

Methodist Church Wensleydale Circuit

Assessment

To finance the running of the circuit all the churches in the circuit are required to contribute to the circuit costs. The circuit council decided that church assessments should be based on income. This document sets out how those assessments will be calculated. The aim is to base the assessment shares on the regular income of the churches.

Definitions

- **Financial year** – The Methodist Church's financial year 1st Sept to 31st Aug.
- **Circuit requirement** – the total amount required annually from the churches towards the circuit costs.
- **Total income** – a church's total gross annual income.
- **Deductibles** –
 - a) Monies received for external organisations (as defined and shown in Standard Form of Accounts).
 - b) Bequests and any gift aid resulting from the bequest.
 - c) Large donations (as defined below).
 - d) Grants & loans received.
 - e) Funds received for major building or repair work (as defined below).
 - f) Fund raising expenses (as defined below).
 - g) Lettings allowance.
- **Assessable income** – *total income less deductibles*.
- **Church assessment** – *circuit requirement multiplied by the church's assessable income and divided by the total of all church's assessable incomes. This is a church's annual contribution to the circuit.*
- **Church excess** – 10% of a church's previous years *assessable income*.

Large Donations

Only individual donations that exceed the *church excess* will be eligible. The amount deductible will be the value of each donation plus the value of any gift aid resulting from the donation less the *church excess*.

Fund Raising Expenses

Any expenses directly incurred as a result of fund raising will be deductible.

Funds Received for Major Building or Repair Work

Funds received, in excess of the churches regular income, for major building or repair work will be deductible.

Lettings Allowance

To compensate for costs incurred in making lettings 20% of a church's income from lettings will be allowed as a deductible

Adjustment of Assessment

Where a church fails to show in the accounts submitted to the circuit treasurer but later discloses information that would have resulted in a change to the assessment shares then an appropriate adjustment shall be made to the next year assessment calculation.

Church Standard Form of Accounts

The circuit treasurer will calculate the *assessable incomes* and *church assessments*.

The calculations will be based on information obtained from the church's audited Standard Form of Accounts for the previous year.

Notes can and should be appended to the Standard Form of Accounts to show details of:

- Each large donations or bequests.
- Fund raising income and expense.
- Funds received for major building or repair work.
- Any other explanatory information considered necessary.

Audited Standard Form of Accounts should be submitted to the circuit treasurer within six weeks of the church's financial-year end.

A summary of the calculations will be made available to all churches within the circuit.