

Scottish Episcopal Church

Completion of the OSCR Annual Return and Supplementary Monitoring Return

Charges within the Scottish Episcopal Church will have submitted Annual Returns and, in most cases, a Supplementary Monitoring Returns to OSCR since 2007. This note provides guidance on the completion of the two revised Returns, issued to charities by OSCR with Accounting year end dates of 31 March 2012 onwards, and the arrangements for going on online on the OSCR website.

The OSCR [website](#) provides full details on their annual monitoring arrangements and how to complete the returns either on paper or online:

(If you have received a Supplementary Monitoring Return prior to 1 April 2012 and do not want to file this using the online service but instead complete a paper copy, please refer to the earlier version of the OSCR guidance which can also be downloaded from the OSCR [website](#).)

OSCR Online

Charges have access to OSCR Online from June 2012, if registered with OSCR, and this will enable them to complete and submit the returns and accounts electronically to OSCR. The charge must have their accounts prepared, signed and independently examined in the usual way before the completion of the online Return forms. Signed accounts can then either be scanned and attached to the online submission, or sent to OSCR in hard copy by post.

Charities have been issued with a unique user name and password to allow them access to the system. It is important that procedures are introduced by the vestry to ensure that only authorised persons are allowed to amend and update the OSCR Online system prior to these changes being approved by the vestry. It would also be good practice for vestry members to obtain a copy of the information shown on the charity on the OSCR website on a regular basis.

Principal Contact

Paper Return forms are issued to the *principal contact*. In most cases the Vestry Treasurer or Vestry Secretary will be the *principal contact* – if the charge has not received the Returns and are unsure who may have received them for your charge details of the *principal contact* can be found on the OSCR website. The charge must remember to advise OSCR of any changes in *principal contact* details and this can be by letter or completed online on the OSCR website.

You may also have received Returns for particular trusts or funds relating to your congregation. These notes may not apply to such trusts or funds.

The deadline for submission of the Annual Return Form (and Supplementary Monitoring Return if appropriate) is nine months from the year end date.

Annual Return Form

The information shown within the revised Annual Return has now been significantly reduced as OSCR has been aware that most charities have made very few changes to information shown in their Annual Return forms over the last few years. The revised Return should again be “pre-populated” based on the data previously supplied to OSCR. However, there is little information to be inserted on this form by the charge unless they have new or amended details to send to OSCR on the boxes provided on the form. Please note that the contact name and address of a charity trustee will be published on the charity register if this is provided to OSCR unless there are exceptional circumstances where publishing this information could put premises or persons at risk.

The charge will have to provide the following information on the form:

- Gross income and expenditure – as per the notes provided by OSCR.
- Total number of paid staff – this is based on a headcount at the accounting period year end and should include stipendiary clergy.
- Total number of charity trustees – The number of trustees **as at the period accounting year end date**. Trustees should be interpreted as Vestry members and will therefore normally include the Rector. (Note – The SEC Model Constitution provides that Vestry Treasurer and Vestry Secretary are non-voting members of Vestry, unless they are also appointed to serve as voting members by the congregation on the usual rotational basis. If your constitution makes similar provision it is worth noting that the Vestry Treasurer and Vestry Secretary may however still be classed as Charity Trustees. The legislation defines Charity Trustees as “the persons having the general control and management of the administration of a charity” and it against this criterion that the Vestry Treasurer and Vestry Secretary should be assessed.)
- Confirm if the charge has checked the register entry within the last 12 months.
- It is recommended that the declaration certification in the Annual Return is signed and dated
- Checklist – tick as appropriate and where it is stated ‘have the accounts been scrutinised’ means have they been externally scrutinised by an independent examiner or auditor.

Please note that there is no requirement to include on the form a “parent charity”. However, please ensure that the “General Synod of the Scottish Episcopal Church” with “Scotland” as the county of registration and SC015962” is the charity registration number when checking online the OSCR Charity Register.

Supplementary Monitoring Return

Charges with an annual income in excess of £25,000 are required to complete the Supplementary Monitoring Return. OSCR has issued detailed updated guidance on how to complete the Return and this should be read prior to completing the Return:

For charities completing a Supplementary Monitoring Return received after 1 April 2012 or using OSCR online, please click [here](#).

For charities completing a Supplementary Monitoring Return received before 1 April 2012, click [here](#).

Section A – Financial information

If an answer to a question is nil, blank or not applicable a single “0” should be inserted.

Most charges are likely to have income below £250,000 and therefore answers to questions A1 to A6 (breakdown of Incoming Resources) and questions A8 to A14 (breakdown of Resources Expended) are not required. Answers to question A7 and A15 must be completed. All charges which prepare fully accrued accounts must complete questions A16 to A26 but if the accounts are prepared on a receipts and payments basis only questions A16 and A25 require to be completed. Care must be taken to ensure that the totals entered in the return agree with the corresponding figures in the accounts for the period.

A26 Answer should be “No”

Section B – Questions about fundraising

B1 Regular donations / offerings / collections by church members and those attending church services / events are not deemed to be *fundraising*. Any approaches to companies or grant making trusts or more public appeals (for example for a building project) would however be classified as *fundraising*.

Section C – Questions about the Charity Trustees

As stated in the Annual Return section above.

Section D – Payments to Trustees

Note that this question relates to Trustees paid **during the period and not just to those serving at the period end date** (as required on the Annual Return).

D1 Insert total expenses etc paid to Trustees. For Rectors this would include payments in respect of mileage etc but would not include expenses (such as Council Tax) that were paid by the Vestry on their behalf.

D2 Professional services might include legal/accounting/buildings advice etc provided by vestry members (or their firms)

D3 The cost of the Rector’s recurring “remuneration package” should be detailed here. In addition to gross stipend paid (including any housing allowance) this will include any Pension Contributions and Council Tax paid on behalf of the Rector. Any other wages/salaries honoraria to other vestry members should also be detailed.

D4 Any non-recurring payments made to Rector (or other Trustees) should be included here. (e.g. loans, relocation package etc).

D5 The governing document will be the charge constitution. The SEC’s Model Constitution provides for payment of stipend to Rector. No other payments to Trustees are specifically permitted by the Model Constitution.

Please consult your charge constitution and ensure all payments made to Trustees are permitted by it. There would therefore have to be a “remuneration agreement” entered into under section 67 of the Act.

- D6 Loans to Trustees are likely to be rare but might include such items as car loans to clergy. (Care should be taken to ensure that all such loans are permitted by the charge constitution.)

Section E – Transactions with Trustees

- E6 Provision of rectory to Rector is deemed to be part of a contract of employment.

Section F – Research

OSCR will use this section to gather further information regarding the charity sector. All charities must answer all of the questions. (The questions will change from year to year depending on the nature of OSCR’s research at that time.)

The monitoring process

OSCR will contact the charge should there be any queries or deficiencies in the submitted Returns.

With the introduction of OSCR Online, charities using the electronic system who have a gross income of £25,000 or more will be asked to provide explanations to OSCR where the information they submit causes one of OSCR’s monitoring ‘exceptions’ to be triggered. These exceptions are published on the OSCR website. Where an exception is triggered, the online system will inform the charity of this and will seek an explanation. The charity will be required to either:

- complete a narrative text box with the relevant information
- choose to send an email to OSCR within 14 days with the explanation
- state that the explanation is contained within the Trustees’ Annual Report within the accounts that the charity is submitting for the accounting period
- state that the explanation has previously been provided to OSCR (for example, if an exception has been triggered in a prior year and OSCR has written to the charity seeking an explanation).

The charity should select the appropriate option from the drop down list on screen.

In order to help identify any common problems or issues frequently raised by OSCR with regard to charges within the Scottish Episcopal Church it would be helpful if you could advise the General Synod Office of any complex issues/queries raised by OSCR. Not only will this enable such issues to be addressed collectively with OSCR it should also assist in the further development of guidance provided to charges to assist in the completion of the Returns. The General Synod Office and Diocesan offices will continue to monitor that the Returns and Accounts are submitted to OSCR on time

June 2012

The General Synod of the Scottish Episcopal Church does not accept responsibility for any loss or liability which may arise from reliance on information or expressions of opinion contained in this document.

General Synod of the Scottish Episcopal Church
Scottish Charity No SC015962