked to conduct weddings or funerals in benefices in this diocese, other than the one/s to which they are licensed, then such clergy post holders can receive 50% of the DBF fee, providing that the performance of such duties does not impinge on their agreed duties as set out in their role description.

Thus, a priest who has retired from full-time ministry and taken up a part-time, part-stipendiary or House for Duty post in this diocese, should be treated as retired in respect of any services which they conduct in other benefices. Ministers receiving such payments are responsible for declaring this income to HMRC for tax purposes.

2.5 Chaplains

Chaplains, for example hospital chaplains, prison chaplains, school chaplains, have never been entitled to receive parochial fees. Where a chaplain who is a clerk in holy orders or a licensed deaconess, Reader or lay worker officiates at a service in respect of which fees are prescribed under a parochial fees order, as a matter of law the fees belong to the DBF and PCC in the same way as they do when the parochial clergy officiate.

3. SERVICES

3.1 Marriages

It is the Bishop's expectation that each couple be properly prepared for their marriage and it is the responsibility of the Incumbent to ensure that this preparatory work is done.

Fees should be apportioned as per the Table of Parochial Fees.

If on the day of the service the Incumbent is not available, then 50% of the DBF fee is normally payable to a retired minister who has PTO (and for other ministers please see section 2.3 and below), with the remaining 50% going to the DBF.

Should the couple request that someone other than a priest licensed to the benefice perform the preparatory counselling and/or the service, i.e. a close friend or relative, then that minister is not entitled to any of the fee.

If the marriage service is conducted by a stipendiary minister from another parish, within or outside the Diocese, then the gross statutory fee should be accounted for through the PCC where the marriage took place.

Fees in relation to the publication of banns and the issuing of marriage certificates are, in all cases, payable to the PCC.

In order that a couple planning a marriage in church may be informed in advance of the cost of their wedding, it is important that they receive a breakdown of the charges payable to the PCC and to the DBF. It may be helpful to obtain an initial deposit and request payment a month before the marriage to eliminate the risk of non-payment.

In the case of a marriage service in church, any costs and expenses incurred in respect of routine administration, making the church available and lighting it are all included in the fee prescribed as payable to the PCC. Charges regarding copyright are covered in section 5.

3.2 Blessings of Marriage in Church following a Civil Ceremony

There is no prescribed fee. However, in the light of the Bishop's expectations that the couple be properly prepared for their marriage, it is reasonable to expect them to make a payment to the PCC and to the DBF equivalent to those fees for a marriage excluding the banns and certificate fees.

If on the day of the service the Incumbent is not available, then 50% of the fee is normally payable to the officiant provided he/she has PTO (and for other ministers please see section 2.3), with the remaining 50% going to the DBF.

3.3 Collections at Weddings and Funerals

In some instances a family requests that a collection be taken and the proceeds given to the Church. The PCC Treasurer therefore assumes responsibility for the money passed over and accounts for it in the normal way. The collection plate should make it clear where the monies are destined – Church or named charity.

All moneys received in the church should go through the church records. Where a collection is for another charity, it should be dealt with like all other collections (e.g. at a funeral or memorial service, do not allow the funeral director to take it). The money should be banked and a cheque, addressed to the charity, sent to them or forwarded to the funeral director. Such transactions do not, however, form part of the annual accounts as they are outside the remit of the PCC.

3.4 Funerals

It is the Bishop's expectation that proper pastoral care of the bereaved takes place in connection with a funeral and it is the Incumbent's responsibility to ensure that this care is provided.

No fee is payable in respect of a funeral or burial of a still born infant or for the funeral or burial of a person dying within sixteen years of birth.

3.4.1 Funerals in Church

If the Incumbent is not available and the funeral is conducted by a Retired Minister, then 50% of the fee is normally payable to the officiant with the remainder going to the DBF. If the funeral service is conducted by a stipendiary minister from another parish, within or outside the diocese, then the fee should be passed to the DBF through the PCC where the funeral took place.

In the case of a funeral service in church, any costs and expenses incurred in respect of routine administration, making the church available and lighting it are all included in the fee prescribed as payable to the PCC.

The fees for burial/cremation immediately before or after a funeral service in church differ from those for burial/cremation on a separate occasion. The Measure states that this provision includes the preceding or following day.

3.4.2 Services at a Cemetery or Crematorium

An Incumbent is under a legal obligation, if requested, to conduct the funeral service of a deceased parishioner [Section 2(4) of the Church of England (Miscellaneous Provisions) Measure 1992] at a cemetery or crematorium. However, with the Incumbent's consent, the service may be conducted by another priest or by a Reader. If the Incumbent is not available and the funeral is conducted by a Retired Minister, then the PCC should pay 50% of the DBF fee to the officiant; the balance of the DBF fee to the DBF. From 1 January 2013, there is an apportionment to the PCC for a service at the crematorium. Funeral Directors should make all payments through the fees contact who will then apportion the fees as appropriate to all parties.

When there is a both a funeral service at the church followed by a service at the crematorium, the fees should be paid to the PCC where the funeral service took place.

When there is a service at the crematorium without any separate service in church, the fees are payable to the PCC of the parish where the deceased lived. If however the deceased was on the electoral roll of a different parish then that PCC receives the fee. If the deceased was on more than one electoral roll then the fee is shared between the relevant PCCs.

3.4.3 Memorial Services

When a memorial service is held, it is usual to make a charge equal to that made for a funeral in church. The treatment of the fees received is exactly the same.

A separate charge for a memorial service is made in addition to a cremation fee when these services are held on separate occasions i.e. not on a day preceding or following the service at the crematorium.

In all cases the officiant must first seek and obtain the consent of the Incumbent. In cases of difficulty, the Archdeacon should be consulted. It follows from the above that Incumbents are responsible for ensuring that those who officiate on their behalf at funerals, do so in accordance with these Guidelines.

3.5 Burials

The certificate issued at the time of burial is a certified copy of the entry in the register book of burials kept under the Parochial Registers and Records Measure 1978.

Please ensure that entries in the burials register are kept up to date and each entry numbered. Funerals should also be recorded in the service register.

3.6 Searches in Church Registers

The search fee relates to a particular search where the approximate date of the baptism, marriage or burial is known. The fee for a more general search of a church register is negotiable.

All fees for searches in church registers are payable to the PCC.

3.7 Waiving of Fees

The Measure makes very clear who has power to waive fees: this is the Incumbent or Priest-in-Charge of the benefice concerned - after consultation with the churchwardens for PCC fees. An Incumbent/Priest in Charge cannot waive fees generally. They may only be waived "in a particular case". That means that the Incumbent/Priest in Charge must be able to point to something about the particular case that would justify waiving the fee.

No fee is payable in respect of a funeral or burial of a still born infant or for the funeral or burial of a person dying within sixteen years of birth.

It is understandable that some clergy have been known to waive fees for those who are long-standing members of the congregation. However, both The Archbishops' Council nationally and Exeter Diocese locally believe, that this practice should not be encouraged, certainly as far as the statutory DBF fee is concerned. Fees are a significant source of income to parish churches and the Diocese as a whole. Experience suggests that those people who have been long-standing members and generous supporters of their church would not want fees to be waived for them personally.

4. AUDIT

4.1 Inspection of Parochial Registers / Fee Audits

In accordance with Section 9(i) of the Parochial Registers and Records Measure 1978, the Bishop has instructed the DBF to set up a system of inspection of parochial registers on a random and risk basis by the Board's officers. This is, in part, a response to a requirement from the auditors of the DBF for a clear audit trail relating to the receipt and disbursement of fee income. It is also in response to a number of high profile national cases concerning improper accounting of fee income.

5. COPYRIGHT

5.1 Video and Audio Recordings of Weddings and Baptisms

Couples getting married or having their children baptised are allowed to record the service without paying any copyright charges provided three conditions are met: —

- the rights in the recording and copies of the recording are not to be sold for profit, apart from to the couple or parents who ordered it.
- no more than three copies of the recording are made.

- no part of the recording is to be shown in public.

For further information see Christian Copyright Licensing web page:

http://www.ccli.co.uk/pdfs/Fact_File_Audio_Recording.pdf

An organist can ask for an extra 50 per cent of his / her fee for playing at a service if a sound recording is made, and an extra 100 per cent if a video recording is made. Professional musicians taking part in the service can ask for the same increases in their fees. Couples wanting to have music at their wedding or at the christening of their children should be told of the extra charge when the arrangements are being made for the service, so that there is no embarrassment afterwards.

5.2 Christian Copyright Licensing

An organisation called Christian Copyright Licensing has entered into copyright agreements with a large number of Christian music publishers. This enables churches to obtain permission to use these publishers' material by purchasing a licence from Christian Copyright Licensing, instead of having to deal with all the publishers one by one. Christian Copyright Licensing Ltd., PO Box 1339, Eastbourne, East Sussex BN21 1AD. Telephone 01323 417711, website: www.ccli.com]

The *church copyright licence* from Christian Copyright Licensing permits a church to copy the words of thousands of worship songs and hymns for use in church services, in bulletins, liturgies, programmes, song sheets, posters, in bound or unbound song books compiled by the church, and to make transparencies for overhead projectors.

Christian Copyright Licensing also offer a *music reproduction licence* to any church that has a church copyright licence. The music reproduction licence allows a church to photocopy the music of songs and hymns published by a wide range of music book publishers.

For words or music not covered by the church copyright licence or the music reproduction licence, a church should ensure that it purchases proper copies, and, if necessary, contact the copyright owner direct.

It is not a breach of copyright to play a tape or record in a church service.