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Registered charity no 1132208

To: All District, Circuit and Church Treasurers (via email)
Cc: All Ministers and Probationers Stationed in the Active Work (via Signpost for Ministry)

FINANCE NEWSLETTER

Dear Friends,

We are distributing the link to this newsletter by e-mail to all District, Circuit and Church Treasurers and posting it on Signpost for Ministry for all ministers. Please feel free to forward this newsletter to others who you think may find it useful.

We are always happy to receive feedback on the newsletter and if you have items that you feel will be of interest across the Connexion we can consider these for inclusion in future editions.

Yours faithfully,

Matt Tattersall
Executive Director of Finance & Resources

FINANCE NEWSLETTER – OCTOBER 2025

Review of the Standard Forms of Accounts (SFAs) and accounting guidance notes

As part of our ongoing review, we are seeking your views on the changes we are implementing to improve our Standard Forms of Accounts (SFA), guidance notes, accounts and TAR templates.

Please would you send us your thoughts on the following:

1. What changes do you wish to see on the Excel SFAs in terms of content and formats?
2. For those of you who submit accounts to the Charity Commission, are there any headings on the SFA you would like us to amend, remove or add to align the forms with the return you file to the Charity Commission?
3. What accounting/finance related topics/information would you like to see in our guidance notes and Frequently Asked Questions (FAQs)?
4. If it is possible to make the SFA compatible to accounting packages would this be helpful and if so which packages would you like to use?
- 5.

We will be grateful if you can email us your views to finance@methodistchurch.org.uk by Sunday 26 October.

Association of Church Accountants and Treasurers (ACAT)

Connexional funds are used to pay a block subscription so that every Methodist Church, Circuit and District can have free membership of ACAT. If you have not yet signed up, please find more details at [ACAT Membership](#).

The ACAT annual conference takes place on 1 November in Bury. Its aim is “to gather, learn, and be encouraged in the ministry of church finance and governance”. Further details about the conference and all the other events and resources that ACAT provide can be found on their website at [ACAT](#).

Financial Controls

As treasurers are busy finalising the accounts for 2024/25 it is timely to reflect on some key controls that should be in place.

Independent examiners of accounts need to be truly independent. The guidance¹ from the Charity Commission states

“For an examiner to be independent they must have no connection with the charity trustees which might inhibit the impartial conduct of the examination. This is not the same as having no connection with the charity; an examiner can be a member or supporter of the charity and often some involvement brings an added quality of personal enthusiasm and familiarity with the charity which can be advantageous....”

“Independence means that the examiner is not influenced, or perceived to be influenced, by either close personal relationships with the trustees of the charity or by a day to day involvement in the administration of the charity being examined.”

The Church interprets this to mean that an independent examiner must not be:

1. A member of the church council or any of its sub committees.
2. An employee or person who receives benefit or support from the church council.
3. A close relative, business partner or employee of any of the above.
4. A major donor to the church.

Where an examiner/auditor raises issues/concerns these should be reported to the church council/circuit meeting and actioned as appropriate.

Another important control is the independent verification of balances held in your various accounts (e.g. commercial bank account; TMCP; CFB etc.). Such a control is the responsibility of the trustees (i.e. church council or circuit meeting) and they should determine how often the balances are checked and by whom. The trustees should also clarify whether any such verification has been undertaken by the examiner/auditor.

¹ [independent examination of charity accounts Version June 2021.pdf](#)



Local Allowances and reorganisations

This is your annual reminder that circuits and districts are not able to approve local allowances for ministers over and above stipend. Where there are special circumstances requiring the payment of a local allowance, these should be submitted to the Resourcing Committee (RC) for consideration. Payment of local allowances should not form part of stationing conversations unless the allowances in question have already been approved by the RC. If a departing minister is paid a local allowance it should not be assumed that the incoming minister is automatically eligible for that same allowance, a new approval is required from the RC. There remain a number of historic local allowances being paid and these will continue until the end of the minister's current appointment. Should any circuit or district believe a new local allowance is required from September 2026, applications should be made through the Connexional Team at ministerial.grants@methodistchurch.org.uk. The deadline for submitting a request is 30th April.

The RC is aware that when circuits and districts are undergoing reorganisation new roles may emerge for ministers. Where a circuit or district believe that these new roles may warrant an additional allowance, they are encouraged to raise this with the RC at the earliest opportunity. It is also noted that where reorganisation leads to ministers no longer being in a role that is paid an allowance (such as the superintendent's allowance), that allowance would cease immediately (i.e. there is no general arrangement whereby the allowance continues to the end of the current appointment). If there are any exceptional circumstances these should be raised with the RC at the earliest opportunity.

Banking

We have been made aware that the banking regulator has recently written to banks reminding them of the anti-money laundering regulations commonly referred to as "Know Your Customer" (KYC). As a result, some banks have changed how they provide services to the charity sector. We are aware that at least one bank is insisting that all trustees of a circuit have to be subject to the KYC process, which will require each trustee having to provide proof of identification. This process can prove quite challenging for trustees who do not have access to the necessary IT and/or are unable to visit a bank branch. It is also challenging where a church or circuit has a large trustee body. Another bank is withdrawing the provision of new accounts to charities that have more than 12 trustees. Another bank is currently not accepting new applications for its charity account at all!

There is very little the Connexional Team can do about the actions of the banks. However, we are reaching out to the major banks with a view to explaining the context of Methodist churches and circuits. We are also in discussions to see if we can identify a bank we could partner with in order to provide a smoother service for local churches and circuits. We will also work with other churches and charities to try to influence how the banks are approaching these issues. However, we are not hopeful of any significant changes.

Despite these challenges, treasurers are reminded that Standing Order 12(1) requires that withdrawals from bank accounts require two signatures/electronic authorisers. This is in line with the Charity Commission guidance which states that charities should make sure that "duties are split to prevent any single person from being able to control charity funds exclusively"².

Recruitment to the Audit & Risk Assurance Committee (ARAC)

We will shortly be recruiting for two new members to join the ARAC. The advert should go live w/c 13 October with a deadline of 2 November. The advert will appear on the website at [Volunteer Roles](#). We are particularly keen to recruit one member with a background in IT/Digital/Cyber Security and one member with a good understanding of the workings of the Church (e.g. a minister or lay employee). If you are interested, please look out for the advert. Alternatively, please forward it to anyone else you think may be able to support this important governance committee in the life of the Connexion.

Central Finance Board (CFB)

We are aware that many treasurers have been inconvenienced by the necessary recent changes that have been implemented by the CFB. The CFB wrote to District Treasurers earlier this month, and this letter together with a further update on the changes can be found in Appendix 1 of this newsletter.

² [Internal financial controls for charities - GOV.UK](#)



Online Suite Update

The Statistics for 2024 have been uploaded and can be viewed [here](#). As we are currently upgrading the Online Suite, data entry for the October 2025 count will not open until January 2026. [Click here for more information](#). We apologise for any inconvenience this causes.

In addition, the Annual Returns for 2025-26 are now open and are ready to be submitted. A list of FAQ's can be found [here](#) and if you have any further queries about Statistics or Annual Returns, please email onlinesuitesupport@methodistchurch.org.uk.

Listed Places of Worship Grant Scheme (LPWGS)

As you may be aware, the LPWGS offers grants to recover the VAT on works to the listed church buildings. The government has recently put a cap of £25k per place of worship and reduced the pot of available funding. A funding tracker on what has been allocated and what is remaining has been set and can be viewed [here](#). The Historic Religious Buildings Alliance (HRBA) have been campaigning the government to remove the cap and continue to offer these support for listed church buildings. The HRBA have been encouraging churches to reach out to their MP's about events held at the church to demonstrate engagement with the church and wider community. [Click here to view progress and updates on the campaign](#).

Contacting the Finance Team

The contact details for Finance team can be found on the Finance page of the Methodist Church website at: [Contact the Finance Office \(methodist.org.uk\)](#).

Particular contacts are as follows:

For the Ministers payroll and benefits please e-mail stipends@methodistchurch.org.uk

For the lay payroll please e-mail payrollbureau@methodistchurch.org.uk

For ministerial grants please email ministerial.grants@methodistchurch.org.uk

For the Gift Aid bureau please email giftaid@methodistchurch.org.uk

If you don't know who you need to contact please email finance@methodistchurch.org.uk





Dear Finance Colleague

Many of you will have already seen the attached letter that was sent to District treasurers last month. It explains how things are changing for account holders in the CFB Deposit Fund as we modernise our systems. Unfortunately, our old system is nearing the end of its useful life and is frequently subject to failures, such as the problems we encountered at the end of the Church's financial year.

JTC is the organisation that is now helping us with some of the administration of the Deposit Fund. Unfortunately, due to the age of our old system, we were unable to migrate the logins used by some Treasurers from our old portal to the new one. The process for obtaining a login to the new portal is outlined on our website (<https://www.cfbmethodistchurch.org.uk/new-cfb-online/>), and I am excited to report that over 1,000 deposit fund account holders have already requested such access. These numbers far exceed those who have been using the old portal, and it has temporarily overwhelmed our friends at JTC. They have bought in additional project resources, and the backlog on the portal set-up will be cleared. Please accept my apologies if you are one of the Churches that are suffering from these delays.

A reminder that enquiries about any account matter before 31 August 2025 will be handled through the old portal and our team at the CFB:

admin@cfbmethodistchurch.org.uk

020 7496 3600

For anything related to the new financial year, your queries should be directed to JTC:

cfb@jtcgroup.com

020 3832 3970

I have received constructive feedback regarding the unhelpful narratives used in payments and transfers. JTC will manually adjust these narratives, but we hope to have more automated narratives that are more helpful to Treasurers by the end of this year.

JTC also reports that many of the calls to their helpdesk relate to difficulties in understanding how multi-factor authentication works or requests for help accessing the internet. We know that online management of your Church's affairs may not be suitable for everyone, and we will continue to support paper forms and instructions. Unfortunately, processing cheques is costly, and from 1 September 2026, we will need to pass on the costs we incur for cheque processing to our depositors.

I regret that one thing that we have to be strict about is where money flows into the CFB Deposit Fund from. Our old practice of receiving cash and money from third parties into the Fund makes us highly vulnerable to bad actors who seek to use the Church for nefarious purposes. We will work with Treasurers who have been accustomed to paying cash into the deposit fund or have had their congregation make direct deposits into the Fund. However, we must insist that, in due course, all monies into the Deposit Fund must flow through your clearing bank account.

My contact details are below. Please feel free to call or email me if you would like to discuss any part of these changes.

With kind regards



David Palmer
Chief Executive Officer
Central Finance Board of the Methodist Church
David.Palmer@CFBMethodistChurch.org.uk
020 7496 3600

Dear District Treasurer

There is a change underway at the Central Finance Board in how we support the CFB Deposit Fund as we seek to modernise our service and come off legacy systems. We have already been in communication with Treasurers about the move of some support services to an external supplier, and I will be writing again in the Autumn to remind Treasurers of further changes that are coming to the CFB Deposit Fund.

I am grateful to the Connexional Secretary for giving me this opportunity to reach out to you to provide this information. My email and contact number are at the foot of this letter. Please do not hesitate to reach out to me directly if you would like clarification on any matter. If you should visit Church House, I'd be delighted to join you for a coffee on the ground floor.

Why is the CFB making changes?

The systems that we use to support the CFB Deposit Fund are over 20 years old. Those of you who use the portal into the Deposit Fund will know that it frequently falls over. More often than not, this is caused by the incompatibility of the old software with current upgrades to the platform on which the system or portal sit.

We have also become concerned about the prospect of an “end of life” for these systems as the number of other users on them dwindles. We do not want to be in a position where we are given notice that the software is being shut down, and we have to rush to find a new solution.

The problem with our old systems was illustrated at the end of the 2024/25 financial year. The last week of August is a hectic time for us as we work to support the Methodist year-end. Unfortunately, this year, a file to update the transfers between CFB Deposit fund accounts was corrupted, meaning that incorrect data was posted to individual deposit fund records. For 24 hours Treasurers were seeing incorrect balance information; obviously causing great concern to them. To avoid further confusion, we took the portal down, and it took us a week of working with the supplier to fix the issue. I am relieved to report that all Deposit Fund balances and postings are now correct, but this incident illustrated the urgency to get off these old systems.

What are the changes?

The CFB Deposit Fund is constituted under the Methodist Church Funds Act 1960 and is only available to Methodist Churches and Charities in Great Britain and the Isles. This does not change. The Fund continues to be managed by our investment team located in Methodist Church House, delivering an interest rate that is highly competitive for an instant access deposit fund. However, we are no longer undertaking some of the operational support for the Fund. We have asked a large European bank, CACEIS, to undertake the fund accounting and JTC, a company quoted on London's main stock market, to maintain the investor records and provide initial investor support. Where JTC are unable to deal speedily and satisfactorily with a Treasurer's enquiry, our client team in Church House, under Sarah Bourgein, will provide a point of escalation.

Our old portal has been replaced by a new system that is supplied by JTC. This portal is branded with the CFB's name and colours. This portal will enable Treasurers to download statements and their account transaction history. Deposits and Withdrawals can also be instructed through the portal.

Deposit Fund account holders will need to set themselves up with JTC for their new portal access. JTC have written to all account holders with details on how to do this and there is a message with further details on our website. Old account numbers will still be needed for historic access to the Deposit fund records before 1 September 2025, which will remain with our team.

In the past we have accepted instructions to undertake a transaction on a future date. We had a manual system for applying these, and I cannot claim that it always worked! In our new system, we will only be able to accept instructions for the current business day.

The cut-off date for instructions to receive same-day value has previously been 10:30 AM. This is moving back 30 minutes to 10:00 AM. For a deposit to receive same-day value, both the instruction and the deposit must be with us by that time.

Future enhancements and changes

We are working with JTC to increase the functionality of the portal in a "second phase" so that inter-account transfers, including standing orders, can be instructed or amended electronically.

We will be phasing out the bank account that we have at HSBC that enables Churches to deposit both cash and cheques into the Fund via a paying-in book. This is not a secure environment to protect the Church against bad actors who may try to use the CFB Deposit Fund as part of a money laundering exercise. From 1 January 2026, we will only accept deposits into the CFB Deposit fund from the bank account that we hold on record for the Church or Charity.

A final change will come in September 2026 as we begin charging for the processing of cheques. We will detail these charges in future communications. We hope to encourage Churches to adapt to electronic banking and gradually move away from cash and cheque transactions, which are proving harder and harder to support in the modern world. We know this may place new demands on Treasurers, who already face significant challenges in dealing with banks and managing day-to-day finance, and we are committed to walking alongside you as these transitions take place.

Our goal is to modernise the CFB Deposit Fund, thereby enhancing protection against fraudsters and money launderers, and improving online access and functionality. We recognise the considerable pressures that Treasurers are under, not least the challenges of dealing with banks, increasing bank charges, and the sheer responsibility of managing Church funds faithfully. Please be assured that our sole desire in making these changes is to be a good steward of the Church's resources, supporting you in your vital role and helping you to focus on the ministry and mission to which your Church is called.

If you would like further information or want to pass on grumbles and issues, please email or call me.

With kind regards



David Palmer

David.Palmer@CFBMethodistChurch.org.uk

020 7496 3600