

# Parochial Fee Procedure

With effect from the 1<sup>st</sup> January 2019



	<b>Page</b>
<b>Introduction</b>	<b>4</b>
<b>1. What are parochial fees?</b>	<b>4</b>
<b>2. What has changed?</b>	<b>4</b>
<b>3. What does this mean in practice?</b>	<b>4</b>
<b>4. Extras in addition to the prescribed statutory fee</b>	<b>5</b>
4.1 Marriage certificate fees	<b>5</b>
<b>5. Handling fees</b>	<b>6</b>
<b>6. Entitlement to fees</b>	<b>7</b>
6.1 The diocesan proportion of the fee	<b>7</b>
6.2 When a stipendiary member of clergy cannot take a service	<b>7</b>
6.3 Funeral fees, identifying the parish for the purpose of the distribution of the fee	<b>7</b>
6.3 (i) What dates does a vacancy cover?	<b>7</b>
6.3 (ii) When the parish is in a vacancy	<b>7</b>
6.3 (iii) When the parish is not in a vacancy	<b>8</b>
6.4 Occasional (previously known as casual duty fee rates)	<b>8</b>
6.5 Chaplains	<b>8</b>
6.6 Fees for services at the Cathedral	<b>8</b>
6.7 PCC Fees – which PCC is entitled to the fee?	<b>9</b>
6.8 What should we do if we are aware of a person claiming to carry out Church of England services in the parish and not remitting the fee?	<b>9</b>
<b>7. Funeral fees</b>	<b>9</b>
<b>8. Service of thanksgiving/renewal of marriage vows</b>	<b>9</b>
<b>9. Scattering of Ashes</b>	<b>10</b>
<b>10. Services when fees are not charged</b>	<b>10</b>
9.1 Baptisms	<b>10</b>
9.2 The funeral or burial of those under 16 years of age	<b>10</b>
9.3 Waiving of fees	<b>10</b>
<b>11. Tax implications when receiving payments</b>	<b>11</b>
10.1 Income tax	<b>11</b>
10.2 Organists/Bell Ringers/Vergers etc.	<b>11</b>
10.3 Payment for Mileage	<b>11</b>
<b>12. Who do we ask for help if we have any questions?</b>	<b>11</b>
<b>13. Appendix A – Entitlement to Claim Statutory Fees</b>	<b>12</b>

## Introduction

There were some major changes to the rates of Parochial fees and some of the rules surrounding these which came into effect from 1<sup>st</sup> January 2013 (see paragraph below). As a Diocese we felt that it was important that some guidance was issued, to assist our clergy and PCCs.

As well as advising interested parties of the changes which affect them, this document also aims to address queries in relation to what fee to charge and also the entitlement to a fee or fees. In some cases it may be necessary to apply one or more of the sections below to come to a conclusion when faced with some of the more unusual circumstances.

### 1. What are parochial fees?

Parochial fees are the fees charged for certain services (sometimes called “occasional offices”) conducted by the Church of England (CofE). These are set by the CofE’s governing body, the General Synod, and Parliament. **They are legally chargeable and recoverable as a debt.** The current table of fees may be accessed via the Diocesan website at: [www.dioceseofnorwich.org/fees](http://www.dioceseofnorwich.org/fees)

### 2. What has changed?

Fees are now calculated using assumptions about the costs of ministry and the likely number of hours needed to provide good ministry for the service in question.

In the past, fees were almost always paid to the parish priest (“the incumbent”), who then handed the fee over to the Board of Finance. The fee which used to be described as the ‘Minister’s Fee’, now legally belongs to the Norwich Diocesan Board of Finance Ltd, or NDBF Ltd. (In a few cases, where an incumbent has previously notified the Bishop, the incumbent will still receive the fee direct, but this is exceptional).

Fees that used to be paid to the PCC will continue to be paid to the PCC.

### 3. What does this mean in practice?

The parochial fees include any costs and expenses incurred in relation to a service for routine administration, including arranging dates and times and the making of entries in registers, making the church available and lighting it. It will therefore be unlawful to make any additional charge, besides the parochial fee, for these items.

## 4. Extras in addition to the prescribed statutory fee

'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 in advance that they wish to be provided with the 'extras' in question.

When addressing 'extras', it is important the information about the level of charges and what they cover is absolutely clear and that these charges should be provided and agreed before the service.

Best practice would be for a parish to have an itemised breakdown, which can be presented and agreed before the service with those who have requested it, and which (in the case of funerals) can be forwarded to the funeral director. This then removes the element of any unexpected fees being requested.

The parochial fees order specifies that parochial fees include any costs and expenses incurred in relation to a service for routine administration (including arranging dates and times and the making of entries in registers), making the church available and lighting it.

Examples of elements that can be charged as 'extras' now and will continue to be chargeable include, but are not limited to:

- heating;
- the use of a vergers; (but only where those receiving ministry are given a genuine choice)
- the services of an organist, choir or bell-ringers (see note 10.2 regarding income tax);
- sheet or recorded music that has to be specially purchased;
- the provision of recorded or taped music;
- the taking of films, video or sound recordings (where permitted);
- flowers;
- special furnishings.

**No element for travel expenses is included in the statutory fees. The guidance on travel expenses remains as it was previously. Being that mileage is payable at the prescribed Diocesan rates (currently 45p per mile)**

There is no provision for variable charges according to the size of the building. In exceptional cases an additional voluntary contribution may be invited (following consultation in every case with the appropriate archdeacon). Areas which could be considered include, but are not limited to, situations where unusual extra costs are incurred, for example where the service was a civic occasion or a where a service was to be televised.

### 4.1 Marriage Certificate fees

These fees are not parochial fees and are amended by government legislation. Where previously these were payable to the incumbent/NDBF these are now payable to the PCC. Any increase to this fee will normally come into effect from 1<sup>st</sup> April, rather than 1<sup>st</sup> January.

## 5. Handling fees

PCC handling processes vary depending upon the arrangements made within a PCC. In some cases, the incumbent takes responsibility for the administration of fees and in other cases, this is done by the PCC treasurer or benefice treasurer/administrator. It is likely that when a new incumbent is appointed, the responsibility of handling fees would remain with the PCC or benefice treasurer.

The decision as to who fulfils this role should be made by the PCC. However, the following rules should be followed:

- Any receipts and/or payment of fees in cash should be strongly discouraged
- Fee monies should be clearly separable from other funds, preferably in a separate bank account or reconciled to a separate account within the PCC funds to ensure that it is not confused with other PCC monies
- The fee account should be reconciled on a regular basis to ensure that any errors are resolved and outstanding fees are followed up in a prompt manner
- As a minimum, a fee return must be sent to the Diocese at the end of every quarter (even if this is simply a “nil-return”).

There are two types of form that can be downloaded from the fees section of the Diocesan website to assist with this, along with a simple online form for “nil-returns”.

However, if you have a form which you use as part of your own system, this can be used in place of the diocesan form, as long as this analyses the balance paid to the diocese (shows date/amount and type of service to which each fee in the balance pertains).

When fees are settled, it may be preferable to ask for two cheques, one for the statutory fee due to the Diocese (made payable to “Norwich Diocesan Board of Finance Ltd” or “NDBF Ltd”) and one for the remainder of the PCC proportion of the statutory fee and any extras, to be made payable to the PCC.

In this case, it would be advisable that any cheques sent to Diocesan House include the name and address of the person who drew the cheque in case any difficulties arise when banking these monies (cheque completed incorrectly or unsigned, for example).

However, we would strongly encourage all payments to be routed through the PCC/Benefice, (even cheques payable to the NDBF directly) and then submitted to the NDBF either on an ad-hoc basis or at the same time as the quarterly return.

This check ensures that all payments which are due to NDBF can be confirmed as received locally.

If a third party advises that they will pay the NDBF directly, please remind them of the above. You may also wish to refer them to the Diocesan Finance team for clarification and contact details are included on page 11 of this document.

## **6. Entitlement to fees**

### **6.1 The Diocesan proportion of the Fee**

Where a service is taken which is covered by the table of Parochial Fees, the full amount stated in the column for the NDBF proportion should be forwarded to Diocesan House. There are some instances where a stipendiary member of clergy may not be able to preside over a service (for example during a vacancy or sabbatical). The following gives guidance on what the person taking the service is entitled to in these circumstances.

### **6.2 When a stipendiary member of clergy cannot take a service**

In certain circumstances outlined below (6.3 iii), **members of clergy with permission to officiate** may be entitled to claim for occasional duty fees if these are occasional offices. No fee is available to house-for-duty clergy, NSMs, OLMs or Readers.

If it is unclear whether a member of clergy has permission to officiate, then please contact the Finance department for clarification. Alternatively, you can identify whether somebody holds permission to officiate by searching the Diocesan Directory on the Diocesan website. If they have permission to officiate, this will be listed on their entry.

### **6.3 Funeral fees, identifying the parish for the purpose of distribution of the fee**

In order to follow the correct procedure, it may be necessary to identify to which parish a fee would fall due. Whilst this would be obvious in the case of a wedding, it is not necessarily the case for funerals. To ensure that the correct procedure is followed in relation to entitlement of the DBF proportion of the fee, it is suggested that you refer to the section titled: **6.7 PCC fees – Which PCC is entitled to the fee?** Once the parish has been identified refer to points 6.3 (i), 6.3 (ii) and 6.3 (iii) as well as Appendix A (page 11).

#### **6.3 (i) Definition of a vacancy, for the purpose of identifying the entitlement to fees?**

A parish is deemed to be in a vacancy when there is no licensed Incumbent, Priest-in-Charge or Team Rector in post. The date will be from when the previous office holder officially ceased in the role (either the date of their resignation or retirement), this may not be the same date that they move away.

If a benefice has a Team Vicar vacancy, then the parishes within that particular benefice will be classed as in a vacancy for the purpose of the below examples.

#### **6.3 (ii) When the parish is in a vacancy**

If a parish is in a vacancy then occasional duty fees would be payable to clergy with permission to officiate for Sunday or Weekday services at the rate prescribed by the occasional duty rates table issued by the NDBF. These, along with any mileage expenses, would need to be claimed from the NDBF using the occasional duty claim form. Any other person who is licensed to take a service will be entitled to claim mileage only from the NDBF using the occasional duty claim form.

Where a funeral/wedding is taken, clergy with permission to officiate would be able to claim a fee based on the rates provided on the occasional duty rates table.

As the Diocesan Board of Finance does not receive provision for mileage in their statutory fee, it is suggested that in the first instance this is sought directly from the person with which the service is arranged (e.g. Funeral Director).

For parochial clergy, if mileage is not remunerated by those receiving the service or somebody else (e.g. Funeral Director) then it is a legitimate claim on PCC expenses.

Please also consider the points raised in section 10.3 – Payment for Mileage, when calculating the mileage paid.

In both instances, the DBF proportion of the fee should be forwarded, in full, to the Diocese.

### **6.3 (iii) When the parish is not in a vacancy**

It is understood that it is not always possible for stipendiary clergy to officiate at every occasional office (weddings/funerals). In the first instance, an approach should be made to another member of stipendiary clergy to take the service. Alternatively, another local minister, such as an NSM/OLM/Reader should be approached.

If this is not possible, an occasional duty rate can be paid by the Diocesan Board of Finance to clergy with permission to officiate. The full fee should be forwarded to the NDBF and the occasional duty rate should be claimed back. **No netting off of fees is permitted.**

No fees can be claimed from the NDBF for Sunday or weekday services if there is no vacancy. However, in exceptional circumstances, such as when the Incumbent has been on sick leave of more than three months and with the express permission of the local Archdeacon, the Diocese will honour occasional duty claims in the benefice in which the Incumbent is licensed.

For those who take a service, mileage expenses should be claimed either directly from those receiving the service (e.g. funeral director) or, where the mileage has been passed on if this is elsewhere (e.g. the PCC). As outlined in 6.3 (ii), the Diocese is not able to pay mileage to clergy for officiating at weddings, funerals or burials.

### **6.4 Occasional (previously known as casual) duty fee rates**

The Diocesan Secretary will issue the occasional duty fees rates which will be applicable until revised rates are issued. The rates are published on the Diocesan website ([www.dioceseofnorwich.org/odc](http://www.dioceseofnorwich.org/odc))

### **6.5 Chaplains**

Chaplains have never been entitled to receive parochial fees. Where a chaplain officiates at a service where parochial fees apply, the fees belong to the NDBF and PCC in the same way as they do when the parochial clergy officiate. However, where a funeral is taken by a hospital chaplain, the NDBF has granted a blanket waiver so that the full fee should be payable to the NHS trust which employs the Chaplain.

## 6.6 Fees for services at the Cathedral

Parochial fees for a parish where the cathedral is the parish church which would otherwise be payable to the PCC or the NDBF, will be payable to the corporate body of the cathedral.

## 6.7 PCC fees – Which PCC is entitled to the fee?

(a) In the case of a burial or funeral service that takes place in a church or churchyard, the PCC fee belongs to the PCC of the parish where the church or churchyard is situated.

(b) In the case of a burial or funeral service that takes place somewhere other than a church or churchyard, and the deceased was entered on a church electoral roll, the PCC fee belongs to the PCC of the parish on whose electoral roll the deceased was entered. If the deceased was entered on the electoral roll of more than one parish, the fee shall be shared equally between each of the PCCs of those parishes.

(c) In the case of a burial or funeral service which takes place somewhere other than in a church or churchyard and the deceased was not entered on any church electoral roll, the PCC fee belongs to the PCC of the parish where the deceased had his or her usual place of residence.

(d) in any other case, the PCC fee belongs to the PCC of the parish where the service or other event to which the fee relates takes place.

The Diocese to which the Parish identified above belongs is legally entitled to the Diocesan proportion of the fee.

## 6.8 What should we do if we are aware of a person claiming to carry out Church of England services in the parish and not remitting the fee?

The legislation makes it clear that the statutory fee belongs to DBF's and PCC's. Such activity may therefore formally be considered as theft. The matter should therefore be reported as soon as possible to the relevant Archdeacon for investigation.

## 7. Funeral fees

In addition to the fee for a funeral service held in church, **an additional fee will be due for the burial or cremation**. The amount of the additional fee will depend upon whether the burial or cremation is held immediately preceding or following on from the service in church or on a separate occasion. The fee table defines "immediately" as the day before and the day after the service in church. Therefore, it is believed that a fee for a separate occasion would apply to any other time.

To constitute a funeral, the service would have to be either:

- (a) the burial service in the Book of Common Prayer or
- (b) a service that followed one of the authorized forms of service (i.e. the Funeral Service or the Funeral Service within a Celebration of Holy Communion)

## **8. Service of thanksgiving/renewal of marriage vows**

Where a service of thanksgiving/renewal of marriage vows is held, it is at the discretion of the incumbent/PCC as to the charge made as this is not covered by the table of parochial fees. However, the fees stated on the table of parochial fees may be a useful guide and consideration should also be taken in relation to any reasonable additional costs incurred (such as heating).

It is important to exercise discretion when differentiating between a funeral service and a thanksgiving service as it is likely that any service that is held in church either on the day of or the day preceding/following a funeral (such as at a crematorium) would be classed as a funeral service and not a remembrance service and therefore a statutory fee would be due.

## **9. Scattering of Ashes**

The clergy (and readers who officiate at funerals) are not allowed to officiate at the scattering of cremated remains as scattering is not a permitted way of disposing of cremated remains under Canon B 38. To be defined as lawfully disposed, cremated remains must either be buried or strewn (i.e. tipped onto the ground and then covered with a layer of soil).

## **10. Services when fees are not charged**

### **10.1 Baptisms**

It is illegal to charge a fee for the administration of a baptism. However, there is a fee payable for the supply of a certificate of baptism. It is made clear in the 2012 Order that this means a certified copy of the entry in the register of baptism in the form prescribed by the Parochial Registers and Records Measure 1978. No fee is specified for the issuing of “souvenir cards” that have no status in law.

### **10.2 The funeral or burial of those under 16 years of age**

No fee is payable for the burial of a stillborn infant or for the funeral or burial of a person who dies aged under 16.

### **10.3 Waiving of fees**

The incumbent or priest-in-charge of the benefice concerned has a right of waiver, after consultation with the churchwardens, for PCC fees. However, 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, and be prepared to produce a justification if asked, as part of an ‘audit trail’.

Waiving of a fee would cover both the DBF and PCC proportion. There is no justifiable reason why one fee would be waived and the other would not.

## **11. Tax Implications when receiving payment relating to a service**

### **11.1 Income Tax**

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

Normally, HMRC will not require the officiating minister to declare his/her reimbursed expenses, providing there is no element of profit.

### **11.2 Organists/Bell Ringers/Vergers etc.**

When a fee is charged for and received by anyone in relation to services which they have provided, they should be made aware that they are responsible for declaring this income to HMRC. This is not the case for an expense claim (for mileage/flowers etc.).

### **11.3 Payment for Mileage**

If payment is received directly by the person taking a service from a third party (such as a funeral director), there should be a written record of what this payment relates to.

Any additional reimbursement above the HMRC approved rates (as at November 2012 – this is 45p per mile) would need to be declared on your annual tax return, for example:

*An Incumbent takes a funeral service at a crematorium which requires a 10 mile round trip (5 miles each way) and is paid £10 cash towards travel by the funeral director. The following calculation then applies:*

*Payment received = £10*

*Mileage based on HMRC approved rates, 45p x 10 miles = £4.50*

*Additional income, which must be declared to HMRC and tax paid (use box 7 of the Ministers of religion tax form) = £5.50*

## **12. Who do we ask for help if we have questions?**

This document has been prepared to deal with as many foreseeable queries as possible. However, it is possible that a situation may arise which this document does not address. In this instance, please contact the Finance Department at Diocesan House for further clarification.

Contact Details

James South – Senior Finance Officer

[james.south@dioceseofnorwich.org](mailto:james.south@dioceseofnorwich.org)

01603 882347

Susan Bunting – Director of Finance

[susan.bunting@dioceseofnorwich.org](mailto:susan.bunting@dioceseofnorwich.org)

01603 882377