

## **Parochial Fees – Frequently Asked Questions**

### **Dealing with the money**

There is scope for flexibility (as works best locally) within the following guidelines:

All money received in fees and for disbursements must be paid in to a bank account held by a PCC, or on behalf of several PCCs such as a benefice or deanery account. As with any church bank account, it must be subject to audit/independent financial inspection and require two signatories for all cheque payments. On no account must fees be paid to a bank account that an individual person is responsible for – and cash should only be accepted in settlement of fees if unavoidable.

The account may be a special account purely for dealing with fees and disbursements and does not need to be administered by the PCC Treasurer – for example a member of the clergy may administer fees for weddings and funerals in their benefice. However, in all cases a return should be made at least annually to each parish concerned, giving a full statement of money received and payments made so that this can be recorded in the PCC accounts.

Some parishes and some funeral directors may opt to arrange for payments to be made by electronic transfer and/or on a monthly basis in order to streamline the administration. This is of course fine, but not likely to be desired in all cases.

### **Payments to those not in receipt of a stipend**

Retired clergy and self-supporting/non-stipendiary ministers, lay readers, chaplains and clergy employed by the diocese and any others permitted to preside at funerals who are not in receipt of a stipend may claim 80% of the DBF fee. We recommend that this is paid in all circumstances, unless an individual opts in writing to waive it. When individuals waive their right to receive the fee we recommend that the offer is renewed on an annual basis. In such cases the full amount should be passed to the DBF; similarly, if the individual subsequently decides not to keep the fee, they should return it to the DBF or may (should they so wish and are able to do so under the Gift Aid regulations) make a donation of the same amount to the DBF by Gift Aid.

### **Ministers' Expenses**

Those who conduct funerals are entitled to claim their travel expenses (and any other necessary out-of-pocket costs) for each service that they take. Often, the person in charge of the funeral, wherever it may be held, makes suitable arrangements for the transport of the minister to and from that place, and to and from the place where the interment takes place. If this does not happen, the minister concerned may claim any travelling expenses that may necessarily and reasonably be incurred. It is recommended that the likely cost is notified to the funeral director in advance of the funeral, so that those paying are not landed with an unexpected additional charge. Special

attention should be given to this when external ministers are covering for holidays and other absences, or during an interregnum.

### **Extras**

The regulations are quite clear about what is (and is not) included in the statutory fee. Any other items for which a charge will be made are 'extras' and must be optional for those paying for the service. Unfortunately, the provision of a verger is not included in the statutory fee but will in almost every case be necessary – it is therefore important that this is made clear to all concerned at the outset. Parishes may want to establish a fee table that includes the verger's fee as a default 'extra'. Funeral directors must have the option of making arrangements without a verger although it is highly unlikely that any would want to take on the additional responsibilities themselves.

### **Payments to vergers, organists, etc.**

These payments are always taxable. Therefore the PCC should keep a clear record of all payments in case of enquiry by HMRC and inform those receiving payment that they are responsible for making the appropriate declarations to the tax authorities. Whilst the payments are taxable, they do not in themselves create an employment relationship between the individual and the PCC for the purposes of employment law.

### **Waiving of Fees**

The regulations provide that the statutory fees may be waived in exceptional cases - e.g. financial hardship. We stress the word 'exceptional' because waiving fees sets precedents that can lead to all sorts of issues in relation to consistency, favouritism etc. If a PCC is minded to help those in real financial hardship, it might be better to explore ways of helping people to pay fees rather than waive them which could include gradual payments, or having some form of subsidy system according to certain criteria. Whatever approach is taken, this is a decision for the incumbent and must be made on a case-by-case basis and not as a blanket decision. We recommend that both the DBF fee and PCC fee are waived together or that neither is, and that before reaching a decision incumbents consult their Archdeacon and the churchwardens. There are of course no fees payable in the case of funerals for children under 16 or for still-born infants.

Updated November 2018