CommonFund

Treasurers' Toolkit

Understanding income, costs, parish data, benefice calculations and the cap and collar

Purpose: A clear, practical guide to help parish and benefice treasurers check the information used in the proposed Common Fund calculation and understand how the main elements fit together.

Quick overview

The Common Fund model calculates one Common Fund request for each benefice. It uses three elements: clergy, people and ability to pay, or finances. The resulting figure is then protected by a cap and collar before any separate adjustments, such as LINC funding, are applied.

Element	Weighting	Information used
Clergy	60%	Clergy establishment for the benefice
People	20%	Three-year rolling average of Usual Sunday Attendance from Stats for Mission
Finance	20%	Adjusted unrestricted parish income from annual accounts and financial statistics

Important: The request is calculated and will be received at benefice level. How the benefice shares the request between its parishes remains a local decision. The Diocese can also receive contributions against the overall benefice request rather than asking for a parish-by-parish breakdown.

How is my benefice request calculated?

The calculation follows 8 steps, bringing together clergy establishment, attendance and the resources available across the benefice. Cap and collar is then applied, followed by any separately notified funding or agreed adjustments.

Step	Where does this information come from?
1. Base figures for calculations confirmed	From the Diocesan Finance Team in Peterborough using the National Return of Parish Finance and National Statistics for Mission.
2. Confirm Usual Sunday Attendance (USA)	USA figures submitted through the national Statistics for Mission process
3. Add unrestricted income across the benefice	Return of Parish Finance
4. Deduct eligible building and utility costs.	Return of Parish Finance and Insurance from the Annual Accounts emailed to the Diocesan Finance Team.
5. Calculate the three elements	
6. From parish figures to benefice request	
7. Apply cap and collar	
8. Apply LINC (Lower Income Communities Funding) if applicable	The national church provides funding to aid mission in lower income communities.

Step 1: Base figures confirmed at Diocesan level

As the starting point, we take the previous year's requests and add an inflationary increase. We then take the unrestricted income, Usual Sunday Attendance, clergy establishment number, unrestricted building costs, unrestricted utility costs and insurance – these are totals for all parishes in the diocese.

These figures are taken from the National Church Return of Parish Finance and Statistics for Mission forms that you will have submitted online.

The clergy establishment number is the FTE (Full Time Equivalent) of the number of posts that were last filled in the benefice.

Total 2027 Common Fund request – before adjustments	**£9,151,566**
Total parish unrestricted income	£13,327,025
Total parish unrestricted building costs	£1,154,776
Total parish unrestricted utility costs	£1,159,883
Total parish insurance costs	£967,778
Total net parish unrestricted income	**£10,044,588**
Total Usual Sunday attendance	**7,166.94**
Total Clergy Establishment	**115.746**

As explained above, the weighting for each element is 60% clergy, 20% people, 20% finance.

Element	Weighting	Amount	Amount
Clergy	60%	£5,490,940	£47,440 equals 1.0 FTE clergy
People	20%	£1,830,313	£255.38 equals 1 USA person
Finance	20%	£1,830,313	£0.1822 equals £1 of net benefice unrestricted income

Rates used in worked examples: The examples use £47,440 per clergy establishment unit, £255.38 per person in USA, and £0.1822 per £1 of adjusted unrestricted income. These rates will change every year.

For reference, for a full-time stipendiary post the establishment figure is 1.0, for a house for duty post the figure is 0.333. The different levels of establishment are as follows:

Stipend level	Establishment figure
100% stipend with house	1.0 establishment
75% stipend with house	0.85 establishment
50% stipend with house	0.7 establishment
25% stipend with house	0.5 establishment
House for duty	0.333 establishment

The budget costs of clergy are set out in Appendix A.

Step 2: Confirm Usual Sunday Attendance

Usual Sunday Attendance (USA) is an estimate of the number of people who normally attend Sunday worship in your church.

It seeks to answer the question: *"How many people usually worship with us on a Sunday?"*

USA is intended to reflect the normal worshipping community rather than attendance on exceptional occasions such as Christmas, Easter, baptisms, confirmations, civic services or special events.

Who Should Be Counted?	Who Should Not Normally Be Counted?
✅ Adults attending Sunday worship	❌ Weddings or Funerals
✅ Children and young people attending Sunday worship	❌ Special one-off diocesan or community events
✅ Regular members of the congregation	❌ Christmas and Easter attendance spikes
✅ People attending all-age services	❌ School services held separately from Sunday worship
✅ Those worshipping online where recorded as part of normal attendance reporting requirements	❌ Concerts, fundraising events or community activities that are not acts of worship
✅ Attendance across all regular Sunday services	❌ Occasional visitors who do not normally attend

Recording Attendance

Every church should record attendance:

- Every Sunday
- At every Sunday service
- Using a consistent method
- At the time of the service wherever possible

A designated person should be responsible for collecting and storing attendance figures.

Possible approaches include:

- Service registers
- Attendance sheets
- Church management software
- Spreadsheets
- Parish returns records

Simple Attendance Recording Sheet

Date	Service	Adults	Under 18s	Total
4 January	10am Holy Communion	42	8	50
11 January	10am Holy Communion	39	7	46
18 January	10am Holy Communion	44	9	53

Sunday	Morning Service	Evening Service	Total
4 January	50	15	65
11 January	46	12	58
18 January	53	14	67

Where multiple services are held on the same Sunday, record each service separately and then combine them.

Calculating USA

1. Gather Your Sunday Attendance Data
2. Exclude Exceptional Services
3. Calculate Weekly Totals
4. Calculate the Average
5. Add all normal Sunday attendance totals for the year and divide by the number of Sundays included.

Example: Total attendance recorded across 48 normal Sundays = 3,360,

USA = 3,360 ÷ 48, USA = **70**

The church's USA is therefore **70**.

Multi-Parish Benefices

Where attendance is reported at parish level:

- Each parish should calculate its own USA.
- Figures should be submitted separately where requested.
- The Diocese will combine data where necessary for benefice-level calculations.

Recommended Parish Process

Monthly	Record attendance every Sunday	Maintain a simple attendance spreadsheet	
Quarterly	Review trends	Check for gaps in recording.	
Annually	Verify attendance records.	Agree figures through the PCC or leadership team.	Submit USA figures through the national Statistics for Mission process.

Key Principle: Count consistently, record accurately, and submit honestly.

The purpose of USA is not to judge a church's success or importance, but to ensure that Common Fund is based on reliable, transparent and equitable information across the Diocese.

What if we forget to record a Sunday?

Use the nearest reliable attendance records and make a note explaining the estimate.

What if our attendance varies significantly?

This is normal. The purpose of USA is to identify typical attendance over time rather than a single week's attendance.

Why does the Diocese need accurate USA data?

USA helps provide a fair and transparent basis for Common Fund calculations alongside clergy establishment and parish financial information.

Does a higher USA automatically mean higher Common Fund Request?

USA is only one part of the methodology. The Common Fund model also takes account of clergy establishment and parish financial capacity.

Step 3: Add unrestricted income across the benefice

The finance element uses adjusted unrestricted income. This recognises that some income is needed to meet unavoidable costs and is not freely available to support the Common Fund.

Start with the unrestricted income shown in each parish's approved annual accounts, then add the parish figures together to establish the benefice total.

Include, where classified as unrestricted in the approved accounts:

- ✅ Regular planned giving with no restriction.
- ✅ General church collections.
- ✅ Unrestricted legacies.
- ✅ Grants towards general running costs where the grant terms do not impose a restriction.

❌ **Do not include restricted income**, such as a grant specifically for roof repairs or an appeal restricted to restoring an organ. This money may only be used for the purpose set by the donor, grant-maker or appeal.

Designated funds are not normally restricted funds. Where a PCC has chosen to set aside unrestricted money for a particular purpose, it normally remains unrestricted because the PCC can change that designation. A separate fund name does not, by itself, make the income restricted.

Example receipt	Likely classification	Treatment for Common Fund
Regular planned giving with no restriction	Unrestricted	Include in unrestricted income
General church collection	Unrestricted	Include in unrestricted income
Grant restricted to roof repairs	Restricted	Do not include as unrestricted income
Appeal specifically for an organ restoration	Restricted	Do not include as unrestricted income
Unrestricted legacy	Unrestricted	Include, subject to the accounts classification
Grant towards general running costs with no restriction	Check the grant terms	Use the classification shown in the approved accounts

Treasurer check: Use the classification in the approved annual accounts and check that the online financial statistics agree with it. Do not remove a designated fund from unrestricted income simply because it has a separate fund name. Check the legal and accounting classification in the annual accounts and with the Diocesan Finance Team in Peterborough if necessary.

Step 4: Deduct eligible costs and check the information

Which costs are deducted?

- Eligible building repairs paid from unrestricted funds.
- Utilities.
- Insurance, subject to confirmation that it is included in the relevant calculation and collected consistently.

A cost should not be counted twice. If a restricted grant or appeal paid for a repair, that expenditure should not also reduce unrestricted income. Where a repair was funded partly from restricted funds and partly from unrestricted funds, deduct only the eligible unrestricted portion.

Scenario	Unrestricted income	Cost shown	Deduction
Roof repair paid entirely from unrestricted funds	£80,000	£12,000	Deduct £12,000
Roof repair paid entirely from a restricted roof appeal	£80,000	£12,000	No deduction from unrestricted income
£12,000 repair: £7,000 restricted and £5,000 unrestricted	£80,000	£12,000	Deduct only £5,000

Check the source information

Before the benefice figures are combined, check that:

- Unrestricted and restricted income agree with the accounts.
- Designated funds have not been incorrectly treated as restricted.
- Building repair costs and their funding sources are clear.
- Utility costs are complete.
- Insurance costs and their treatment have been confirmed and declared.

Where an online return and the accounts differ, identify whether the cause is classification, timing, omission or a data-entry error. Keep a short reconciliation and send any corrected figure to the diocesan finance team in Peterborough with supporting evidence.

Worked example 1: adjusted unrestricted income

Calculation	Amount
Unrestricted income in approved accounts	£100,000
Less eligible building repairs paid from unrestricted funds	(£8,000)
Less utilities	(£12,000)
Adjusted unrestricted income	£80,000

Finance element: Using the illustrative rate of £0.1822 per £1, adjusted unrestricted income of £80,000 produces a finance element of £14,576.

Step 5: Calculate the three elements using actual figures

The model allocates the diocesan total using three elements:

Element	Weighting	Information used
Clergy	60%	Clergy establishment for the benefice
People	20%	Three-year rolling average of Usual Sunday Attendance from Stats for Mission
Finance	20%	Adjusted unrestricted parish income from annual accounts and financial statistics

The illustrative rates used in this toolkit are **£47,440** per clergy establishment unit, **£255.38** per person in USA, and **£0.1822 per £1** of adjusted unrestricted income. These rates already reflect the three weightings: do not apply the percentages again.

Worked example 2

The benefice has:

- Clergy establishment of 1.
- Three-year average USA of 60.295.
- Unrestricted income of £75,610.
- Eligible utility costs of £37,973.

Adjusted unrestricted income is £75,610 less £37,973, giving **£37,637**.

Element	Calculation	Result
Clergy	1 × £47,440	£47,440
People	60.295 × £255.38	£15,397
Finance	£37,637 × £0.1822	£6,858
Total before cap and collar	Add the three elements	**£69,695**

This is the model result before cap and collar and before any separate funding or agreed adjustment.

Step 6: From parish figures to benefice request

The Diocese calculates **one Common Fund request for the benefice**, not separate requests for its constituent parishes.

Parish attendance and financial information are combined to establish the benefice figures. The clergy, people and finance elements are then calculated at benefice level.

The existing three-parish example shows how this works:

Is Common Fund calculated for each parish?

No. Parish information is combined to create the benefice data, and the diocesan request is then calculated for the benefice. The benefice decides locally how to apportion that request between its parishes.

Worked example 3: combining parish information

Parish	3-year USA	Unrestricted income	Eligible costs	Adjusted income
St Anne	25.5	£31,998	£5,781	£26,217
St Barnabas	8.42	£10,174	£9,255	£919
St Cuthbert	26.375	£33,438	£22,937	£10,501
Benefice total	60.295	£75,610	£37,973	£37,637

Assume the benefice has one clergy establishment unit. Using the illustrative rates:

Element	Calculation	Amount
Clergy	1 × £47,440	£47,440
People	60.295 × £255.38	£15,397
Finance	£37,637× £0.1822	£6,858
Pre-cap/collar total		£69,695

Local apportionment: The £69,695 is the benefice figure before cap and collar. It is not three separate parish requests. The benefice may agree its own fair method for sharing the final request.

Possible local approaches

- Continue an existing locally agreed split.
- Share in proportion to each parish's adjusted unrestricted income.
- Use a blended approach reflecting attendance, income and local circumstances.
- Agree a temporary arrangement where one parish faces an exceptional pressure.

Important: These are suggested local options, not part of the Diocesan formula. The benefice should record the agreement clearly and review it regularly.

Agreeing contributions locally

The benefice decides how to share its final request between parishes. Possible approaches include continuing an existing agreement, using adjusted unrestricted income, or agreeing a blended approach reflecting attendance, income and local circumstances.

These are local options, not additional parts of the diocesan formula. The agreement should be recorded clearly and reviewed regularly.

The Diocese will also receive contributions against the overall benefice request rather than asking for a parish-by-parish breakdown.

Step 7: Apply cap and collar

What does cap and collar mean?

After the new model has been calculated, the cap and collar limits the year-on-year movement. The cap limits the figure to 110% of the previous year's request. The collar prevents the figure from falling below 95% of the previous year's request.

- The **110% cap** limits an increase to 10%.
- The **95% collar** limits a reduction to 5%.
- Where the model result falls between those limits, neither adjustment is needed.

Test	Formula
Maximum under the 110% cap	Previous year request × 1.10
Minimum under the 95% collar	Previous year request × 0.95

For a previous year request of £75,892, the permitted range is **£72,097 to £83,481**.

- A model result of £85,000 is capped at **£83,481**.
- A model result of £65,000 is raised to the collar of **£72,097**.
- A model result of £77,500 remains **£77,500**.

Worked example 4: cap triggered

Step	Amount
Previous year request	£75,892
New model result before cap/collar	£85,000
Maximum permitted: £75,892 × 110%	£83,481
Result after cap	£83,481

Worked example 5: collar triggered

Step	Amount
Previous year request	£75,892
New model result before cap/collar	£65,000
Minimum permitted: £75,892 × 95%	£72,097
Result after collar	£72,097

Worked example 6: neither triggered

Step	Amount
Previous year request	£75,892
Permitted range	£72,097 to £83,481
New model result	£77,500
Final figure after test	£77,500

Order matters: Calculate the new model first, then apply cap and collar. Separate adjustments or funding, including LINC where applicable, are shown after this stage.

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Continuing the Step 5 example – Worked example 2

The previous year's request is £75,892

Check	Calculation	Result
95% minimum	£75,892 × 95%	£72,097
110% maximum	£75,892 × 110%	£83,481
Pre-cap/collar result		£69,695
Outcome	Result lower than minimum	Collar applies: £72,097

The model result is lower than the minimum, so the collared figure is **£72,097**.

Calculate the model first, then apply cap and collar, followed by any separately notified funding or agreed adjustments.

Step 8: Account for separate funding and individual agreements

The figure after cap and collar may not be the final amount requested. LINC funding may affect the amount shown on the benefice's final notification.

Support for lower-income communities

Any LINC allocation affecting a benefice's request will be shown separately, after cap and collar, using the amount notified by the Diocese.

Individual parish or benefice agreements

There are no other individual parish agreements that will be considered as part of the new model. A local agreement between parishes about their contributions does not, by itself, change the overall benefice request.

Continuing the Step 5 example

The previous year's request is £75,892 – before any adjustments.

There was then a LINC allocation of £2,177 – this is based on the Ministry of Housing, Communities and Local Government Index of Multiple Deprivation.

This means that the net previous year's request was £73,715.

For the current year, the capped figure is £72,097. The LINC allocation remains at £2,177, meaning that the current year request will be £69,920.

There are no other individual parish agreements that will be considered as part of the new model.

A local agreement between parishes about their contributions does not, by itself, change the overall benefice request.

Common questions and practical answers

Our PCC has set aside money for a future repair. Is it restricted?

Not automatically. If the PCC designated unrestricted money, it normally remains unrestricted. If a donor or grant legally restricted it, it is restricted. Check the accounts and the original terms.

Another charity pays for our church repairs. Can we deduct those costs?

Only costs borne from the parish's unrestricted resources should reduce its unrestricted income. Record the arrangement clearly and check who is legally responsible and who actually paid.

We have not reported a building or utility cost. What happens?

The calculation can only use the data available. Check the return against the accounts and provide evidence of any correction.

Our parish income rose because of a one-off unrestricted legacy. Is it included?

If the approved accounts classify it as unrestricted, it forms part of unrestricted income under the proposed approach. Raise exceptional circumstances with the diocesan finance team in Peterborough rather than reclassifying it.

Can a parish calculate its own request?

A parish can estimate its contribution for local planning, but the diocesan model produces a benefice request. Local apportionment is for the benefice to agree.

Will strong attendance growth immediately increase the request?

The people element uses a three-year rolling average, so changes are reflected over time rather than through one year alone. Cap and collar also limits overall annual movement.

Who should we contact if our information looks wrong?

Contact the Diocesan Finance Team in Peterborough with the figure in question, the corrected amount, the relevant year and supporting evidence. The existing FAQ identifies the Diocesan Secretary as a contact for questions about the proposals.

The Finance Team in Peterborough also check from the National Church Return of Parish Finance to the annual accounts that must be submitted after your APCM.

Benefice preparation worksheet

Use this worksheet before discussing the Common Fund figure. Add one row for every parish in the benefice.

Parish	USA year 1	USA year 2	USA year 3	3-year average	Unrestricted income	Eligible repairs	Utilities	Insurance	Adjusted income
Benefice total									

Calculation summary

Item	Working	Result
Clergy element	Establishment × applicable rate	
People element	Benefice USA × applicable rate	
Finance element	Adjusted unrestricted income × applicable rate	
Pre-cap/collar total	Add the three elements	
95% minimum	Previous year request × 0.95	
110% maximum	Previous year request × 1.10	
Figure after cap/collar	Apply permitted range	
Separate funding/adjustments	Add or deduct as notified	
Final Common Fund request		

Evidence and queries log

Issue or correction	Evidence available	Owner	Date sent	Resolved

Final checklist

- ☐ We understand that the diocesan request is made at benefice level.
- ☐ All parish accounts and online finance figures reconcile.
- ☐ Restricted and designated funds are classified correctly.
- ☐ Only eligible costs funded from unrestricted resources have been deducted.
- ☐ Three years of Usual Sunday Attendance have been checked.
- ☐ The cap and collar comparison uses the correct previous-year baseline.
- ☐ Any LINC funding or separate adjustment is shown separately.
- ☐ The benefice has recorded how it will apportion the final request.
- ☐ Questions and corrections have been sent with supporting evidence.

The aim: To create a transparent process where benefices are able to estimate their request alongside the request from the Diocesan Finance Team in Peterborough. Where there is confusion or differences, please contact the Finance Team in Peterborough to discuss.

Checking Mission and Finance Statistics

Which returns are used?

The people element uses Usual Sunday Attendance from Stats for Mission, based on a three-year rolling average. The finance element uses unrestricted income from parish annual accounts, checked against the financial statistics submitted online.

Treasurer data-check checklist

- ☐ Approved annual accounts have been submitted.
- ☐ Unrestricted and restricted income agree with the accounts.
- ☐ Designated funds have not been incorrectly treated as restricted.
- ☐ Building repair costs are recorded and their funding source is clear.
- ☐ Utility costs are complete.
- ☐ Attendance returns have been submitted for each parish.
- ☐ Any missing, unusual or materially changed figure has been explained.

What if the online return and accounts do not agree?

First identify whether the difference is caused by classification, timing, omission or a data-entry error. Keep a short reconciliation and contact the Diocesan Finance Team in Peterborough with the corrected figure and supporting explanation.

Difference found	Possible reason	Evidence to check
Online unrestricted income is lower than the accounts	A designated fund may have been omitted	Fund notes and unrestricted total in the accounts
Building costs show as nil	Costs may be paid by another charity or omitted from the return	Accounts, invoices and the legal responsibility for the cost
Utilities appear unusually low	One church or utility category may be missing	Invoices and nominal ledger
Attendance changes sharply	Return may be missing or reflect a genuine change	Stats for Mission submissions for the three years

Good practice: Keep one benefice reconciliation sheet showing each parish, the source figure, any correction and the evidence supporting it.

Appendix A – Cost of clergy

You may hear about various measures of the “cost of clergy”.

The establishment cost used in the Common Fund calculation is not the same as the budgeted cost of each clergy person.

The majority of our total costs is spent on clergy expenditure. The table below breaks down the budgeted costs of clergy for 2027.

Total budgeted expenditure for each member of clergy is **£86,698**.

Stipend related costs for each post		For each diocesan house used by clergy		Training & support for clergy	
Stipend	£35,999	Council tax & water	£5,463	Training & National Church Support	£8,642
National Insurance	£4,590	Maintenance	£8,122	Parish Mission Support	£9,507
Pension	£7,213	Other Property Costs	£3,563		
Moving & Resettlement grants	£3,599				
Total	**£51,401**	**Total**	**£17,148**	**Total**	**£18,149**