Diocesan Cashbook v5.2: Receipts & Payments
Updated 11th March 2015

What is the Diocesan Cashbook?

The Diocesan cashbook has been developed by the Gloucester Diocesan Board of Finance as a simple way of recording receipts and payments, for the average PCC. It uses the information entered to produce a generic Receipts and Payments Account and Finance Return.

In version 5, the Cashbook now has three variations: Receipts & Payments (recommended for the majority of PCCs), Accruals (for those PCCs which have to produce Accrual Accounts), and Multi-Church PCCs (where a single PCC needs to produce a set of consolidated accounts from multiple accounts, i.e. within a team ministry).

This manual relates to the Receipts & Payments version of the Cashbook. Other manuals are available for the other variations.

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1) How to Start?

1.1 Setting up a New Year

The Cashbook is designed to cover a single year's amount of Transactions. For each new year, a new Cashbook needs to be set up.

This is mainly to allow a complete record of the year to be held, and then archived, minimising the risk of losing multiple year's data due to a single corrupt file.

1.2 Basic working principles of the Cashbook

The Cashbook operates using a series of tabs. Each tab holds specific information which the Cashbook uses for reconciling, and for creation of the year-end Receipts & Payments account and Archbishops' Council's Finance Return.

The headings below each refer to a different tab.

a) Main Menu

The first part of the Cashbook which needs to be completed is the Main Menu tab. This holds general information on your Parish including other churches, Deanery, Diocese, Parish Code and incumbent.

The most important part of this tab is the **year**. The Cashbook is date sensitive, and will take the year entered as the current year. Any transactions entered with a date outside of this year will not be picked up in the Receipts & Payments account or Financial Return, as the Cashbook assumes that these entries are simply for reconciliation purposes. If the year is left blank, the Cashbook will not be able to assign any entries to the current year.

The Parish Code is the national churches unique identifier for your Church. This six-digit number can be obtained by visiting www.achurchnearyou.com entering your Parish name (or postcode) and selecting your Parish. If you then select the Other Info tab on this website, the Parish Code is listed under CofE Church Info.

To complete this tab, please enter ALL cash and investment accounts in the appropriate table. Any accounts which are not included within the Cashbook, will not be included in the Receipts & Payments account, and will require adding manually. This table defaults to showing ten lines, but can be extended to 20 lines by going to the Troubleshooting tab and clicking the "Increase Main Menu to 20 Accounts" button.

Under **Type** either Cash or Inv (for investments) must be entered, to allow the Cashbook to distinguish between the two types of account.

Two balances then need to be entered for each account; the Bank Statement balance which should match your final statement balance from the previous year, and the Actual balance, which is the balance assuming that everything has cleared the account at the end of the

previous year. The difference between these two balances (if any) will be cheques written before the year-end, but which haven't cleared the account yet (occasionally it might also include uncleared income).

Once all this information has been completed, only changes to the general parish information will need to be updated.

b) Assets

The asset tab automatically picks up the accounts which have been entered onto the Main Menu. To complete this tab, each of these assets then need to be split between Unrestricted, Designated and Restricted funds, matching the previous year's accounts. Some accounts may contain a mixture of Unrestricted and Restricted money, or even several different restricted funds.

Once these have been completed, the Cashbook will show the calculation of the split to be correct, by changing the Actual Opening Balance cell from purple to clear.

c) Balances

At this stage nothing needs to be added to the Balances tab. The information written above will automatically be pulled through, but if the Actual and Bank Statement balances are different (as described above), you will see an Error message appear. This message is showing because the Cashbook is making a reconciliation which doesn't balance, as no uncleared entries from the previous year have yet been entered.

d) Transactions

To start the year, any uncleared transactions from the previous year need to be entered into the Transactions tab. Each transaction needs to be entered in a separate row as follows (all parts must be completed, unless stated below as optional):

> *Date:* The date the transaction took place should be entered. For previous years' entries, this should still be the date the Transaction took place, and not the 1st January for the current year. All date entries must follow the **dd/mm/yy** format, otherwise the Cashbook will not recognise the date.

> *Account:* This refers to the Account letter as listed on the Main Menu, e.g. A, B, C etc.

> *Type:* Type refers to the Fund the transaction relates to. Enter U for Unrestricted, D for Designated, or R for Restricted.

> *Code:* This refers to the Account Code against which the transaction relates. All transactions must have an account code, even if a Parish Fund Code is also used (see section 2.2). The Account Codes are listed on the Accounts List tab. Once the number is entered, the description will automatically appear.

> *PFC1/PFC2:* PFC refers to Parish Fund Code. These columns are optional, and are described in more detail under section 3.

> *Transaction Details:* This is optional, but completion is recommended. This cell is free text, allowing you to enter a description of what the transaction relates to.

> *Money In/Money Out:* For income, enter the amount in the Money In column, and for expenditure, enter the amount in the Money Out column. Both income and expenditure must be entered as positive amounts.

Paying in slip/Chq number: This is an optional column which completes part of the audit trail for your independent examiner. The paying in slip number, or the cheque number should be entered (or BACs if paid through internet banking). Some numbers may relate to several transactions.

Vchr number: If you use a unique id for each invoice and/or receipt you process, this column can be used to enter that number to complete the audit trail.

B/St Number/Rec: Both of these columns are protected and cannot be completed at this stage. For more details see section 2.2 on reconciling balances.

If you go back to the Balances tab once all the previous uncleared items have been entered, the error message should have disappeared. If it is still there, please check your opening balances and transaction entries.

1.3 Additional/Optional tabs when setting up a New Year

At this point the Cashbook will start functioning fully, and can be used for its main purpose of tracking transactions and reconciling to statements. However, there are some additional things you can do when setting up the Cashbook which will make things a little easier throughout the year, and when preparing the year end accounts.

a) SO & DD

The Standing Orders and Direct Debits tab can be populated at this stage if entries and amounts are known.

It is recommended that the details are completed at this stage, but that the amounts are left blank. For more details on completing this tab, please see section 2.1b below.

b) Accounts List

The Accounts List tab can be used for reporting (see section 5 for more details on the Accounts List), but at this stage the Previous Year's totals and Budget for the current year can be entered.

Income balances need to be entered as a positive amount and expenditure balances need to be shown as negative.

The previous year balances will then filter through automatically to the R&P tab (see below).

c) Parish Fund Codes

The Parish Fund Codes tab is explained in more detail in section 2.2, but the details and opening balances (if any) can be completed at this stage.

d) Parochial Fees Return

The Parochial Fees Return tab is explained in more detail in section 4. At this stage any amounts that were due to the DBF (Diocese) or to a visiting minister/other third party at the end of the previous year, but were paid in the current year, can be entered in the "Amount outstanding for previous year:" line.

The Cashbook records all payments made to the DBF or to a visiting minister/other third parties in this table against the amounts due, in order to provide a balance outstanding. This entry cancels out the amount due from previous years once paid, giving a correct balance outstanding figure for the current year.

e) R&P

The majority of the Receipts & Payments tab populates from other tabs within the Cashbook, but two areas require completing manually.

Firstly the Parochial Fees amount needs to be completed in cell I20 (the cell will go from pink to clear once filled in). This is because the previous year's figure on the Accounts list will be the full income for the year and not just the PCC's share as should appear within the accounts.

Finally cell I60 needs to be completed with the previous year's balance as at the 1st January (i.e. for the 2015 cashbook, this will be the funds balance as at 1st January 2014). The R&P tab has two completeness checks: one for the current year and one for the previous year. The error for the previous year will show if the Funds brought forward from the previous year do not match the funds carried forward at the start of the current year. If you have entered all of the figures and this error appears, please check you entries in the Accounts List.

2) Day to day use of the Cashbook

2.1 Entering a Transaction

There are three separate ways to enter transactions into the Cashbook, depending on the type of transaction. The most common way of entering transactions is using the Transactions tab (see General Transactions below). This is for all receipts and payments, and for investments, gains and losses. Transfers between accounts, i.e. from a bank account to a CBF deposit account, are dealt with via the Transfers tab. This separates true income and expenditure (receipts and payments) from the movement of funds between accounts.

The final way to enter a Transaction is through the SO & DD tab. This is used for any recurring income or payment entries (normally Standing Orders or Direct Debits), which will always be coded to the same Account number, and be received to/paid from the same cash/investment account. This tab is optional, as all of these recurring entries can be put through the Transactions tab. The SO & DD tab is designed to save you time by only requiring an amount to be entered month by month, rather than all the details required for a normal transaction.

It is important that, whichever entry method you use, the transactions are not entered into more than one tab; for example, if the SO & DD tab is used the same entry must not be entered into the Transactions tab.

a) General Transactions

Entering a transaction onto the Transactions tab follows the same procedure as described above in section 1.2d.

> *Date:* The date the transaction took place should be entered. All date entries must follow the dd/mm/yy format, otherwise the Cashbook will not recognise the date.

> *Account:* This refers to the Account letter as listed on the Main Menu, e.g. A, B, C etc.

> *Type:* Type refers to the Fund the transaction relates to. Enter U for Unrestricted, D for Designated, or R for Restricted.

> *Code:* This refers to the Account Code against which the transaction relates. All transactions must have an account code, even if a Parish Fund Code is also used (see

section 2.2). The Account Codes are listed on the Accounts List tab. Once the number is entered, the description will automatically appear.

PFC1/PFC2: PFC refers to Parish Fund Code. These columns are optional, and are described in more detail under section 2.2.

Transaction Details: This is optional, but completion is recommended. This cell is free text, allowing you to enter a description of what the transaction relates to.

Money In/Money Out: For income, enter the amount in the Money In column, and for expenditure, enter the amount in the Money Out column. Both income and expenditure must be entered as positive amounts.

Paying in slip/Chq number: This is an optional column which completes part of the audit trail for your independent examiner. The paying in slip number, or the cheque number should be entered (or BACs if paid through internet banking). Some numbers may relate to several transactions.

Vchr number: If you use a unique id for each invoice and/or receipt you process, this column can be used to enter that number to complete the audit trail.

B/St Number/Rec: Both of these columns are protected and cannot be completed at this stage. For more details see section 2.3 on reconciling balances.

b) Using the Standing Orders/Direct Debit tab

It's important to note that all entries in the SO&DD tab will clear on the first of the month under which they appear. Because of this, we recommend that the amounts are not entered into the Cashbook until they physically clear the bank statement. This has two benefits. Firstly, if a statement is received to the 15th of the month, and a direct debit doesn't clear until the 16th or later, the Cashbook will still count the entry as having cleared, therefore requiring a mental adjustment to agree the statement to the Cashbook. Secondly, if the amount for some reason doesn't come in or go out of the account, it should be more obvious when and where the missing entry happened.

Similar to the Transactions tab, each Standing Order or Direct Debit (or other recurring transaction) needs to be entered on a separate line of the SO & DD tab.

Details: This is optional, but completion is recommended. This cell is free text, allowing you to enter a description of what the transaction relates to.

Income/Expenditure: Please enter in this cell whether the transaction is "Income" or "Expenditure". Any other descriptions are not recognised by the Cashbook, and so will not be picked up in the Balances, Receipts & Payments or Finance Return.

Account: This refers to the Account letter as listed on the Main Menu, e.g. A, B, C etc.

Type: Type refers to the Fund the transaction relates to. Enter U for Unrestricted, D for Designated, or R for Restricted.

Recv'd as: This is an optional cell where you can enter how the transaction is received or paid, e.g. DD for Direct Debit

PFC: PFC refers to Parish Fund Code. These columns are optional, and are described in more detail under section 3.

Code: This refers to the Account Code against which the transaction relates. All transactions must have an account code, even if a Parish Fund Code is also used (see section 3). The Account Codes are listed on the Accounts List tab. Once the number is entered, the description will automatically appear.

January through to December: This is where the amount received/paid is entered, under the appropriate month. For example, if the PCC pays its water rates quarterly in February, May, August and November, the amount is entered under these columns. Both income and expenditure must be entered as **positive** amounts.

c) Transfers between Accounts

When an amount is moved from one account to another, the Transfers tab is used instead of the Transactions tab. This tab can also be used when the PCC designates or undesignated general funds, or if the PCC has received permission from the Charity Commission to unrestrict a previously restricted fund.

Please note, this is the only tab where reconciling takes place outside of the Balances tab (see section 2.2).

Date: The date the transaction took place should be entered. All date entries must follow the **dd/mm/yy** format, otherwise the Cashbook will not recognise the date.

Reasons for Transfer: This is optional, but completion is recommended. This cell is free text, allowing you to enter a description of what the transfer relates to.

Amount Transferred: Please enter the amount transferred as **positive** amount.

Tfr from Account: This refers to the Account letter as listed on the Main Menu, e.g. A, B, C etc, for the account out of which the funds are being transferred.

Type: Type refers to the Fund the transaction relates to. Enter U for Unrestricted, D for Designated, or R for Restricted (same for Tfr to Account section).

P Fund Code: This refers to Parish Fund Code (same for Tfr to Account section). These columns are optional, and are described in more detail under section 3.

Tfr to Account: This refers to the Account letter as listed on the Main Menu, e.g. A, B, C etc, for the account into which the funds are being transferred.

Rec Tfr from a/c & Tfr to a/c: When the transfer clears the bank account, place an "X" in the appropriate column. This will reconcile it on the Balances tab (see section 2.2)

When changing the type of Fund (normally unrestricted to designated or vice versa), the Tfr from Account and to Account need to be the same (A), but the type is changed. This won't clear the bank account at all (so reconcile either both or neither), but on the Receipts and Payments account you will see a transfer between funds.

2.2 Reconciling to Statements

Whenever you receive a statement about your bank or investment accounts, reconciling the Cashbook will highlight any entry errors and give you confidence moving forward that the Cashbook is complete.

On the Balances tab you will see a table at the top (named Bank Reconciliation table), split into two sections, and underneath a list of all unreconciled transactions.

The first part of the Bank Reconciliation table shows the Actual balances of the accounts listed. This takes all the entries from the Transactions tab (and relevant information from the Transfers and SO & DD tabs) to give an actual balance available to the PCC, i.e. it assumes that all transactions have been cleared.

The second part deals with the Bank Statement balance. This will only show transactions which have been marked as reconciled. Each time you receive a new bank statement, any cleared transactions will need to be marked with an X. Once all these items have been marked, this balance should match your bank statement (see 2.2a).

Beneath this table is a list of all unreconciled transactions. This automatically gets populated from the Transactions tab. This is the area where transactions are marked as cleared (see 2.2a).

Scrolling to the right on this tab reveals another table which breaks down the accounts ACTUAL balance into Unrestricted, Designated and Restricted. This split is taken from how transactions are marked throughout the year in their "type" column.

a) Reconciling process

To reconcile each Statement, please follow the process below:

1) Firstly, make sure that all entries on the bank statement have been entered onto either the Transactions, Transfers or SO&DD tabs.

2) Once you are confident that everything is on, firstly reconcile any Transfers by entering an "X" in either column N or O, depending on whether the account was receiving or transferring the amount.

3) For the bulk of the transactions, on the Balances tab, you will need to place an "X" in the column titled Rec, next to the transaction which has cleared. We recommend that the bank statement number is also entered in the column next to the Rec to complete the audit trail for your independent examiner.

4) All Standing Orders & Direct Debits will automatically clear for the month they have been entered on the SO&DD tab.

5) Once everything has been marked, you can compare the balance on the Statement to the balance on the Cashbook. If these two match then you can go to step 6 below. If they don't match then an entry has been missed either in the marking process, or entered incorrectly, or not at all. Note, the balance changes automatically each time an "X" is entered next to a Transaction. If your statement has a running balance, a quick way to check where the error occurs is to unmark the Transactions, then remark them one by one checking the running balance each time.

6) To finish the Reconciliation process, once the balance matches your statement, click on the Reconcile button at the top of the page. This will ask you to confirm that the balance matches the statement, to which you type "Yes" (please note this is case sensitive). At this point you can click Cancel, and the reconciliation will not take place.

7) Once you have typed "Yes" and clicked ok, the Cashbook will reconcile the transactions, transferring the bank statement information to the Transactions tab, and removing the cleared items from the Balances page.

b) Error messages

There are two places an error message can appear in the Balances tab. Firstly, when the Cashbook cannot reconcile the amount of uncleared transactions with the balance it has for the bank statement and the actual balance. If this happens there is an entry on the Transactions tab which it cannot recognise, or there is an error with the internal sums.

Firstly, go to the Transactions tab and scroll down the list of Transactions, checking the right hand side. If the Cashbook doesn't recognise an entry, #VALUE will show in red to the right of the transaction. Check this entry, making sure that all columns are filled in correctly, and that the date has been entered correctly. A common mistake which cannot be seen with the naked eye is for a space to be entered in either the Money In or Money Out columns. If everything else looks ok, simple delete the cell which looks like its empty.

If there are no #VALUEs showing, or a #REF! is showing, on the Troubleshooting tab there is a button marked "Correct #REF!". Clicking this recalculates the spreadsheets sums (this may be a bit slow depending on your system).

If the error still occurs after these two steps, please contact the support number of your Diocese.

3) Parish Fund Codes

The Diocesan cashbook can be personalised to keep a record all of a PCC's unique funds (Fund PFC), and to track specific items of interest to the PCC (Nominal PFC), through the use of the Parish Fund Codes tab (PFC). This can also be used for obtaining the balances for notes within the year-end accounts.

Parish Fund Codes were primarily designed to keep a track of a PCC's Restricted and Designated Funds. These Funds could potentially be spread across several bank accounts, but it is important that the full amount of the Fund is recorded.

The Parish Fund Codes tab works by having a unique code/reference set up which is then noted in the Transactions, Transfers or SO & DD tab against individual transactions. This unique code is entered under the code column on the PFC tab. The Section column is optional, and can be used to group sections of PFCs together (using the Sort PFC button in Troubleshooting). The Code Description is then free text, describing the details about the Fund (i.e. what the restriction is) or about the area the PCC is especially interested in (e.g. Summer Fete).

For Funds, a Balance brought forward can be filled in (unless it is a new fund for the current year).

The amount In, Out or Transferred, is then shown automatically every time a matching PFC code is entered into the Transactions, Transfers or SO & DD tabs. The Transactions tab has two columns for PFCs, in case a transaction needs to record both a Fund PFC and a Nominal PFC.

4) Parochial Fees

The Cashbook tries to simplify the way Parochial Fees are recorded by having a separate tab called Parochial Fees Return.

All Parochial Fee income, both statutory and non-statutory, needs to be recorded on the Transactions tab using code 14 (please note the system does not work if Fees are shown within SO & DDs). This will automatically be duplicated on the Parochial Fees Return tab.

Each income entry on the Parochial Fees Return then needs to be split between various columns.

Officiant's Name: If the officiant of the service was a visiting minister, please note it in this cell for the audit trail.

Statutory Fee: Each year the Archbishops' Council releases a Table of Parochial Fees, which details the statutory fees due for weddings, funerals etc, as voted on by Parliament. These Fees must be paid in most circumstances (see your Diocesan Fees Policy for further details). These amounts are split into DBF and PCC fees.

If a Visiting Minister takes a service, your Diocesan Fees Policy will detail how much of the fee they are entitled to, and how this is split. In some circumstances, a PCC may be acting as an agent for a self-employed person (a normal example would be an Organist). For simplicity, fees due to this person should be included under the statutory fee column titled "Officiant or 3rd Party" along with any fees due to a visiting Minister. If your PCC operates the Fees for the benefice, this column can also be used to show how much is due to another PCC.

Non-Statutory Fee/Expenses and Extras: If the PCC charges any extras, for example the cost of a verger or heating, or travelling expenses for the parish priest or other officiant (please see your Diocese's Fees Policy for what is allowable), these amounts can be shown under the appropriate column for Expenses and Extras.

Deposits: If you receive any deposits for a future year, an additional column has been added where this can be listed for completeness.

When you make a payment to the DBF for their share of the statutory fee, this can be entered into the Transactions tab using code 51. Similarly fees due to a visiting Minister can be coded to 52, to any other third party 53, and if your PCC operates the Fees for the benefice, code 54 can be used to show this payment to the other PCC for their share.

Each of the totals for these codes filters into the Parochial Fees Return tab in the box at the top. This table shows the total due for the year (as detailed in the split below), anything which was still due as at the end of the previous year, less the amount remitted to the DBF and/or third parties to give a total balance due.

On the R&P tab, below the Receipts and Payments account, a note showing how Parochial Fees are split and why only the PCC part is shown in the accounts is displayed with a complete breakdown of all Parochial Fee transactions. This includes any amounts still outstanding as at the end of the year to the DBF or other 3rd party.

5) Year-end Process

Reconciling at the end of the year follows exactly the same process as described above. Once you are happy that all the bank balances match the statement balances, you can start the year-end process.

For Receipts and Payments, as you have been keeping the Cashbook up to date throughout the year, the potential changes should be minimal. The steps below are only recommendations of things to be aware of:

Firstly, using the list on the Balances tab, check the date of any outstanding transactions. It may become obvious that one or more of the items are duplicates which need removing from the Transactions, or the PCC may decide that a cheque is so old it is now unlikely to be cashed and needs writing off.

- Duplicate Entries: When a Transaction has been duplicated, the easiest way to remove this is to delete the entry on the Transactions tab. Please make sure that you are deleting the duplicate and not the correct entry.

- Writing off a cheque: When writing off a cheque, this can be done in one of two ways. We would not recommend deleting the transaction as described above as this wouldn't give transparency as to what has happened.

    The easiest way is to put a 'dummy' transaction entry into the Transactions tab, showing exactly the same details as the cheque you want to write off but date it the 31/12/current year. In the description, state that you are writing the cheque off, and then make the amount negative in the money out column. This will reverse the original cheque entry. Please note that if the cheque relates to a previous year's entry, your Receipts and Payments account will be increased. This is because in the previous year the Receipts and Payments account would have been unknowingly overstated.

    The other way is to use the YE Jnls (Yearend Journals) tab. This tab allows you to keep a list of any year-end corrections you want to make to the accounts (this tab is not expected to be used over-extensively for Receipts and Payments as it has been designed for Accruals accounting). For writing off a cheque, enter the details (i.e. cheque number) in the column titled Accruals/Prepayment for YE , then select the code to which the original cheque was applied, and then put in the amount. As this is writing off a cheque, this amount needs to be positive (to cancel out the payment). The type also needs to be included (U, D & R). If writing off a cheque, within the Transactions list, the Bank Account letter needs to be removed from the original transaction. This is so the Actual balances brought forward are corrected.

Finally you may want to check the coding of the year's transactions. They quickest way to do this (from a reasonability check) is to go to the Accounts List tab and check each of the totals against both the previous year and the budget. If any of the totals look significantly different it might be worth checking what has gone to that code. Even if the coding is correct, it will be worthwhile in case your examiner asks the same question.

Once you are happy with the accounts and balances, the Receipts and Payments account can be printed. If there are any rows which are not used at all, either in the current or previous years, these can be hidden before printing.

The Archbishops' Council's Finance Return can also be printed and the numbers used for the online submission. There are certain cells in the Finance Return which need to be completed manually, but these can be left if the form is being processed online. Both the R&P tab and Finance Return tab automatically update from other tabs.

6) Hints and tips

a) Using the Accounts List for Reporting

The Accounts List can be used for Reporting purposes as part of your presentation of finances at PCC meetings. Before printing, any rows or columns which you feel are either unnecessary or blank can be hidden.

For completeness and transparency the Cashbook will also show totals of unreconciled items from the previous year, and how the Accounts List relates to the R&P account and Finance Return. On the right there is also a section which shows how much of each code relates to Unrestricted, Designated and Restricted funds.

b) Fund Types (and negative fund balances)

Funds need to be carefully managed and it is important to distinguish between Cash/Investment accounts and Funds. For example, a CBF Deposit account may hold a restricted Fabric Fund. If some of this is transferred to the PCC's general bank account, it still remains part of the restricted Fabric Fund despite no longer being in the CBF account. Equally if money is moved from the general bank account into the CBF account, it does not automatically become restricted.

Unrestricted money is for the general purposes of the PCC. Restricted money is for a specific purpose and can only be restricted by the donor (and not by the PCC). Designated money is unrestricted funds which have been earmarked by the PCC for a specific purpose. These funds can be undesignated at any time by the PCC.

Below is a working example of Funds in action:

At the start of the year a PCC has two bank accounts (a high street bank and CBF) and an investment account. The investment account is an endowment fund (restricted fund where the capital cannot be used) which relates to the fabric of the church, the CBF account holds the PCC's restricted Fabric Fund and the high street bank holds the PCC's general (unrestricted) funds. At the end of the previous year, all of these funds were tidied up and showed the following balances:

Account	Unrestricted	Designated	Restricted	Total
High Street	£5,000	-	-	**£5,000**
CBF Deposit	-	-	£8,500	**£8,500**
CBF Investment	-	-	£10,000	**£10,000**
Total	£5,000	-	£18,500	**£23,500**
Funds	**Unrestricted**	**Designated**	**Restricted**	**Total**
General	£5,000	-	-	**£5,000**
Fabric Fund	-	-	£8,500	**£8,500**
Endowment	-	-	£10,000	**£10,000**

Total	£5,000	-	£18,500	**£23,500**

As you can see, the Accounts and the Funds match at this point.

During the year the PCC decides to designate part of its funds for use against the Tower Appeal, and also requests donations from the congregation and visitors to the church. Halfway through the year they have collected £1,500 towards the appeal, and have added to this with a £1,000 designation. The Endowment Fund releases interest (£300) to the CBF deposit account. As the Endowment is towards the Fabric of the church, this can be merged into the Fabric Fund total (in this example it is assumed that all other income and expenditure net to zero). The new account/fund position looks like this:

Account	Unrestricted	Designated	Restricted	Total
High Street	£4,000	£1,000	£1,500	**£6,500**
CBF Deposit	-	-	£8,800	**£8,800**
CBF Investment	-	-	£10,000	**£10,000**
Total	**£4,000**	**£1,000**	**£20,300**	**£25,300**
Funds	Unrestricted	Designated	Restricted	Total
General	£4,000	-	-	**£4,000**
Fabric Fund	-	-	£8,800	**£8,800**
Tower Appeal	-	£1,000	£1,500	**£2,500**
Endowment	-	-	£10,000	**£10,000**
Total	**£4,000**	**£1,000**	**£20,300**	**£25,300**

At the end of the year the Tower Fund has not raised enough to start the works and so is carried over to the following year. The PCC decides to undesignated half of the £1,000 the originally designated, and move the balance of the Tower Fund (£2,000) into the Deposit account to earn more interest. During these six months the PCC has also paid for Fabric repairs costing £800 from their high street bank account (in this example it is assumed that all other income and expenditure net to zero). The year-end account/fund position looks like this:

Account	Unrestricted	Designated	Restricted	Total
High Street	£4,500	-	(£800)	**£3,700**
CBF Deposit	-	£500	£10,300	**£10,800**
CBF Investment	-	-	£10,000	**£10,000**
Total	**£4,500**	**£500**	**£19,500**	**£24,500**
Funds	Unrestricted	Designated	Restricted	Total
General	£4,500	-	-	**£4,500**

Fabric Fund	-	-	£8,000	**£8,000**
Tower Appeal	-	£500	£1,500	**£2,000**
Endowment	-	-	£10,000	**£10,000**
Total	**£4,500**	**£500**	**£19,500**	**£24,500**

The Fund balances above are easy enough to reconcile and should match the balances within the Parish Fund Code list.

The Account balances look odd because of the negative £800 in the high street account, and the balance of £10,800 in the CBF deposit account which ordinarily would be related to the Fabric Fund (it may even be called Fabric Fund).

All of the account balances are correct, but this highlights the difference between Accounts and Funds. The Funds is the most important figure, with the accounts just being where the assets are held.

If the PCC want to tidy up these accounts, £800 could be transferred from the CBF Deposit account to the high street account to "reimburse" the Fabric expenditure. The CBF account would then hold £10,000, of which £2,000 is for the Tower Appeal and £8,000 is the Fabric Fund.

c) Filtering

The Transactions tab, and Parish Fund Codes tab, both have filter buttons attached to selected columns. These filters work differently for various versions of Excel, but when applied, will make answering queries and finding errors much simpler to track. If you would like more advice on filters, please contact your Diocesan Support.