

**The United Reformed Church**

**South Western Synod**

**[www.urcsouthwest.org.uk](http://www.urcsouthwest.org.uk)**



**Paying for Ministry in the South West**

**FAQs  
[Frequently Asked Questions]**

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## **Background**

Since the formation of the United Reformed Church in 1972 all Stipendiary Ministers have been paid centrally by Church House, London. Under the URC Plan for Partnership in Ministerial Remuneration, the whole church shares in the total cost of paying for the ministry and mission of the church.

The payment of ministers is by far the largest expenditure incurred by the URC and it relies on regular contributions from churches to enable these monthly payments to be made.

A “Guided Contribution” is calculated for each Church pastorate, Group and United Area annually in relation to its strength in terms of financial resources and number of members. The aim is that the more financially able churches assist those with fewer financial resources.

It is the aim of the South Western Synod that we raise at least the full cost of ministry deployed in the Synod.

These contributions are generally referred to as **The Ministry & Mission Fund (MMF)** but in fact there is no fund. If all contributions from churches ceased the central church would only be able to pay ministers for a maximum of three months before the money runs out.

**Churches are reminded that by General Assembly Resolution payments to MMF are to be regarded as the first charge on their resources.**

This booklet is designed to answer the questions most frequently asked regarding the working of the scheme operated in the South Western Synod which is managed by the Synod's Trust Officers and Pastoral Advisors. Suggestions for alterations or improvements are welcome.

## **Q1 What is covered by MMF?**

### **A DIRECT MINISTRY COSTS:**

(This accounts for about 75% of the total)

The actual stipend paid for local and special ministries and CRCWs (Church Related Community Workers) plus the associated costs of National Insurance and Pension provision.

### **B OTHER COSTS:**

Stipends of Synod Moderators and the staffing of the Ministries Department at Church House, London.

Ministerial Training, Education and Learning (unless directly funded).

Lay Training and Youth and Children's work  
Mission (including Ecumenical and International activities, CWM (Council for World Mission), Life & Witness, Racial Justice and Church & Society)

Finance department, cost of General Assembly, governance, and support costs.

## **Q2 How is this funding arranged?**

The URC consists of 13 Synods covering the whole of England, Wales, and Scotland. By consent and on behalf of its churches each Synod pledges annually the amount that it will raise to cover the MMF costs detailed above. Each Synod has autonomy in how it raises its pledged amount.

In the South Western Synod, we have for many years adopted a system designed to recognise **the ability of the church to pay and the number of its members**. This system is adapted as detailed below to the special circumstances of Ecumenical Partnerships (LEPs) and the United Area in Wiltshire.

## **Q3 How does the South Western Synod decide what its pledge should be?**

Early each year the Synod Treasurers and their MMF Officers meet to hear from the National Treasurer and Chief Finance Officer what is the national budget for the following year. The Synods then make their offers to Church House which adjusts the national budget accordingly.

In the South West this is then discussed by the Synod's Trust Officers and Synod Pastoral Advisors and a recommendation made to the Synod Executive for final approval at the October Synod.

**Q4 How do we get the information to enable us to calculate the MMF contribution needed from each church, LEP or United Area?**

For most churches the required information is obtained from **Financial Information Sheets (FIS) and annual accounts** submitted annually by Church/Group treasurers to the Synod Trust Officers.

Slightly different arrangements apply to LEPs and the United Areas.

**Q5 How does the system work for the majority of United Reformed Churches?**

The “**ability to pay**” element is calculated from the Total Annual Expenditure of the church (less certain deductions) averaged over two years.

This is termed the **Net Annual Expenditure (NAE)**

The “**membership**” element is the **number of URC members** at the start of the previous year.

**Q6 What is Net Annual Expenditure (NAE) and how is it calculated?**

It is the aim of the Synod to encourage churches to incur certain expenses relating to ministerial support, property maintenance, work with children and young people and charitable giving whilst keeping others to a minimum. This is done by reducing the Total Annual Expenditure by the sum of the following thus producing the **NAE** used in calculating their assessment.

### **The “Deductible” Items of Expenditure are:**

- a Salary of Synod Recognised Local Pastoral Workers and Lay Leaders (including NI and Pension costs)
- b Car costs of above paid by church
- c Net costs of providing, running, and depreciating a church owned car for the minister
- d Payments made as mileage allowances to ministers who use their own car for church purposes
- e 20% of any Housing Allowance paid to a minister living in his/her own property.

Note: This figure represents the amount which a church may have to spend on repairs if the minister is living in a church owned manse and is deemed to be included in the Housing Allowance paid.

The actual Housing Allowance paid should not be less than the sum recommended each year by Synod.

- f Payments made for Repairs and Decorations to church premises and church owned manses
- g Cost of Capital Works and projects
- h Junior Church and Sunday School costs
- i Repayments of loans and interest thereon
- j All payments for Charitable Purposes (Christian Aid, Commitment for Life, and the like)
- k Costs incurred in letting out premises (but not in connection with commercially arranged leases)  
These costs should not exceed 35% of the income received.

## **Q7 How do we use the NAE and Membership to calculate the Guided Contribution?**

### **Important Note:**

**This is the method used for United Reformed Church only and churches served by a URC minister. See Q9 for the method used for LEPs and other situations.**

We use different methods for the two parts of MMF (A & B in Q1)

### **A - Direct Ministry Costs**

For this we use a combination of a Factor (X %) applied to the NAE and Factor Y applied to the number of members

### **B - Other Costs**

For these we use a Factor Z applied to the number of members.

The total amount arrived at as above is then “Rounded” to an amount equally divisible by 12 in order to give full pound monthly payments.

**A working example is included at Appendix 3**

**Q8 What are “Factors”, who decides on them and how do we know what they are?**

Each year the Factors are reviewed by the Trust Officers in consultation with the Synod Pastoral Advisors and submitted to the Synod Executive Committee and then the Autumn Synod for approval for use during the following year.

The Factors for the current year (2021) are shown in Appendix 1 of this booklet. Each year the factors for the following year will be advised to Church/Group Treasurers (usually in October) when advising their Guided Contribution for the following year. Otherwise, they are freely available from the Synod Trust Officers and your church Synod Pastoral Advisor.

**Q9 How do we calculate the payments required from LEPs and the Wiltshire United Area?**

The method used depends very largely on the denomination of the minister serving the LEP or United Area.

**9a If the minister is from the URC**

**For Direct Ministry (A)**

Usually, we use the **Ministerial True Cost (MTC)**. **MTC** covers the cost to the URC of Stipend for one Minister or CRCW plus the associated costs of National Insurance and Pension provision. (See Appendix 1 for current year MTC)



Where it appears more appropriate, we use the same method of calculating **Direct Ministry (A)** as used for URC only churches but using the TOTAL membership (URC and others).

For **Other Costs (B)**, we use Factor Z applied to the number of URC members.

#### **9b If the minister is from another denomination.**

There is no requirement for **Direct Ministry (A)**

**Other Costs (B)** are calculated by applying Factor Z to the number of URC members

#### **9c The Wiltshire United Area**

For **Direct Ministry (A)** where stipendiary ministry is supplied by the URC, we apply the **Ministerial True Cost (MTC)** to the actual number of URC ministers serving. No charge applies for non-stipendiary or non-URC ministry.

For **Other Costs (C)** we use Factor Z applied to the number of URC members.

#### **Q10 Is there any change in the Guided Contribution if a church is in vacancy?**

At the October 2016 Synod the following Resolution was adopted:

*The United Reformed Church believes that churches should share as they are able to the work of the United*

*Reformed Church and that ministry should be provided according to the mission of the church. That ministry may be provided by a Minister of Word and Sacraments, by a local church leader, or other means.*

*Therefore, the SW Synod believes that all churches should contribute according to their means regardless of the level of ministry that they receive. The suggested fair share is calculated according to the means of the church.*

*Where churches have difficulty in meeting the proposed contribution to the M&M fund they may apply to the Synod Pastoral Adviser for a reduction in the assessment.*

*Where churches are currently receiving relief, it is proposed that transition arrangements will apply whilst still in vacancy until they reach the assessed level. Increases will be limited to 20% per year whilst the vacancy continues.*

*(The transition arrangements ended with the 2020 targets)*

**IMPORTANT NOTE re. Local Ecumenical Partnerships:**

**In the case of LEPs the Direct Ministry (A) changes immediately a URC minister arrives or leaves..**

**Q11 Are the methods described above applied to every Church and Group?**

The methods described above are applied wherever possible and, in most cases, but where the result appears to be inequitable or there are special financial or pastoral considerations adjustments may be made on an individual Church/Group basis and reviewed each year.

**Q12 How is the money collected from churches?**

The most convenient method for churches and for the Finance Office at Church House, London is by DIRECT DEBIT. When Finance Office, London is advised of the figures for the following year they confirm to churches how much will be taken from their bank accounts, usually on the 20<sup>th</sup> of the month. These figures correspond with those previously advised by the Synod Trust Officers.

Some churches prefer to pay by MONTHLY, QUARTERLY or ANNUAL CHEQUE direct to Church House, London. These methods are quite acceptable, but it is much preferred that the Direct Debit method be used as this enables the central church to budget for the monthly payments to ministers.

**Q13 Is there anything else which needs to be known to assist in understanding how we pay for ministry in the South West?**

### **13a Additional Voluntary MMF Contributions.**

Churches are reminded of the following resolution passed at General Assembly in 2014:

***General Assembly challenges churches to increase their giving to the Ministry & Mission Fund by at least 1% per annum.***

Such additional payments are greatly appreciated by the denomination and are used by the Central Church to further the work of the URC. They are regarded as donations to the central church over and above our annual pledge.

### **13b Preaching Fees (see also Appendix 2)**

Advice re preaching fees and travelling expenses is available on the Synod website (see the 'Finance Resources' page)

**[www.urcsouthwest.org.uk](http://www.urcsouthwest.org.uk)**

Gifts and Expenses for visiting preachers

### **13c Fixed Car & Housing Allowances**

These are normally added to the monthly MMF payments and collected in one amount by Direct Debit with the MMF assessment

**APPENDIX 1**  
**(See FAQ 8)**

**MMF Factors for 2021 & 2022**

**DIRECT MINISTRY**

**X% - 42% of average NAE**  
**£Y - £10 per member**

**OTHER COSTS**

**£Z - £100 per member**

**MINISTERIAL TRUE COST (where applicable)**

**£40,000**

## **APPENDIX 2**

### **OTHER FINANCIAL INFORMATION (not directly related to MMF) Applicable for 2021 & 2022**

#### **Preaching Fees (FAQ 13b)**

**The General Assembly recommended minimum fee is £40 per service plus expenses.**

#### **Travelling Expenses (FAQ 13b)**

**Actual public transport costs OR private car at 25p per mile for all types of preachers.**

**See Synod website for further guidance.**

#### **Ministers living in their own house (FAQ 13c)**

**It is the responsibility of the local church to agree with the minister the amount to be paid as Housing Allowance.**

**The Synod recommended Housing Allowance is £4,000 per annum for married ministers and £3,750 for single ministers.**

#### **Car mileage expenses:**

**1 Travel on Synod, Synod Executive and Area business or for preaching engagements:  
25p per mile for all - lay and ordained.**

**2 Travel by Minister (Stipendiary or non-stipendiary) and CRCW on pastorate business in Minister/CRCW owned car (all engine sizes):**

**First 10,000 miles - 45p per mile**

**Thereafter - 25p per mile**

**Fixed Car Allowance (FAQ 13c)**

**For Stipendiary Ministers and CRCWs (grossed up for Employer's National Insurance) and paid through the central payroll.**

**£1,200**

**Car Allowance and Housing Allowance are paid through the central payroll and are grossed up for NI purposes.**

**Note: Further guidance on expenses can be obtained from The Plan for Partnership on the URC web site: [www.urc.org.uk](http://www.urc.org.uk)**

### APPENDIX 3

#### An example of a calculation for 2021 for a United Reformed Church

(Refer to Appendix 1 for factors used)

##### New Town URC

Number of members as of December 31 2020 - 75

NAE for 2019 - £58,792

NAE for 2018 - £60,513

Average NAE - £59,653

##### DIRECT MINISTRY

NAE £59,653 x 42% = 25,054

75 Members @ £10 = 750

25,804

##### OTHER COSTS

75 members @ £100

7,500

##### TOTAL

**£33,304**

Rounded to

**£33,312**

Monthly Direct Debit

**£2,776**



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