



Church of Ireland – Parish Handbook – **Republic of Ireland**

RECEIPTS & PAYMENTS ACCOUNTS COMPARED WITH ACCRUAL ACCOUNTS

What are Receipts and Payment Accounts and Accrual Accounts?

- **Receipts and Payments Accounts** are a simpler form of accounts based on money received and paid through the Parish bank and cash accounts, during the financial year, with a statement of assets and liabilities. A parish should use this type of accounts if its gross income is **less than €250,000 per year** (in calculating Gross income, a parish excludes any receipts that have come from endowments, loans and proceeds from the sale of investments or fixed assets).

The following **four documents must be included** as part of the Parish's full accounting and reporting requirements under receipts and payments accounts:

- Trustees' (Select Vestry's) Annual Report
 - Receipts and Payments Account
 - Statement of Assets and Liabilities
 - Independent Examiner's Report
- **Accrual Accounts** are accounts that record the income of a particular activity when there is an entitlement or probability about income, and expenses, when the liability is incurred. This is not necessarily the same date when money is received or paid out.

Example of Income which would be accrued –

A local business donates €1,000 to the Parish at 29th December, the funds have not reached the Parish bank account but the treasurer is aware the funds have been transferred from the business. This income under the accrual method would be included in the year-end accounts and shown as a donation of €1,000 with a corresponding entry in debtors for monies due.

Example of Expenditure which would be accrued –

New carpet has been laid in the Parish Church in December, but no invoice has yet been received at 31st December, the year-end date. The treasurer would include this expense as the work has been completed in Church repairs and a corresponding entry in liabilities as an accrual for monies due to be paid (owed) by Parish.

Accrual Accounts should be prepared if a parish fulfils at least one of the following criteria.

- Have a gross income of more than €250,000 in the relevant financial year.
- The parish's governing document requires accrual accounts.
- If there is any condition of funding, etc that parish must prepare accruals accounts.
- A decision has been made by the Select Vestry to prepare accrual accounts.

The following four documents must be included as part of the Parishes full accounting and reporting requirements under accrual accounts:

- Charity Trustees' (Select Vestry's) Annual Report
- Statement of Financial Activities (SoFA) and relevant notes
- Balance Sheet and relevant notes
- Auditor's Report

Accrual accounting compliant with the Charities SORP (Statement of Recommended Practice) is proposed for charities with either gross income or total expenditure over €250,000 per annum. An annual audit for such charities will also be required once the legislation is enacted, however at the time of writing (February 2026) no date has yet been given for this.

If your Parish has already adopted SORP accounting, the Charities SORP 2026 became effective for charities for accounting periods commencing 1 January 2026, and should be implemented in conjunction with FRS102, which has, *inter alia*, new rules regarding accounting for leases. Please seek professional advice as necessary.

- **Accounting Records**

All charities are required to keep proper books of account under section 47 of the Charities Act 2009. A failure to do so is an offence for which a charity and its trustees can be prosecuted.

To comply with best practice a Parish should keep

- A Cash Book
- Bank Statements
- Vouchers, invoices, receipts and other supporting evidence of income and expenditure

A Parish may keep

- A General Ledger
- Computer spreadsheets
- Accounting software and supporting data.

This advice will be updated as and when the legislative and regulatory environment changes.