



# Diocese of Edinburgh

## Scottish Episcopal Church

EDINBURGH DIOCESAN OFFICE • 21A GROSVENOR CRESCENT EDINBURGH EH12 5EL

### Church Treasurers

copy to: Rectors/Priests-in-Charge and Area Council Convenors

December 2019

Dear Treasurer

### Quota 2020

I am writing to inform you of the quota payments which will be due next year, following approval of the 2020 budget at the recent autumn Synod. I attach a table which shows the amounts due from each Area Council, and from each individual congregation.

### The 2020 Budget

All those attending Synod received details of the Diocesan budget for 2020. Any Treasurer who has not seen these papers can obtain a copy of the Budget Papers via this link: <https://edinburgh.anglican.org/diocesan-vestry-resources/resources-diocesan-office-synod/>

At the Diocesan Synod in March 2019, support was expressed for a proposal to employ an additional part-time member of the Diocese's Mission Team, who would coordinate enhanced Continuing Ministerial Development (CMD) opportunities within the Diocese and complement the work of Annie Naish, the Diocesan Director of Mission. The 2020 budget reflects the cost of this new post and related CMD activities, totalling around £20,000 in a full year. The budget also incorporates the non-recurring cost in 2020, estimated at £12,000 of attendance at and support for The Lambeth Conference.

Recent years have seen recurring deficits in the Diocese's accounts. In spite of the additional costs referred to above, the proposal put to the October Synod was to restrict the increase in quota in 2020 to 3%. As a result, the 2020 budget has an overall deficit of some £64,000. Of this, some £21,000 can be covered by historic accumulated income in the St Hilda's Fund for Mission projects, but that still leaves a budgeted deficit of £45,000 in the General Fund. At the Synod in March 2020 proposals for reversing the trend of deficits will be discussed, and inevitably these will include the prospect of rebasing quota at a higher level from 2021 onwards. But it is recognised that congregations will need time to adjust and budget for any significant increase in quota. Accordingly, Synod approved an overall increase in quota in 2020 of just 3%.

### Allocation of quota to Charges and Area Councils

As in previous years, the total amount of quota has been allocated to Charges pro-rata on the basis of Quota Assessable Income (QAI) averaged over the past three years, weighted in favour of more recent years. As a result, individual congregations will find their quota in 2019 has changed by more or less than the overall 3% increase, depending on whether their QAI has risen or fallen.

Standing Committee is aware that some congregations may find difficulty in coping with an increase in quota, as well as other cost increases. Such difficulties may be capable of resolution in the first instance within Area

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Councils, whose role includes considering the reallocation of quota to congregations in their area. It would be helpful if Area Councils could continue to take the lead in ensuring that quota is fully paid in their area.

## Methods of payment

Many Charges now pay quota by Direct Debit, normally over ten months from January to October. If you do not utilise this facility, please consider taking it up. Direct debiting has worked well in the Diocese, and it spares Charge Treasurers from the need to update payments. Once the requisite form (enclosed if relevant) has been signed and returned, all necessary actions are taken by the Diocese on your behalf (and we notify Treasurers when a change occurs).

For Charges who still pay by standing order, I should be grateful if your current SO instruction is amended to take effect from 1 January 2020. Quota is normally paid through the calendar year by instalments. If you intend to pay by any other means, please let me know so that I can manage the Diocesan cash-flows effectively.

## Finance schedule and accounts

As noted above, the Quota requested from Charges is based on QAI – the adjusted income, as notified by Charge Treasurers in the Finance Schedule, and checked by Diocesan officials against Charge accounts.

The Finance Schedule for 2019 and notes for completion are attached and are also available in excel format on the Diocesan Office website. Please ensure the Schedule is completed and returned to the Diocesan Office by 31 January 2020 along with your Charge accounts for 2018/19. They may be submitted either electronically or on paper. If any treasurer has difficulty in providing this information by the date requested, please let me know.

## In conclusion

Thank you for your work as Charge Treasurer. It is, I know, often complex and time consuming. Please do get in touch if there is any matter where I can be of assistance, and specifically if you have any questions arising from this letter or the Finance Schedule.

I am emailing a copy of this letter to the Rector/Priest in Charge for information.

Yours sincerely,

Ian A S Lawson BSc CA  
Diocesan Treasurer

## Scottish Episcopal Church - Diocese of Edinburgh

### The Finance Schedule and Quota Guide 2019

Quota is the system by which Charges (congregations) contribute financially to the work of their Diocese and the Province. About 30% of the Province's funding comes from quota paid by Dioceses (see footnote to Financial Schedule) while 65% of the Diocese's costs are funded by quota paid by Charges.

In 2019, the Diocese will receive £512,740 in quota, and pay £277,861 to the Province.

The Diocesan budget for 2020 includes quota income of £528,122, a 3% increase on the previous year. This is allocated to Charges on the basis of their Quota Assessable Income (QAI) averaged over the three years 2016 – 2018.

Each year your congregation's QAI is derived from its total income adjusted for certain 'permitted exclusions'. These are set out on the Finance Schedule which Charge Treasurers are requested to complete and submit to the Diocese along with the annual accounts.

The purpose of the Finance Schedule is to achieve a fair and equitable sharing of total quota among Charges, so it is important that the rules and exclusions are applied correctly and consistently. Please therefore observe the following guidance:

#### **A1 Total Income**

All of a Charge's income (in the case of SORP accounts) or receipts (R&P Accounts) is assessable for Quota. The figure inserted will be the total for all funds, general and restricted, as shown in your accounts as submitted to OSCR. It will therefore include, inter alia:

- congregational giving and offerings
- other donations and fundraising
- Gift Aid claims/receipts
- investment income – **even if it is automatically reinvested**
- rental income
- income (before offsetting costs) from trading, charitable activities and events

#### **A2 Exclusions**

All sources of income are to be included at A1, but specific agreed items may then be excluded. Apart from (g) below, **exclusions can only be claimed in respect of items comprised within total income or receipts** shown at A1.

Permitted exclusions are listed on the Finance Schedule under the following headings:

- a) Grants received from the Province or Diocese; eg, stipend support or building grants.
- b) Grants from public bodies or trusts and other fundraising (including Gift Aid) for building restoration, renovation or extension.
- c) Insurance claims that are included in total income (**not** if offset against related expenditure!)
- d) Contributions received from other Charges towards shared costs, but again only if included in total income. (this income can be excluded because it will already feature as expenditure out of QAI in another Charge). Clergy contributions for shared costs can also be excluded.
- e) Amounts included in total income relating to the sale or revaluation of fixed assets and investments. In Receipts and Payments Accounts it will be net proceeds received; in accruals accounts under the SORP it will be the surplus arising on disposal or revaluation.
- f) All legacy income
- g) Reasonable expenses associated with commercial or other trading activity or events. These expenses, of course, will not be included in total income in A1. The purpose is to restrict income from each commercial activity to the profit element. There has historically been quite a wide disparity in treatment between Charges so Treasurers are asked to explain and justify their basis

of calculation. And of course the exclusion will be limited to the total amount of income for the activity concerned.

- h) If the Charge makes collections specifically for third parties and records the income in its accounts, then this income may be excluded. Clearly there is no exclusion if both income and expenditure are omitted from the accounts, as should be the case where the church is only acting as a collecting agent on behalf of the third party.
- i) Other requested exclusions. Full details should be given of such items if they are to be allowed. They may include, for example, refunds of overpayments (again only if they have not already been netted off total income!) or income in restricted purpose funds not covered by item (b) above, so long as the restricted purpose is not for routine expenditure like clergy costs, maintenance or music. (And note this does not apply to designated funds which are merely a setting aside of general income for a purpose earmarked by the Vestry.)

Exclusion should not be expected in respect of income held to be “additional”, “special”, “unexpected”, “non-recurring” or similar, nor for collection of arrears of income not brought into account previously.

Finally, transfers of cash between bank accounts or a building society, and receipts from loans, should not be reported as income, and therefore it should not be necessary to claim exclusion for such transactions. Nor may an exclusion be claimed in respect of transfers between funds.

### **A3 Provincial Quota Assessable Income**

Total income less total exclusions gives the Charge QAI that will be used by the Province in calculating the assessable income of the Diocese of Edinburgh, for the purposes of allocating Provincial quota between the seven Dioceses. The average of these QAIs for 2016, 2017 and 2018 will be used to allocate the 2021 (sic!) Provincial Quota.

There is a further adjustment however, to arrive at Charge QAI for Diocesan purposes:

### **B1 Exclusion for charitable expenditure**

In order not to penalise those Charges that make substantial contributions towards mission work through agencies other than the Diocese, a further exclusion is allowed under B1 for donations to registered charities and overseas mission agencies. Originally this was capped at 10% of congregational giving. However in recent years the Diocese has not applied the cap, preferring instead a more discretionary approach based on the general intention of supporting mission work and community involvement. ***Please give full details of amounts claimed, or refer to the relevant note in your accounts.***

### **B2 Diocesan Quota Assessable Income**

This figure is combined with the previous two years' equivalent amounts, using a 4:5:6 weighting, to derive the Average QAI on which the allocation of quota to Charges is calculated. The result for 2020 is shown on the Quota Schedule.

### **C Congregational giving statistics**

The final element of the Finance Schedule captures statistics that are not necessarily apparent from Charge accounts. Please note this is only *congregational* giving, so grants, wedding fees, hall rents and so on should be excluded.

**So, finally...**

Please complete with care, provide all the additional details requested, and submit in time! Any questions can be referred to me at [treasurer@dioceseofedinburgh.org](mailto:treasurer@dioceseofedinburgh.org). With thanks in anticipation!

***Ian Lawson, Diocesan Treasurer, 4th December 2019***

## Quota 2020 Calculation

	2016 Income £	2017 Income £	2018 Income £	Weighted Average £	Assessable Income	Quota Assessment 2020	Quota for 2019	Change £	Change %
<b>EDINBURGH SOUTH WEST</b>									
Balerno	809,173	802,507	920,550	851,502	851,502	93,810	85,616	8,194	9.57%
Dalmahoy	71,687	56,017	56,048	60,208	60,208	6,633	7,159	(526)	(7.35%)
Emmanuel	26,795	26,241	-	-	-	-	-	-	-
Good Shepherd	79,311	78,893	81,841	80,184	80,184	8,834	8,392	442	5.27%
St Martin	37,082	38,335	40,079	38,698	38,698	4,263	3,991	272	6.82%
St Mary's Cathedral	383,167	391,416	311,166	357,116	357,116	39,344	42,257	(2,913)	(6.89%)
St Salvador	20,409	17,078	18,931	18,707	18,707	2,061	2,005	56	2.79%
St Thomas							-		
	<b>1,631,769</b>	<b>1,410,487</b>	<b>1,428,615</b>	<b>1,406,415</b>	<b>1,406,415</b>	<b>154,945</b>	<b>149,420</b>	<b>5,525</b>	<b>3.70%</b>
<b>EDINBURGH EAST</b>									
Old St Paul	168,777	180,743	177,195	176,133	176,133	19,405	18,507	898	4.85%
St Barnabas	8,036	6,625	7,746	7,450	7,450	821	842	(21)	(2.49%)
St Columba	83,440	80,730	81,156	81,623	81,623	8,992	8,780	212	2.41%
St Margaret	17,160	21,365	21,933	20,471	20,471	2,255	2,074	181	8.73%
St Mark	58,277	77,027	71,696	69,895	69,895	7,700	6,985	715	10.24%
St Peter	170,062	143,238	163,833	158,629	158,629	17,476	17,503	(27)	(0.15%)
	<b>505,752</b>	<b>509,728</b>	<b>523,559</b>	<b>514,201</b>	<b>514,201</b>	<b>56,649</b>	<b>54,691</b>	<b>1,958</b>	<b>3.58%</b>
<b>EDINBURGH SOUTH</b>									
Christ Church	162,979	181,424	194,446	181,714	181,714	20,020	19,122	898	4.70%
St Cuthbert	92,288	88,164	102,497	94,997	94,997	10,466	10,167	299	2.94%
St Fillan	43,919	43,709	44,868	44,229	44,229	4,873	4,680	193	4.12%
St John	315,799	310,770	324,390	317,559	317,559	34,986	33,689	1,297	3.85%
St Michael and All Saints	85,066	118,754	81,570	94,897	94,897	10,455	10,357	98	0.95%
Penicuik	48,353	41,746	39,210	42,493	42,493	4,681	4,879	(198)	(4.06%)
Roslin	31,721	28,803	29,864	30,006	30,006	3,306	3,424	(118)	(3.45%)
West Linton	21,123	19,027	17,274	18,885	18,885	2,081	2,214	(133)	(6.01%)
	<b>801,248</b>	<b>832,397</b>	<b>834,119</b>	<b>824,780</b>	<b>824,780</b>	<b>90,868</b>	<b>88,532</b>	<b>2,336</b>	<b>2.64%</b>
<b>EDINBURGH FORTH</b>									
Holy Cross	62,142	59,175	58,745	59,794	59,794	6,588	6,469	119	1.84%
St David	25,148	23,502	25,559	24,764	24,764	2,728	2,777	(49)	(1.76%)
St James	64,524	66,504	71,810	68,098	68,098	7,502	7,236	266	3.68%
St Ninian	77,338	75,232	76,575	76,331	76,331	8,409	8,254	155	1.88%
St Paul & St George	722,290	707,745	744,968	726,513	726,513	80,040	78,932	1,108	1.40%
St Philip & St James	92,023	93,637	88,613	91,197	91,197	10,047	9,602	445	4.63%
St Vincent	27,898	31,872	25,559	28,287	28,287	3,116	3,642	(526)	(14.44%)
South Queensferry	61,364	30,073	32,028	39,199	39,199	4,319	4,570	(251)	(5.49%)
	<b>1,132,727</b>	<b>1,087,740</b>	<b>1,123,857</b>	<b>1,114,183</b>	<b>1,114,183</b>	<b>122,749</b>	<b>121,482</b>	<b>1,267</b>	<b>1.04%</b>

## Quota 2020 Calculation

	2016 Income £	2017 Income £	2018 Income £	Weighted Average £	Assessable Income	Quota Assessment 2020	Quota for 2019	Change	
								£	%
<b>WEST FORTH</b>							-		
Bathgate	30,307	34,209	36,985	34,279	34,279	3,777	3,308	469	14.18%
Bo'ness	24,033	22,170	24,688	23,674	23,674	2,608	2,453	155	6.32%
Falkirk	59,346	54,630	60,377	58,186	58,186	6,410	6,159	251	4.08%
Grangemouth	25,492	29,016	29,766	28,376	28,376	3,126	3,011	115	3.82%
Linlithgow	34,263	36,692	34,132	35,020	35,020	3,858	3,882	(24)	(0.62%)
	<b>173,441</b>	<b>176,717</b>	<b>185,948</b>	<b>179,535</b>	<b>179,535</b>	<b>19,779</b>	<b>18,813</b>	<b>966</b>	<b>5.13%</b>
<b>MID &amp; EAST Lothian</b>							-		
Dalkeith	37,649	42,565	41,135	40,682	40,682	4,482	4,552	(70)	(1.54%)
Dunbar	35,332	47,638	44,959	43,285	43,285	4,769	4,138	631	15.25%
Gullane	20,710	23,081	30,070	25,244	25,244	2,781	2,352	429	18.24%
Haddington	62,986	64,605	75,467	68,518	68,518	7,549	7,335	214	2.92%
Lasswade	37,865	36,768	34,742	36,250	36,250	3,994	4,089	(95)	(2.32%)
Musselburgh	73,214	89,426	80,864	81,678	81,678	8,999	8,405	594	7.07%
North Berwick	44,849	51,232	48,331	48,369	48,369	5,329	5,093	236	4.63%
	<b>312,605</b>	<b>355,315</b>	<b>355,568</b>	<b>344,026</b>	<b>344,026</b>	<b>37,903</b>	<b>35,964</b>	<b>1,939</b>	<b>5.39%</b>
<b>BORDERS</b>							-		
Coldstream	17,755	19,853	18,222	18,641	18,641	2,054	2,177	(123)	(5.65%)
Duns	30,897	26,998	35,851	31,579	31,579	3,479	3,134	345	11.01%
Eyemouth	11,020	10,869	9,014	10,167	10,167	1,120	1,097	23	2.10%
Galashiels	37,072	35,717	34,537	35,606	35,606	3,923	4,235	(312)	(7.37%)
Hawick	33,696	22,780	41,692	33,256	33,256	3,664	3,057	607	19.86%
Innerleithen	11,212	13,885	10,232	11,711	11,711	1,290	1,358	(68)	(5.01%)
Jedburgh	37,841	40,604	33,242	36,922	36,922	4,068	4,656	(588)	(12.63%)
Kelso	77,337	88,546	90,490	86,335	86,335	9,512	8,629	883	10.23%
Melrose	63,181	72,271	70,058	68,962	68,962	7,598	7,373	225	3.05%
Peebles	39,968	39,591	44,904	41,817	41,817	4,607	4,347	260	5.98%
Selkirk	34,716	35,513	36,209	35,579	35,579	3,920	3,779	141	3.73%
	<b>394,695</b>	<b>406,627</b>	<b>424,451</b>	<b>410,575</b>	<b>410,575</b>	<b>45,235</b>	<b>43,842</b>	<b>1,393</b>	<b>3.18%</b>
<b>GRAND TOTAL</b>	<b>4,952,237</b>	<b>4,779,011</b>	<b>4,876,117</b>	<b>4,793,715</b>	<b>- 4,793,715</b>	<b>528,128</b>	<b>512,744</b>	<b>15,384</b>	<b>3.00%</b>